

**NORTH SCOTT  
COMMUNITY  
SCHOOL DISTRICT**

Eldridge, Iowa



**Comprehensive Annual  
Financial Report  
For The Fiscal Year  
Ended June 30, 2020**



Comprehensive Annual Financial Report of the

North Scott Community School District  
Eldridge, Iowa

For the Fiscal Year Ended June 30, 2020

Official Issuing Report  
Jill Van Roekel – Director of Business Affairs

Office Issuing Report  
Business Office

**Notice**

The North Scott Community School District does not discriminate on the basis of race, color, national origin, religion, sex, disability, sexual orientation, gender identity or marital status in its educational programs, services or employment practices. Inquiries concerning application of this statement should be addressed to:

*Òä Åæ•^} , Equity Coordinator*

*308 North Main Street  
Donahue, Iowa 52746*

*563-282-9627*



INTRODUCTORY SECTION



**North Scott**  
**Community Schools**

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **Table of Contents**

---

### **INTRODUCTORY SECTION (UNAUDITED)**

---

Letter of transmittal	i - vii
Certificate of excellence	viii
Certificate of achievement for excellence	ix
Organizational chart	x
Board of Education and School District Administration	xi
Consultants and advisors	xii

---

### **FINANCIAL SECTION**

---

Independent auditor's report	1 - 3
Management's discussion and analysis	4 - 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16 - 17
Statement of activities	18 - 19
Governmental fund financial statements:	
Balance sheet governmental funds	20
Reconciliation of the balance sheet – governmental funds to statement of net position	21
Statement of revenues, expenditures and changes in fund balances - governmental funds	22
Reconciliation of the statement of revenues, expenditures and changes in fund balances – governmental funds to the statement of activities	23
Proprietary fund financial statements:	
Statement of net position proprietary funds	24
Statement of revenues, expenses and changes in net position proprietary funds	25
Statement of cash flows proprietary funds	26 - 27
Fiduciary fund financial statements:	
Statement of assets and liabilities fiduciary fund	28
Notes to basic financial statements	29 - 55
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and Changes in balances – actual to budget – all governmental funds and enterprise funds	56 - 57
Schedule of changes in the District's total OPEB liability and related ratios	58
Iowa Public Employees' Retirement System:	
Schedule of the District's proportionate share of the net pension liability	59
Schedule of District contributions	60 - 61
Notes to required supplementary information	62 - 63
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	64
Combining statement of revenues, expenditures and changes in fund balances	65
Capital projects funds:	
Schedule of combining balance sheet, by account	66
Schedule of combining statement of revenues, expenses and changes in fund balances, by account	67
Nonmajor enterprise funds:	
Combining statement of net position	68
Combining statement of revenues, expenditures and changes in net position	69
Combining statement of cash flows	70 - 71
Agency fund:	
Statement of changes in assets and liabilities	72

---

---

**STATISTICAL SECTION (UNAUDITED)**

---

Statistical section contents	73
Net position by component	74 – 75
Expenses, program revenues and net (expense) revenue	76 – 77
General revenues and total change in net position	78 – 79
Fund balances, governmental funds	80 – 81
Governmental funds revenues	82 – 83
Governmental funds expenditures and debt service ratio	84 – 85
Other financing sources and uses and net change in fund balances, governmental funds	86 – 87
Assessed value and actual value of taxable property	88
Direct and overlapping property tax rates	89 – 90
Principal property tax payers	91
Property tax levies and collections	92
Outstanding debt by type	93
Ratio of net bonded debt to assessed values	94
Ratio of annual debt service principal and interest for general bonded debt to total general expenditures	95
Legal debt margin information	96 – 97
Direct and overlapping governmental activities debt	98
Pledged revenue coverage	99
Demographic and economic statistics	100
Principal employers	101
Full-time equivalent district employees by type	102 – 103
Operating statistics	104 – 105
Free and reduced students	106
School building information	107 – 108
Capital asset information	109 – 110
Miscellaneous demographic statistics	111 – 116
Property values, construction and bank deposits	117
Enrollment by grade and certified enrollment	118 – 119
Schedule of insurance coverage	120 – 121
History of state aid payments	122
Local regular program budget vs. teacher settlements, new money	123
Average salary by education level	124 – 125
Total package settlement	126 – 127
Financial solvency ratio	128

---

**COMPLIANCE SECTION**

---

Schedule of expenditures of federal awards	129
Notes to schedule of expenditures of federal awards	130
Summary schedule of prior audit findings	131
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 <i>Government Auditing Standards</i>	132 – 133
Independent auditor's report on compliance for each major federal program and report on Internal control over compliance required by the Uniform Guidance	134 – 135
Schedule of findings and questioned costs	136 – 139
Corrective action plan	140





. . . . a commitment to the community.

December 10, 2020

Mrs. Joni Dittmer, President  
and Members of the Board of  
Education and Citizens of  
North Scott Community School District  
Eldridge, Iowa

We are delighted to submit to you the Comprehensive Annual Financial Report, (CAFR) of the North Scott Community School District, (the "District") for the year ending June 30, 2020. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

The report presents the financial information of the District accurately and concisely. It is comprehensive, yet easily readable. The Comprehensive Annual Financial Report will be submitted to the Association of School Business Officials of the United States and Canada (ASBO) for review for the ASBO Certificate of Excellence and to the Government Finance Officers Association for the GFOA Certificate of Achievement.

This letter of transmittal is designed to complement the Management's Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

#### Management Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes the entire District. The District is not included in any other reporting entity, nor is any other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

#### Basis of Accounting and Accounting System

The District's accounting records for general operations are maintained on a modified accrual basis, with the revenue being accrued when available and measurable. Expenditures are recorded when the services or goods are received and the liabilities are incurred. Accounting records for the District's nutrition and day care programs and internal service fund are maintained on the accrual basis. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Bohnsack & Frommelt LLP, Certified Public Accountants.

In developing and evaluating the accounting system of the school District, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the internal accounting controls of the school District adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### Profile of the Government

North Scott Community School District was incorporated November 1956. The District is supported financially by state aid, property taxes, state and federal grants for special projects and local revenue. The District is governed by a seven-member board of education. The elections are held in November of odd-numbered years. Three and four positions are up for election on alternate odd-numbered years. All board members are elected at large.

The combined financial statements include all funds, organizations, account groups, agencies, boards, commissions and other authorities. The District 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 District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The criteria considered in determining financial accountability include appointing a voting majority of an organization's governing body, and 1) the ability of the District 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 District.

The District provides a full range of educational services for residents of the North Scott Community School District appropriate to students in early childhood and grades kindergarten through twelve. The District serves approximately 3,300 students. These services include basic, regular and enriched academic education, specialized education for handicapped children, vocational education and many individualized programs such as specialized instruction for students at-risk.

There are no charter schools located within the boundaries of the North Scott Community School District.

### Debt Administration

As of June 30, 2020 the District had \$11,009,456 of debt applicable to its legal debt margin. This amount is well below the District's bonding capacity of \$64,143,478.

### Financial Policies

The District invests in only those securities allowed by the Code of Iowa, Chapter 12C. Because of the timing of the state aid payments, a portion of the available cash must be kept in very liquid accounts. To maximize investment return, the District invests in a bank Sweep Account with rates ranging from 3.14% down to .75%, a Savings Account with rates ranging from 1.97% down to .45%, ISJIT with rates ranging from 2.01% down to .01%. Interest revenue of \$460,341 was earned on all cash and investments for the fiscal year ending June 30, 2020. This represents a decrease of \$161,216 or 26%. The decrease in revenue can be attributed to a drop in interest rates beginning in April 2020.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa Law pursuant to Chapter 28E and Section 279.29, Iowa code (1985), as amended which authorized Iowa schools to jointly invest monies pursuant to a joint investment agreement. The objective of the liquid account is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa schools under Iowa law. Money may be withdrawn at any time.

The District currently covers property and liability losses with traditional insurance coverage through the Iowa Association of School Board's group plan carried by Employer's Mutual Insurance Company. Worker's Compensation coverage is provided by United Heartland. The group health plan is self-funded with stop loss policies purchased for both specific and group aggregate limits. The dental and vision plans are also self-funded with individual limits of the amount the plan will pay annually.

### Budgeting

The District's Board of Education annually adopts a budget and approves the related appropriations for the General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds in accordance with provisions outlined in the statutes of the State of Iowa. The budgets are prepared on an accrual basis, which details estimates of GAAP revenues and GAAP expenditures, and use of beginning fund balances, whereas the financial statements of the funds are prepared on either the modified accrual basis or accrual basis of accounting. A statement comparing the budget to actual receipts and disbursements is included in the required supplemental information in aggregate form for fund types for which budgets are required.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides the District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

For management control, the budget is reviewed on a line item basis for up to a 10% variance. However, since a budget is a plan, overages on a line item basis are allowed if sufficient funds are available on a major function basis.

### Enrollment Projections

With the North Scott Community School District being a suburb of a large metropolitan area, growth to the District is dependent on new housing additions and new families moving into the area. In the last few years, the enrollment has been shifting from the rural areas of the District to the center of the District where the junior high and high school are located as well as the major highways to allow for commuting into the larger metropolitan area. It is projected that total enrollment will stay steady.

### Long-term Financial Planning

An important element in maintaining an excellent educational program is the management of fiscal and capital resources. The District uses a long-term planning process, consistent enrollment and a steady growth in property tax base has helped achieve and maintain salary and benefit schedules that attract and retain quality staff, excellent facilities and equipment that is updated annually, there is community support for the Instructional Support Levy and the Physical Plant and Equipment Levy.

### Age of School Buildings

The District was incorporated in 1956. A high school was completed in 1958, followed by the construction of five elementary buildings and a Jr. High building between 1967 and 1976. Major building additions were completed on all seven educational buildings between 1998 and 2000. Major building additions and improvements took place during 2013-2017 at Edward White, Alan Shepard Elementary, John Glenn Elementary, the Jr. High and High School. In 2018-2019 the Lancer Athletic Building was completed, the High School kitchen, cafeteria and auditorium were remodeled. In 2019, a transportation facility was purchased. In 2020, a new indoor practice facility was completed.

### Major Initiatives and Achievements

Despite pressures from financial challenges and the coronavirus pandemic, the 2019-2020 school year was a year of growth, achievement and change. Following are some of the major accomplishments or initiatives from the 2019-2020 year.

- The District continued with a partnership with the Mississippi Bend AEA and University of Northern Iowa's Jacobsen Center for Literacy to train K-6 building literacy coaches. Coaches' responsibilities include coaching, modeling and providing professional development for teachers to improve their instructional expertise. The seventh cohort of teachers started their training in Reading interventions through this program this year.
- Elementary coaches completed Cognitive Coaching training to enhance their coaching conversation skills.
- The District is involved with professional development opportunities focusing on the Iowa Core and Common Core, in the core areas of Literacy, Math, Science and Social Studies. Many non-core areas have been added to this work, for example, teacher librarians, CTE teachers, and counselors.
- Professional Learning Communities have been established district-wide and continue to be a focus for our staff.
- The District assessed students in grades 4-10 on the Measures of Academic Progress assessment. This is a computerized individual growth assessment in Reading and Math. We used this data in grades 5-10 to look at projections for college and career readiness.
- The 2019-20 National History Day theme was "Triumph and Tragedy." Twenty-eight students presented at the state level and fourteen students represented North Scott at the 40th National History Day competition in June 2020. Over 3,000 students from around the world participate in the National History Day competition.
- Every school faculty is in the process of fully implementing Multi-Tiered System of Supports (MTSS) to respond to individual student's needs in an organized, systematic manner using the multiple resources available within the school, District, and community.
- Every school building has reading specialists to assist with literacy remediation. Each specialist receives on-going professional development throughout the year.
- Continuation of a web-based student records/management system allows parents to view student assignments, grades and progress.
- Apex, a credit recovery program, is offered to students at the high school.
- The FFA program at North Scott has been expanding with students successfully participating in multiple FFA competitions.

District efforts are focused on supporting and increasing student learning. Due to the 2020 spring closure, the District does not have standardized assessment growth data available for the 2019-2020 school year. Listed below is information on student achievement for 2018-19:

- ISASP ELA Results:

3 <sup>rd</sup> grade – 77%	4 <sup>th</sup> grade – 81%	5 <sup>th</sup> grade – 77%
6 <sup>th</sup> grade – 83%	7 <sup>th</sup> grade – 87%	8 <sup>th</sup> grade – 82%
9 <sup>th</sup> grade – 89%	10 <sup>th</sup> grade – 79%	11 <sup>th</sup> grade – 80%

- ISASP Math Results:

3 <sup>rd</sup> grade – 85%	4 <sup>th</sup> grade – 82%	5 <sup>th</sup> grade – 79%
6 <sup>th</sup> grade – 88%	7 <sup>th</sup> grade – 85%	8 <sup>th</sup> grade – 80%
9 <sup>th</sup> grade – 85%	10 <sup>th</sup> grade – 79%	11 <sup>th</sup> grade – 84%

- The dropout rate of students in grades 9-12 in 2019 was 1.01% (latest data available).
- 100% of 2019-2020 North Scott graduates completed a core program of 4 years of English, and 3 years each of math, science, and social studies.
- The 2019 graduation rate for the North Scott Community School District was 97.3% for four year graduates. This is the latest data available.
- 88.78% of 2020 graduating seniors indicated they intended to pursue post-secondary education or training.

### Economic Condition and Outlook

Due to the coronavirus pandemic, the District is operating in a new era filled with uncertainty. Some financial shortfalls for the 2021 fiscal year will be supplemented through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, other potential state funding sources and District savings. The financial impact the coronavirus pandemic will have on 2021 and future years however, is unknown.

The District's General Fund Balance increased by \$647,881, and the Unassigned Fund Balance increased by \$474,848. This change in the Unassigned Fund Balance is due primarily to substitute costs, gasoline, diesel, snow removal, utility and transportation savings from a more mild winter and school being shut down from mid-March 2020 through the end of the year.

The District's solvency ratio for 2019-2020 is 22.58%, compared to 21.01%, in 2018-2019. It is recommended the District have a solvency ratio of no more than 25%.

The 2019 Legislative Session extended the SAVE (Secure Advanced Vision for Education) fund until January 1<sup>st</sup>, 2051. In 2020, the Board and community passed a voter-approved Public Education and Recreation Levy in support of a community YMCA.

The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Enrollment decreased 1.5% from 3,077.25 in 2019-2020 to 3,029.62 in 2020-2021. The October 2020 certified count increased to 3,070.99. The cost per pupil for 2019-20 is \$6,880 and the cost per pupil for 2020-21 is \$7,048. The cost per pupil for 2021-22 is currently unknown.

Division VII of House File 215 established the Teacher Leadership and Compensation System, as well as the Teacher Leadership Supplement (TLS) of categorical funding. There was \$3.5 million of planning grants available for the 2013-2014 school year as well as \$50 million available per year for the 2014-15 through 2016-17 school years for phased-in entry to the program. The district was awarded this grant beginning in 2015-16. The cost per pupil for 2019-20 is \$340.89. The cost per pupil for 2021-22 is currently unknown.

During the 2020 Legislative session, Supplemental State Aid was set at 2.30 percent for 2020-2021. Continued low Supplemental State Aid makes balancing the budget challenging. An early retirement incentive was offered for June 30, 2020.

### Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the general purpose financial statements and combining individual fund statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separate section for the internal controls and compliance.

### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials of the United States and Canada (ASBO) awarded a Certificate of Excellence in Financial Reporting to the North Scott Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. The North Scott Community School District received these awards for the first time for its fiscal year 1983 ASBO Comprehensive Annual Financial Report and the 1985 GFOA Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded the Certificates, a governmental must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet program requirements for both awards and we are submitting it to ASBO and GFOA to determine its eligibility for each certificate.

### Other Matters

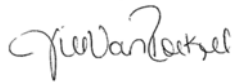
Also included in this report is a statistical section that will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

1. Analysis of facilities, classroom and staffing
2. Staffing levels for a ten (10) year period
3. Location and economic profile
4. Major taxpayers of the District
5. Major employers of the District
6. Enrollments by grade level
7. Operating cost per pupil
8. Schedule of insurance coverage
9. History of state aid payments
10. Free and reduced percentages
11. Teacher average salary and education
12. Local regular program budget vs. teacher settlements
13. Other labor settlements
14. Financial solvency ratio

We wish to take this opportunity to thank the administrative office staff who assisted in obtaining and organizing data, the County Auditor and Treasurer offices and the city and town officials who provided much needed information. Without all of the above groups' efforts, the report could not have been completed.

Finally, sincere appreciation is extended to the Board of Directors, where the commitment to excellence begins. It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Directors.

Very truly yours,



Jill Van Roekel  
Director of Business Affairs



Joe Stutting  
Superintendent of Schools



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**North Scott Community School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Scott Community School District  
Iowa**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

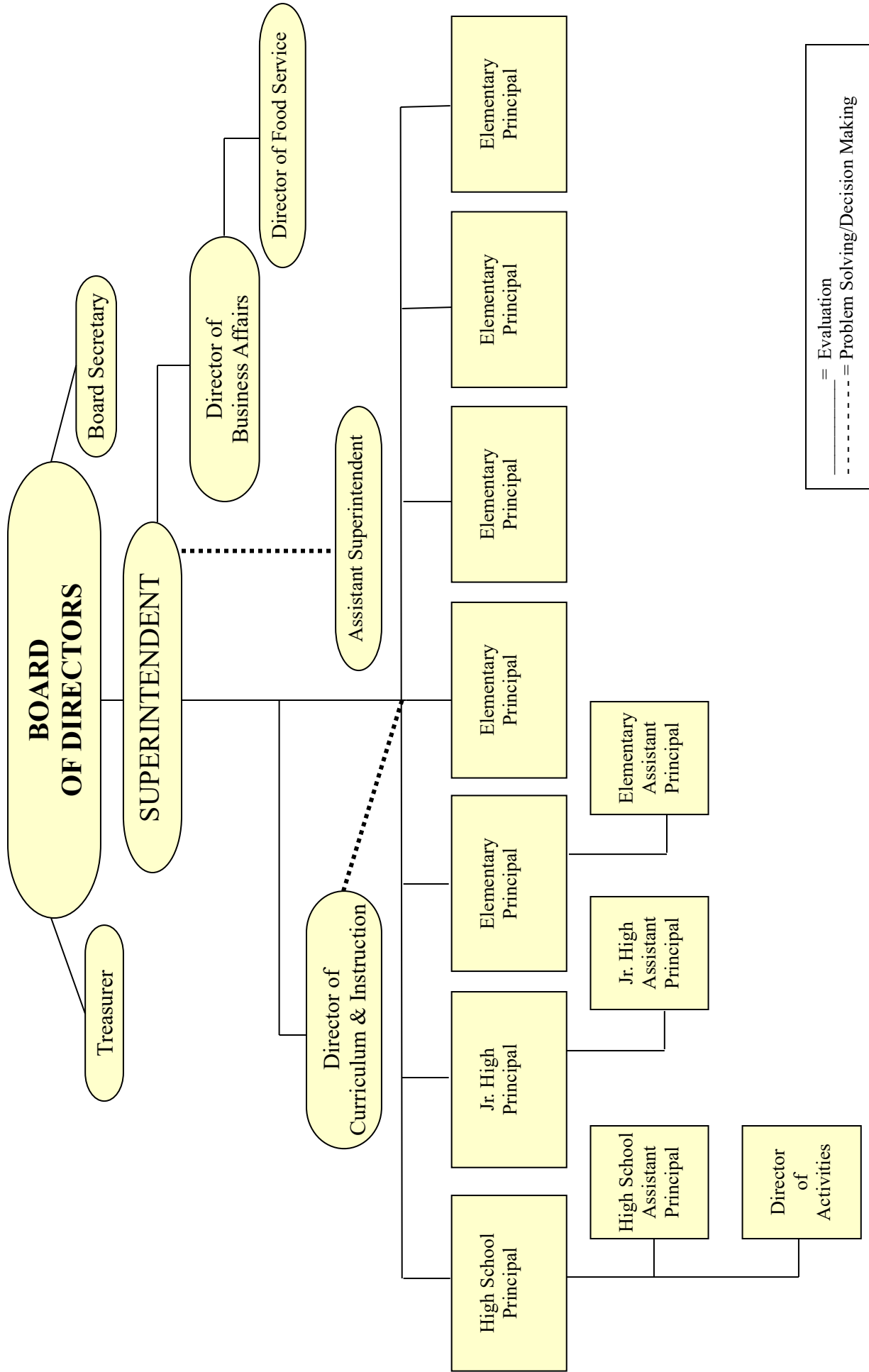
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

NORTH SCOTT COMMUNITY SCHOOL DISTRICT

Organizational Chart



\_\_\_\_\_ = Evaluation  
----- = Problem Solving/Decision Making

## North Scott Community School District

### Board of Education and School District Administration Year Ended June 30, 2020

---

---

#### Board of Education

---

Prior November 2020:	Title	Term Expires
Glen Keppy	President	2023
Tracy Lindaman	Vice President	2021
Molly Bergfeld	Director	2023
Joni Dittmer	Director	2023
John Maxwell	Director	2023
Mark Pratt	Director	2021
Donn Wilmott	Director	2021

After November 2020:	Title	Term Expires
Joni Dittmer	President	2023
Tracy Lindaman	Vice President	2021
Molly Bergfeld	Director	2023
Glen Keppy	Director	2023
John Maxwell	Director	2023
Mark Pratt	Director	2021
Donn Wilmott	Director	2021

---

#### School District Administration

---

Joe Stutting	Superintendent
Michael Kline	Assistant Superintendent
Terina Bruns	Board Secretary
Steven Fahrenkrog	Treasurer
Jill Van Roekel	Director of Business Affairs
Sue Kane	Director of Curriculum & Instruction
Amy Guerrero	Director of Food Service
Shane Knoche	Principal
John Hawley	Principal
Bernadette Brustkern	Principal
Tim Green	Principal
Kyle Harris	Principal
Kelly Rohlf	Principal
Chad Ruth	Principal
Frank Wood	Associate Principal
Jason Schroeder	Associate Principal
Aaron Schwartz	Associate Principal
Erin Paysen	Associate Principal
Heather Shults-Hendricks	Associate Principal

## **North Scott Community School District**

### **Consultants and Advisors**

**Year Ended June 30, 2020**

---

#### **Certified Public Accountants**

Bohnsack & Frommelt LLP  
1500 River Drive, Suite 200  
Moline, Illinois 61265

#### **Financial Consultants**

Public Financial Management, Inc.  
801 Grand Avenue, Suite 3300  
Des Moines, Iowa 50309

#### **Personnel Services**

Lynch Dallas, PC  
526 Second Avenue SE  
Cedar Rapids, Iowa 52406

#### **Official Depositories**

US Bank  
PO Box 940  
Davenport, Iowa 52805-0940

Blackhawk Bank & Trust  
PO Box 1100  
Milan, Illinois 61264-1100

First Trust & Savings Bank  
123 South Main Street  
Wheatland, Iowa 52777

#### **Bond Attorneys**

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

#### **General Counsel**

Lane & Waterman  
220 North Main Street, Suite 600  
Davenport, Iowa 52801-1987

#### **Insurance Consultants**

R.J. Lee & Associates  
1700 - 52nd Avenue, Suite B  
Moline, Illinois 61265

#### **Official Depositories**

First Central State Bank  
PO Box 119  
DeWitt, Iowa 52742

The Education Liquidity Fund  
1415 - 28th Street, Suite 200  
West Des Moines, Iowa 50266

Iowa Schools Joint Investment Trust  
453 - 7th Street, PO Box 897  
Des Moines, Iowa 50304-0897

FINANCIAL SECTION



**North Scott**  
**Community Schools**

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **Independent Auditor's Report**

To the Board of Education  
North Scott Community School District  
Eldridge, Iowa

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Scott Community School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Scott Community School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters.**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the District's total OPEB liability and related ratios, budgetary comparison information, schedule of the District's proportionate share of the net pension liability for the pension retirement system and schedule of the District contributions for the pension retirement system on pages 4–15 and 56-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other information, including the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020 on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
December 10, 2020

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

---

North Scott Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

#### **2020 FINANCIAL HIGHLIGHTS**

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$3,145,314 during the year ended June 30, 2020.
- Total revenues for the fiscal year ended June 30, 2020 and 2019 of \$43,896,164 and \$44,130,988 were comprised of general revenues in the amount of \$34,094,155 and \$34,467,515 and program revenues totaling \$9,802,009 and \$9,663,473, respectively.
- The District's General Fund balance increased by \$647,881, the unassigned fund balance increased by \$474,848 and the nonspendable/restricted/assigned fund balance increased by \$173,033. The increase in the unassigned fund balance is primarily due to the increase in state appropriations.
- In fiscal year 2020 the District decreased long-term debt by \$1,020,000 and paid interest on long term debt of \$314,655.

#### **USING THIS ANNUAL REPORT**

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

- Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about the activities of North Scott Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report North Scott Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which North Scott Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

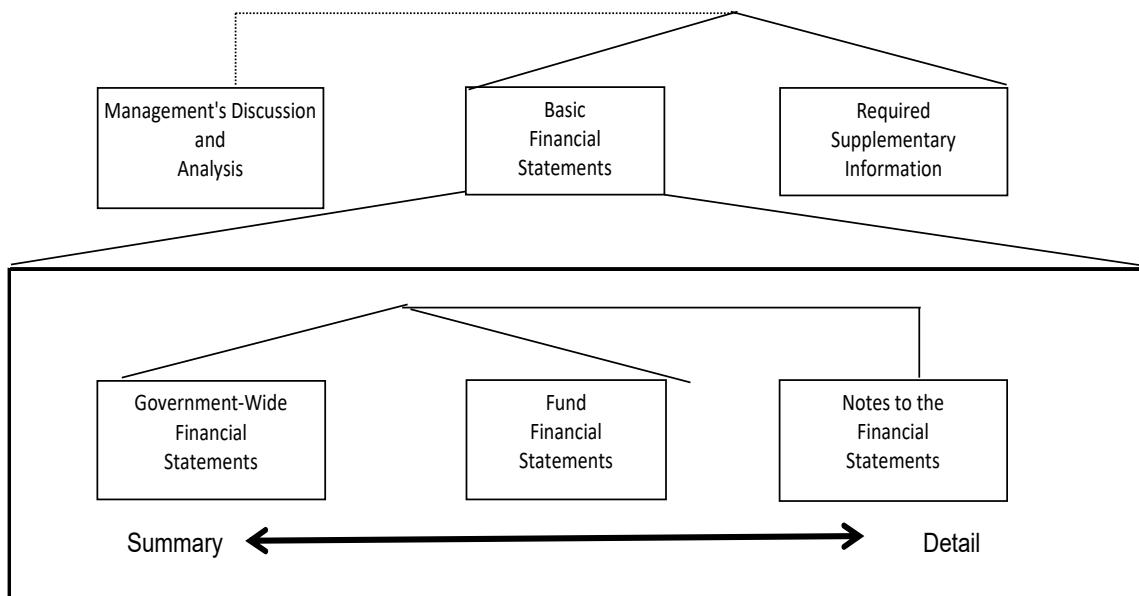
**North Scott Community School District**

**Management's Discussion and Analysis  
Year Ended June 30, 2020**

---

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1  
North Scott Community School District Annual Financial Report



## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and child care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, and student activities monies
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures and changes in fund balances	Statement of net position  Statement of revenues, expenses and changes in net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short- term and long- term	All assets and liabilities, both short- term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

---

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial position. Over time, increases or decreases in the District's net position is an indicator of whether the financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities.** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- **Business-type activities.** The District charges fees to help cover the costs of certain services it provides. The District's school nutrition, child care, and student construction programs are included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

**Governmental funds.** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial position that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliations following each of the governmental fund statements explains the relationship or differences between the two statements.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

---

The District's governmental funds include the General Fund and Capital Projects Fund and nonmajor funds including the Management Fund, Student Activity Fund, Public Education and Recreation Levy Fund, and Debt Service Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

**Proprietary funds.** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds, the School Nutrition Fund, the Child Care Fund, and the Student Construction Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund, Self-funded Insurance Fund.

The required financial statements for proprietary funds include a statement of net position, statement of revenues, expenses and changes in net position and a statement of cash flows.

**Fiduciary funds.** The District is the trustee, or fiduciary, for the assets that belong to others. These funds include the agency fund.

*Agency fund*—These are funds for which the District accounts for revenues and expenditures of other various club accounts.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purpose and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2020 compared to June 30, 2019.

**Figure A-3 Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total District		Total
							Percentage
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	Change 2019-20
Current and other assets	\$ 43,113,445	\$ 41,851,091	\$ 1,701,122	\$ 856,804	\$ 44,814,567	\$ 42,707,895	4.9%
Capital assets	48,280,892	46,571,983	664,836	685,021	48,945,728	47,257,004	3.6%
<b>Total assets</b>	<b>91,394,337</b>	<b>88,423,074</b>	<b>2,365,958</b>	<b>1,541,825</b>	<b>93,760,295</b>	<b>89,964,899</b>	<b>4.2%</b>
Deferred outflows of resources	4,129,085	4,924,500	147,177	172,415	4,276,262	5,096,915	-16.1%
Long-term liabilities	28,323,983	30,905,200	826,383	631,355	29,150,366	31,536,555	-7.6%
Other liabilities	4,929,237	4,998,105	176,821	63,671	5,106,058	5,061,776	0.9%
<b>Total liabilities</b>	<b>33,253,220</b>	<b>35,903,305</b>	<b>1,003,204</b>	<b>695,026</b>	<b>34,256,424</b>	<b>36,598,331</b>	<b>-6.4%</b>
Deferred inflows of resources	17,961,331	15,852,020	107,653	45,627	18,068,984	15,897,647	13.7%
Net position:							
Net investment in capital assets	37,521,436	34,773,981	664,836	685,021	38,186,272	35,459,002	7.7%
Restricted	10,709,426	10,530,257	-	-	10,709,426	10,530,257	1.7%
Unrestricted	(3,921,991)	(3,711,989)	737,442	288,566	(3,184,549)	(3,423,423)	-7.0%
<b>Total net position</b>	<b>\$ 44,308,871</b>	<b>\$ 41,592,249</b>	<b>\$ 1,402,278</b>	<b>\$ 973,587</b>	<b>\$ 45,711,149</b>	<b>\$ 42,565,836</b>	<b>7.4%</b>

The District's combined net position increased by 7.4 percent or \$3,145,311 from the prior year net position. The increase in net position was due primarily to an increase in capital assets, principal payments on long-term debt and a decrease of \$1,836,474 in net pension liability.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$2,727,270 or 7.7 percent. The District's capital assets increased by \$1,688,724. The District's capital related debt decreased \$1,020,000 from principal payments and \$18,546 from amortization of the premium on the revenue bonds.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$179,169 from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of \$3,423,423 to a deficit of \$3,184,549. The deficit in unrestricted net position is due to the net pension liability and the net OPEB liability.



## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

Figure A-4 shows the changes in net position for the year ended June 30, 2020 compared to June 30, 2019.

**Figure A-4 Changes in Net Position From Operating Results**

	Governmental Activities		Business-Type Activities		Total District		Total
							Percentage
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	Change 2019-20
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,017,269	\$ 1,709,389	\$ 1,015,322	\$ 1,312,032	\$ 3,032,591	\$ 3,021,421	0.4%
Operating grants and contributions and restricted interest	5,268,541	5,573,722	1,243,865	698,264	6,512,406	6,271,986	3.8%
Capital grants	257,012	370,066	-	-	257,012	370,066	0.0%
General revenues:							
Local tax	18,656,447	19,195,718	-	-	18,656,447	19,195,718	-2.8%
Unrestricted state and federal revenues	14,954,654	14,515,809	-	-	14,954,654	14,515,809	3.0%
Other	450,655	719,070	32,399	36,918	483,054	755,988	-36.1%
<b>Total revenues</b>	<b>41,604,578</b>	<b>42,083,774</b>	<b>2,291,586</b>	<b>2,047,214</b>	<b>43,896,164</b>	<b>44,130,988</b>	<b>-0.5%</b>
<b>Program expenses:</b>							
Governmental activities:							
Instruction	24,599,296	24,436,644	-	-	24,599,296	24,436,644	0.7%
Support services	12,385,279	12,219,947	-	-	12,385,279	12,219,947	1.4%
Noninstructional	15,033	20,911	-	-	15,033	20,911	-28.1%
Other expenditures	1,692,472	1,640,690	-	-	1,692,472	1,640,690	3.2%
Nutrition services	-	-	1,713,827	1,609,856	1,713,827	1,609,856	6.5%
Child care services	-	-	339,628	337,322	339,628	337,322	0.7%
Student construction	-	-	5,315	-	5,315	-	100.0%
<b>Total expenses</b>	<b>38,692,080</b>	<b>38,318,192</b>	<b>2,058,770</b>	<b>1,947,178</b>	<b>40,750,850</b>	<b>40,265,370</b>	<b>1.2%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>2,912,498</b>	<b>3,765,582</b>	<b>232,816</b>	<b>100,036</b>	<b>3,145,314</b>	<b>3,865,618</b>	<b>-18.6%</b>
Transfers	(195,876)	52,183	195,876	(52,183)	-	-	0.0%
<b>Change in net position</b>	<b>2,716,622</b>	<b>3,817,765</b>	<b>428,692</b>	<b>47,853</b>	<b>3,145,314</b>	<b>3,865,618</b>	<b>-18.6%</b>
Beginning net position	41,592,249	37,774,484	973,586	925,733	42,565,835	38,700,217	10.0%
Ending net position	\$ 44,308,871	\$ 41,592,249	\$ 1,402,278	\$ 973,586	\$ 45,711,149	\$ 42,565,835	7.4%

#### Governmental activities:

Local tax and unrestricted state grants account for 80.7 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 95.5 percent of the total governmental activities expenses.

The decrease in total revenue is primarily due to the decrease in local taxes due to a lower maximum cash reserve levy in the current year.

Total expenses for governmental activities increased by \$373,888. The increase is primarily reflected in instruction and support services due to increases in wages and expenses related to pension and other postemployment benefits.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses:

**Figure A-5 Net Cost of Governmental Activities**

	Total Cost of Services			Net Cost of Services		
			Percentage			Percentage
	June 30, 2020	June 30, 2019	Change	June 30, 2020	June 30, 2019	Change
Instruction	\$ 24,599,296	\$ 24,436,644	0.66%	\$ 18,729,056	\$ 18,570,036	0.9%
Support services	12,385,279	12,219,947	1.33%	12,083,197	11,752,759	2.8%
Noninstructional	15,033	20,911	-39.10%	15,033	20,911	-28.1%
Other expenses	1,692,472	1,640,690	3.06%	321,972	321,309	0.2%
<b>Total</b>	<b>\$ 38,692,080</b>	<b>\$ 38,318,192</b>	<b>0.97%</b>	<b>\$ 31,149,258</b>	<b>\$ 30,665,015</b>	<b>1.6%</b>

The cost financed by users of the District's programs for the year ended June 30, 2020 was \$2,017,269 compared to year ended June 30, 2019 \$1,709,389.

Federal and state governments subsidized certain programs with grants and contributions totaling \$5,525,553 for the year ended June 30, 2020 compared to year ended June 30, 2019 \$5,943,788.

The net cost of governmental activities was financed respectively for the years ended June 30, 2020 and 2019 with \$18,656,447 and \$19,195,718 in property tax, income surtax and statewide sales, services and use tax, \$14,954,654 and \$14,515,809 in unrestricted state and federal revenue, \$446,073 and \$602,218 in unrestricted investment earnings and \$4,582 and \$116,852 in other general revenues.

### Business-Type Activities

Revenues of the District's business-type activities were \$2,291,586 and expenses were \$2,058,770. The District's business-type activities include the School Nutrition Fund, and the nonmajor Child Care Fund and the nonmajor Student Construction Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

The School Nutrition Fund revenues increased due to COVID-19 and participation in the Summer Food Service Program. Operating expenses reflected an increase of \$103,971 over 2019. After nonoperating revenues and expenses, which include federal nutrition grants and an operating transfer to the General Fund, the School Nutrition Fund increased net position by \$263,135.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

---

#### **INDIVIDUAL FUND ANALYSIS**

As previously noted, the North Scott Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$18,572,807; an increase of \$663,207 from last year's ending fund balances of \$17,909,600. The District spent \$2,554,345 for facilities acquisition in 2020 compared to \$3,639,670 in 2019.

#### **Governmental Fund Highlights**

The District's General Fund financial position increased by \$647,881. The District's General Fund revenues of \$34,867,591 reflect a \$24,839 increase from prior year revenue of \$34,482,752. The increase is primarily due to an increase in state appropriations. Expenditures reflected an increase from \$33,582,796 in 2019 to \$34,022,343 in 2020.

The General Fund balance increased from \$8,254,981 to \$8,902,862.

The Capital Projects Fund balance decreased from \$6,899,382 in fiscal year 2019 to \$6,497,865 in fiscal year 2020. The District expended \$2,554,345 for facilities purchases and improvements in 2020 compared to \$3,639,670 in 2019. In addition, the Capital Projects Fund transferred \$1,335,463 to the Debt Service Fund for payment of principal and interest on the District's revenue bonds.

#### **Proprietary Fund Highlights**

Enterprise funds net position increased from \$973,586 in 2019 to \$1,402,278 in 2020. The School Nutrition Fund net position increased from \$758,763 in 2019 to \$1,021,898 in fiscal 2020. The net pension liability for the proprietary funds as of June 30, 2020 was \$531,209.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its internal service and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison.

The District had one budget amendment on May 26 2020, which increased overall expenditures by \$2,564,781

The District's total actual revenues were \$183,110 more than the total budgeted revenues, a variance of 0.4%.

Total expenditures were less than budgeted by \$2,723,228.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2020, the District had invested \$48,945,728, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of \$1,688,724 from last year. More detailed information about capital assets is available in Note 6 for the financial statements. Depreciation expense for the year was \$1,939,966.

The original cost of the District's capital assets was \$87,205,221. Governmental funds account for \$85,918,334 with the remainder of \$1,286,887 the proprietary school nutrition fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	2019-20
Land and construction in progress	\$ 3,325,899	\$ 1,527,227	\$ -	\$ -	\$ 3,325,899	\$ 1,527,227	117.8%
Buildings	39,894,127	40,715,899	-	-	39,894,127	40,715,899	-2.0%
Land improvements	1,727,685	1,699,632	-	-	1,727,685	1,699,632	1.7%
Machinery and equipment	3,333,181	2,629,225	664,836	685,021	3,998,017	3,314,246	20.6%
<b>Total</b>	<b>\$ 48,280,892</b>	<b>\$ 46,571,983</b>	<b>\$ 664,836</b>	<b>\$ 685,021</b>	<b>\$ 48,945,728</b>	<b>\$ 47,257,004</b>	<b>3.6%</b>

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2020

#### Long-Term Debt

As of June 30, 2020, the District had \$29,150,366 in long-term obligations outstanding. See Figure A-7.

**Figure A-7 Outstanding Long-Term Obligations**

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	2019-20
Revenue bonds	\$ 10,759,456	\$ 11,798,002	\$ -	\$ -	\$ 10,759,456	\$ 11,798,002	-9.7%
Line of credit	-	-	250,000	-	250,000	-	100.0%
Early retirement	396,646	203,660	-	-	396,646	203,660	48.7%
Compensated absences	116,210	115,368	6,750	6,880	122,960	122,248	0.6%
Net OPEB liability	1,335,398	1,291,619	38,424	37,070	1,373,822	1,328,689	3.4%
Net pension liability	15,716,273	17,496,551	531,209	587,405	16,247,482	18,083,956	-10.2%
<b>Total</b>	<b>\$ 28,323,983</b>	<b>\$ 30,905,200</b>	<b>\$ 826,383</b>	<b>\$ 631,355</b>	<b>\$ 29,150,366</b>	<b>\$ 31,536,555</b>	<b>-7.6%</b>

More detailed information about the District's long-term liabilities is available in Note 7 to the financial statements.

The District has two series of School Infrastructure Sales, Services and Use Tax Revenue Bonds which are to be repaid using statewide sales, services and use tax collected in the Capital Project Fund which mature in 2029.

In September 2019, the District obtained a \$250,000 line of credit to construct student built spec homes on property located at 106 Muhs Circle, Eldridge, Iowa. The note is collateralized by the property, bears interest of 3.65% and matures on September 24, 2020.

The District also had compensated absences payable of \$122,960 as of June 30, 2020, which will be paid primarily out of the General Fund.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2020**

---

#### **ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

The economic condition and outlook of the District have remained consistent during the last 10 years. Enrollment has ranged from 2,948.9 to 3,128.1 and the District's taxable valuation has increased on average just under 4% per year. The Iowa Legislature set the funding growth rate for 2020-2021 at 2.3% and the funding growth rate for 2021-2022 is currently unknown. Continued low Supplemental State Aid makes balancing the budget challenging. An early retirement incentive was offered for June 30, 2020.

The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Enrollment decreased 1.5% from 3,077.25 in 2019-2020 to 3,029.6 in 2020-2021. The October 2020 certified count increased to 3,070.99. The cost per pupil for 2019-20 was \$6,880 and the cost per pupil for 2020-21 is \$7,048. The cost per pupil for 2021-22 is currently unknown.

Due to the coronavirus pandemic, the District is operating in a new era filled with uncertainty. Some financial shortfalls for the 2021 fiscal year will be supplemented through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, other potential state funding sources and District savings. The financial impact of the coronavirus pandemic will have on 2021 and future years however, is unknown.

The 2019 Legislative Session extended the SAVE (Secure Advanced Vision for Education) fund until January 1, 2051. In 2020, the Board and community passed a voter-approved Public Education and Recreation Levy in support of a community YMCA.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jill Van Roekel, Director of Business Affairs, North Scott Community School district, 251 E. Iowa St., Eldridge, Iowa 52748.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**North Scott Community School District**

**Statement of Net Position**

**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 24,342,243	\$ 1,222,659	\$ 25,564,902
Restricted cash equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	148,105	-	148,105
Succeeding year	15,012,541	-	15,012,541
Income surtax	224,021	-	224,021
Accounts	48,308	193,291	241,599
Due from other governments	1,530,318	-	1,530,318
Inventories	73,647	59,051	132,698
Prepaid expenses	351,813	1,030	352,843
Assets held for sale	-	225,091	225,091
<b>Total current assets</b>	<b>43,113,445</b>	<b>1,701,122</b>	<b>44,814,567</b>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	3,325,899	-	3,325,899
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	39,894,127	-	39,894,127
Land improvements	1,727,685	-	1,727,685
Machinery and equipment	3,333,181	664,836	3,998,017
<b>Total noncurrent assets</b>	<b>48,280,892</b>	<b>664,836</b>	<b>48,945,728</b>
<b>Total assets</b>	<b>91,394,337</b>	<b>2,365,958</b>	<b>93,760,295</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	267,598	8,127	275,725
Pension related deferred outflows	3,861,487	139,050	4,000,537
<b>Total deferred outflows of resources</b>	<b>4,129,085</b>	<b>147,177</b>	<b>4,276,262</b>

See Notes to Basic Financial Statements.



	Governmental Activities	Business-Type Activities	Total
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	818,487	61,867	880,354
Salaries and benefits payable	3,414,981	14,068	3,429,049
Claims payable	501,000	-	501,000
Accrued interest	24,163	5,315	29,478
Unearned revenue	170,606	-	170,606
Deposits	-	95,571	95,571
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	116,210	6,750	122,960
Loans payable	-	250,000	250,000
Early retirement	200,102	-	200,102
Revenue bonds	1,040,000	-	1,040,000
Portion due after one year:			
Early retirement	196,544	-	196,544
Revenue bonds	9,719,456	-	9,719,456
Net OPEB liability	1,335,398	38,424	1,373,822
Net pension liability	15,716,273	531,209	16,247,482
<b>Total liabilities</b>	<b>33,253,220</b>	<b>1,003,204</b>	<b>34,256,424</b>
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	15,012,541	-	15,012,541
OPEB related deferred inflows	277,657	8,465	286,122
Pension related deferred inflows	2,671,133	99,188	2,770,321
<b>Total deferred inflows of resources</b>	<b>17,961,331</b>	<b>107,653</b>	<b>18,068,984</b>
<b>Net Position:</b>			
Net investment in capital assets	37,521,436	664,836	38,186,272
Restricted for:			
Categorical funding	920,481	-	920,481
Debt service	1,551,625	-	1,551,625
School infrastructure	3,476,482	-	3,476,482
Management levy	2,542,108	-	2,542,108
Physical plant and equipment levy	1,757,934	-	1,757,934
Public education and recreation	532	-	532
Student activities	460,264	-	460,264
Unrestricted	(3,921,991)	737,442	(3,184,549)
<b>Total net position</b>	<b>\$ 44,308,871</b>	<b>\$ 1,402,278</b>	<b>\$ 45,711,149</b>

**North Scott Community School District**

**Statement of Activities**  
**Year Ended June 30, 2020**

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 15,700,559
Special	4,143,677
Other	4,755,060
	<u>24,599,296</u>
Support services:	
Student	1,597,632
Instructional staff	2,440,185
Administration	3,760,468
Operation of plant	2,352,668
Transportation	2,234,326
	<u>12,385,279</u>
Noninstructional programs	<u>15,033</u>
Other expenditures:	
AEA flowthrough	1,370,500
Interest	321,972
	<u>1,692,472</u>
<b>Total governmental activities</b>	<u><b>38,692,080</b></u>
Business-type activities:	
Nutrition services	1,713,827
Child care services	339,628
Student construction	5,315
<b>Total business-type activities</b>	<u><b>2,058,770</b></u>
<b>Total</b>	<u><b>\$ 40,750,850</b></u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Unrestricted intergovernmental revenues	
Unrestricted state and federal grants	
Unrestricted investment earnings	
Other	
Gain on sale of capital assets	
Transfers	
<b>Total general revenues and transfers</b>	
<b>Change in net position</b>	
Net position, beginning of year	
Net position, end of year	

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,258,950	\$ 2,878,506	\$ 16,952	\$ (11,546,151)	\$ -	\$ (11,546,151)
276,187	494,648	-	(3,372,842)	-	(3,372,842)
422,090	471,195	51,712	(3,810,063)	-	(3,810,063)
1,957,227	3,844,349	68,664	(18,729,056)	-	(18,729,056)
4,534	27,089	-	(1,566,009)	-	(1,566,009)
24,824	403	-	(2,414,958)	-	(2,414,958)
8,331	8,955	-	(3,743,182)	-	(3,743,182)
22,353	-	188,348	(2,141,967)	-	(2,141,967)
-	17,245	-	(2,217,081)	-	(2,217,081)
60,042	53,692	188,348	(12,083,197)	-	(12,083,197)
-	-	-	(15,033)	-	(15,033)
-	1,370,500	-	-	-	-
-	-	-	(321,972)	-	(321,972)
-	1,370,500	-	(321,972)	-	(321,972)
2,017,269	5,268,541	257,012	(31,149,258)	-	(31,149,258)
740,710	1,243,074	-	-	269,957	269,957
274,612	791	-	-	(64,225)	(64,225)
-	-	-	-	(5,315)	(5,315)
1,015,322	1,243,865	-	-	200,417	200,417
\$ 3,032,591	\$ 6,512,406	\$ 257,012	(31,149,258)	200,417	(30,948,841)

12,132,177	-	12,132,177
1,627,608	-	1,627,608
732,162	-	732,162
4,164,500	-	4,164,500
14,954,654	-	14,954,654
446,073	14,268	460,341
-	18,131	18,131
4,582	-	4,582
(195,876)	195,876	-
33,865,880	228,275	34,094,155
2,716,622	428,692	3,145,314
41,592,249	973,586	42,565,835
\$ 44,308,871	\$ 1,402,278	\$ 45,711,149

**North Scott Community School District**

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Capital Projects	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and pooled investments	\$ 11,755,836	\$ 4,925,615	\$ 2,940,463	\$ 19,621,914
Restricted cash equivalents	-	1,382,449	-	1,382,449
Receivables:				
Property tax:				
Delinquent	122,524	16,427	9,154	148,105
Succeeding year	12,013,242	1,735,499	1,263,800	15,012,541
Income surtax	224,021	-	-	224,021
Accounts	12,567	-	189	12,756
Due from other governments	994,382	535,919	17	1,530,318
Inventories	73,647	-	-	73,647
Prepaid items	34,649	74,449	241,715	350,813
<b>Total assets</b>	<b>\$ 25,230,868</b>	<b>\$ 8,670,358</b>	<b>\$ 4,455,338</b>	<b>\$ 38,356,564</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 481,602	\$ 317,994	\$ 18,891	\$ 818,487
Accrued liabilities	3,414,414	-	567	3,414,981
Unearned revenue	170,606	-	-	170,606
<b>Total liabilities</b>	<b>4,066,622</b>	<b>317,994</b>	<b>19,458</b>	<b>4,404,074</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	12,013,242	1,735,499	1,263,800	15,012,541
Income surtax	224,021	-	-	224,021
Other	24,121	-	-	24,121
Statewide sales and services tax	-	119,000	-	119,000
<b>Total deferred inflows of resources</b>	<b>12,261,384</b>	<b>1,854,499</b>	<b>1,263,800</b>	<b>15,379,683</b>
Fund balances:				
Nonspendable:				
Inventories	73,647	-	-	73,647
Prepaid items	34,649	74,449	241,715	350,813
Restricted for:				
Categorical funding	920,481	-	-	920,481
Debt service	-	1,382,449	169,176	1,551,625
Management levy purposes	-	-	2,313,904	2,313,904
Student activities	-	-	446,753	446,753
School infrastructure	-	3,357,482	-	3,357,482
Physical plant and equipment levy	-	1,683,485	-	1,683,485
Public education and recreation	-	-	532	532
Assigned for special purposes	574,714	-	-	574,714
Unassigned	7,299,371	-	-	7,299,371
<b>Total fund balances</b>	<b>8,902,862</b>	<b>6,497,865</b>	<b>3,172,080</b>	<b>18,572,807</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 25,230,868</b>	<b>\$ 8,670,358</b>	<b>\$ 4,455,338</b>	<b>\$ 38,356,564</b>

See Notes to Basic Financial Statements.

## North Scott Community School District

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2020

---

Total fund balances of governmental funds	\$ 18,572,807
---	---------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	48,280,892
--	------------

The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	4,255,881
--	-----------

Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	367,142
--	---------

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

OPEB related deferred outflows of resources	267,598
OPEB related deferred inflows of resources	(277,657)
Pension related deferred outflows of resources	3,861,487
Pension related deferred inflows of resources	(2,671,133)

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Revenue bonds, current	(1,040,000)
Revenue bonds, noncurrent	(9,550,000)
Premium on revenue bonds	(169,456)
Accrued interest	(24,163)
Early retirement	(396,646)
Compensated absences, current	(116,210)
Net OPEB liability	(1,335,398)
Net pension liability	(15,716,273)

**Net position of governmental activities**

<b>\$ 44,308,871</b>
----------------------

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

**Year Ended June 30, 2020**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Local tax	\$ 12,600,384	\$ 1,656,308	\$ 746,234	\$ 15,002,926
Tuition	1,382,197	-	-	1,382,197
Other	586,751	140,681	650,663	1,378,095
State appropriations	19,507,454	3,384,541	23,908	22,915,903
Federal appropriations	790,805	-	-	790,805
<b>Total revenues</b>	<b>34,867,591</b>	<b>5,181,530</b>	<b>1,420,805</b>	<b>41,469,926</b>
Expenditures:				
Current:				
Instruction:				
Regular	14,188,794	1,201	148,679	14,338,674
Special	4,165,387	-	-	4,165,387
Other	3,885,255	-	527,062	4,412,317
	<b>22,239,436</b>	<b>1,201</b>	<b>675,741</b>	<b>22,916,378</b>
Support services:				
Student	1,528,756	-	29,490	1,558,246
Instructional staff	2,067,506	317,977	15,311	2,400,794
Administration	3,282,443	267,491	48,671	3,598,605
Operation and maintenance of plant	2,639,940	184,611	185,343	3,009,894
Transportation	888,154	923,032	44,089	1,855,275
	<b>10,406,799</b>	<b>1,693,111</b>	<b>322,904</b>	<b>12,422,814</b>
Noninstructional programs	5,608	-	9,425	15,033
Other expenditures:				
Capital outlay facilities acquisition	-	2,554,345	-	2,554,345
Current, AEA flowthrough	1,370,500	-	-	1,370,500
Debt service:				
Principal	-	-	1,020,000	1,020,000
Interest	-	-	316,355	316,355
	<b>1,370,500</b>	<b>2,554,345</b>	<b>1,336,355</b>	<b>5,261,200</b>
<b>Total expenditures</b>	<b>34,022,343</b>	<b>4,248,657</b>	<b>2,344,425</b>	<b>40,615,425</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>845,248</b>	<b>932,873</b>	<b>(923,620)</b>	<b>854,501</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	3,509	1,073	-	4,582
Transfers in	33,527	-	1,340,463	1,373,990
Transfers out	(234,403)	(1,335,463)	-	(1,569,866)
<b>Total other financing sources (uses)</b>	<b>(197,367)</b>	<b>(1,334,390)</b>	<b>1,340,463</b>	<b>(191,294)</b>
<b>Net change in fund balances</b>	<b>647,881</b>	<b>(401,517)</b>	<b>416,843</b>	<b>663,207</b>
Fund balances, beginning of year	8,254,981	6,899,382	2,755,237	17,909,600
Fund balances, end of year	\$ 8,902,862	\$ 6,497,865	\$ 3,172,080	\$ 18,572,807

See Notes to Basic Financial Statements.

## North Scott Community School District

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June, 30 2020

---

Net change in fund balances - total governmental funds	\$	663,207
--	----	---------

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation expense in the statement of activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlay	\$	3,557,699	
Depreciation expense		<u>(1,848,790)</u>	1,708,909
Gain on disposal of capital assets		4,582	
Proceeds from the sale of capital assets		<u>(4,582)</u>	-

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities.

505,916

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues

46,423

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Payment of principal on revenue bonds	1,020,000
Amortization of premium on issuance of revenue bonds	18,546
Interest expense	(24,163)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	(192,986)
Compensated absences	(842)
Net OPEB liability	(65,678)
Pension expense	<u>(962,710)</u>

#### Change in net position of governmental activities

\$	<u>2,716,622</u>
----	------------------

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 621,419	\$ 601,240	\$ 1,222,659	\$ 4,720,329
Receivables, accounts	190,394	2,897	193,291	35,552
Inventories	59,051	-	59,051	-
Prepaid expenses	550	480	1,030	1,000
Assets held for sale	-	225,091	225,091	-
<b>Total current assets</b>	<b>871,414</b>	<b>829,708</b>	<b>1,701,122</b>	<b>4,756,881</b>
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	664,836	-	664,836	-
<b>Total noncurrent assets</b>	<b>664,836</b>	<b>-</b>	<b>664,836</b>	<b>-</b>
<b>Total assets</b>	<b>1,536,250</b>	<b>829,708</b>	<b>2,365,958</b>	<b>4,756,881</b>
<b>Deferred Outflows of Resources:</b>				
OPEB related deferred outflows	5,851	2,276	8,127	-
Pension related deferred outflows	95,606	43,444	139,050	-
<b>Total deferred outflows of resources</b>	<b>101,457</b>	<b>45,720</b>	<b>147,177</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	33,635	28,232	61,867	-
Salaries and benefits payable	8,109	5,959	14,068	-
Claims payable	-	-	-	501,000
Accrued interest	-	5,315	5,315	-
Deposits	91,071	4,500	95,571	-
Compensated absences	1,341	5,409	6,750	-
Loans payable	-	250,000	250,000	-
<b>Total current liabilities</b>	<b>134,156</b>	<b>299,415</b>	<b>433,571</b>	<b>501,000</b>
Noncurrent liabilities:				
Net OPEB liability	33,987	4,437	38,424	-
Net pension liability	373,848	157,361	531,209	-
<b>Total noncurrent liabilities</b>	<b>407,835</b>	<b>161,798</b>	<b>569,633</b>	<b>-</b>
<b>Total liabilities</b>	<b>541,991</b>	<b>461,213</b>	<b>1,003,204</b>	<b>501,000</b>
<b>Deferred Inflows of Resources:</b>				
OPEB related deferred inflows	6,000	2,465	8,465	-
Pension related deferred inflows	67,818	31,370	99,188	-
<b>Total deferred inflows of resources</b>	<b>73,818</b>	<b>33,835</b>	<b>107,653</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	664,836	-	664,836	-
Unrestricted	357,062	380,380	737,442	4,255,881
<b>Total net position</b>	<b>\$ 1,021,898</b>	<b>\$ 380,380</b>	<b>\$ 1,402,278</b>	<b>\$ 4,255,881</b>

See Notes to Basic Financial Statements.



**North Scott Community School District**

**Statement of Revenues, Expenses and Changes in Net Position**

**Proprietary Funds**

**Year Ended June 30, 2020**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Operating revenues:				
Local sources:				
Charges for service	\$ 740,710	\$ 274,612	\$ 1,015,322	\$ 5,070,194
Miscellaneous	18,083	48	18,131	-
<b>Total operating revenues</b>	<b>758,793</b>	<b>274,660</b>	<b>1,033,453</b>	<b>5,070,194</b>
Operating expenses:				
Instruction, regular, other				
Supplies	-	6,984	6,984	-
Other	-	2,071	2,071	-
Support services:				
Administration:				
Salaries	89,361	-	89,361	-
Benefits	35,263	-	35,263	-
Services	2,830	5,123	7,953	4,647,925
Other	30,681	-	30,681	-
Operation and maintenance of plant	-	355	355	-
Transportation:				
Salaries	-	726	726	-
Benefits	-	124	124	-
Noninstructional programs:				
Salaries	439,650	235,523	675,173	-
Benefits	177,488	67,999	245,487	-
Services	480	-	480	-
Supplies	846,898	20,648	867,546	-
Other	-	75	75	-
Depreciation	91,176	-	91,176	-
<b>Total operating expenses</b>	<b>1,713,827</b>	<b>339,628</b>	<b>2,053,455</b>	<b>4,647,925</b>
<b>Operating income (loss)</b>	<b>(955,034)</b>	<b>(64,968)</b>	<b>(1,020,002)</b>	<b>422,269</b>
Nonoperating revenues (expenses):				
State sources	11,258	-	11,258	-
Federal sources	1,231,816	791	1,232,607	-
Interest on investments	8,622	5,646	14,268	83,647
Interest expense	-	(5,315)	(5,315)	-
<b>Total nonoperating revenues (expenses)</b>	<b>1,251,696</b>	<b>1,122</b>	<b>1,252,818</b>	<b>83,647</b>
<b>Income (loss) before transfers</b>	<b>296,662</b>	<b>(63,846)</b>	<b>232,816</b>	<b>505,916</b>
Transfers in	-	229,403	229,403	-
Transfers (out)	(33,527)	-	(33,527)	-
<b>Change in net position</b>	<b>263,135</b>	<b>165,557</b>	<b>428,692</b>	<b>505,916</b>
Net position, beginning of year	758,763	214,823	973,586	3,749,965
Net position, end of year	\$ 1,021,898	\$ 380,380	\$ 1,402,278	\$ 4,255,881

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2020**

	Business-Type Activities, Enterprise Fund			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 591,378	\$ 284,285	\$ 875,663	\$ -
Miscellaneous services	18,083	48	18,131	5,066,080
Cash payments to:				
Employees for services	(715,419)	(291,776)	(1,007,195)	-
Suppliers for goods and services	(663,818)	(234,397)	(898,215)	(4,762,864)
<b>Net cash provided by (used in) operating activities</b>	<b>(769,776)</b>	<b>(241,840)</b>	<b>(1,011,616)</b>	<b>303,216</b>
Cash flows from noncapital financing activities:				
Transfers out	(33,527)	-	(33,527)	-
Transfers in	-	229,403	229,403	-
State grants received	11,258	-	11,258	-
Federal grants received	1,018,991	791	1,019,782	-
Issuance of debt	-	250,000	250,000	-
<b>Net cash provided by noncapital financing activities</b>	<b>996,722</b>	<b>480,194</b>	<b>1,476,916</b>	<b>-</b>
Cash flows from capital financing activities and related activities,				
Acquisition of capital assets	(70,991)	-	(70,991)	-
<b>Net cash (used in) capital financing activities</b>	<b>(70,991)</b>	<b>-</b>	<b>(70,991)</b>	<b>-</b>
Cash flows from investing activities,				
interest on investments	8,622	5,646	14,268	83,647
<b>Net increase in cash and cash equivalents</b>	<b>164,577</b>	<b>244,000</b>	<b>408,577</b>	<b>386,863</b>
Cash and cash equivalents:				
Beginning of year	456,842	357,240	814,082	4,333,466
End of year	\$ 621,419	\$ 601,240	\$ 1,222,659	\$ 4,720,329

(Continued)

**North Scott Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2020**

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor		Activities,
	Nutrition	Enterprise	Total	Internal
		Funds		Service Fund
Reconciliation of operating income				
(loss) to net cash provided by				
(used in) operating activities:				
Operating income (loss)	\$ (955,034)	\$ (64,968)	\$ (1,020,002)	\$ 422,269
Adjustments to reconcile operating				
income (loss) to net cash provided				
by (used in) operating activities:				
Commodities consumed	212,825	-	212,825	-
Depreciation	91,176	-	91,176	-
(Increase) decrease in:				
Inventories	(25,696)	-	(25,696)	-
Accounts receivable	(190,111)	5,173	(184,938)	(4,114)
Prepaid expenses	(17)	-	(17)	36
Assets held for sale	-	(225,091)	(225,091)	-
Increase (decrease) in:				
Accounts payable	29,959	25,950	55,909	(114,975)
Salaries and benefits payable	6,113	534	6,647	-
Net OPEB benefits	1,354	677	2,031	-
Net pension liability	19,765	10,626	30,391	-
Compensated absences payable	(889)	759	(130)	-
Deposits	40,779	4,500	45,279	-
<b>Net cash provided by</b>				
<b>(used in) operating</b>				
<b>activities</b>	<b>\$ (769,776)</b>	<b>\$ (241,840)</b>	<b>\$ (1,011,616)</b>	<b>\$ 303,216</b>
Noncash investing, capital and				
financing activities:				
Federal commodities	\$ 212,825	\$ -	\$ 212,825	\$ -

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2020

---

	<u>Agency</u>
<b>Assets</b>	
Cash and pooled investments	\$ 25,149
Accounts receivable	405
<b>Total assets</b>	<u><u>\$ 25,554</u></u>
<b>Liabilities</b>	
Due to other groups	\$ 25,554
<b>Total liabilities</b>	<u><u>\$ 25,554</u></u>

See Notes to Basic Financial Statements.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 1. Significant Accounting Policies

##### Reporting entity:

The North Scott Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. The geographic area served includes the cities of Dixon, Maysville, Donahue, Long Grove, Eldridge, McCausland and Princeton, Iowa and the predominate agricultural territory in Scott County. The District is governed by a Board of Education whose members are elected on a nonpartisan basis.

The District'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, North Scott Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District 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 District are such that exclusion would cause the District'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 District 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 District. The North Scott Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Scott County Assessors' Conference Board.

##### Basis of presentation:

Government-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

*Net investment in capital assets:* Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

*Restricted net position:* Result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position:* Consist of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 1. Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted or in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following nonmajor governmental funds:

The Management Fund, a special revenue fund, is utilized to account for the payment of property insurance as well as early retirement incentives.

The Student Activity Fund, a special revenue fund, is utilized to account for the various student run organizations and athletic accounts of the District.

The Public Education and Recreation Levy Fund accounts for the resources used to establish and maintain public recreation places and playgrounds and necessary accommodations.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of statewide sales, services and use tax.

The District reports the following major and nonmajor proprietary funds:

The District's proprietary funds are the Enterprise Funds, School Nutrition Fund, Child Care Fund, Student Construction Fund and the Internal Service Fund.

The School Nutrition Fund is considered a major fund due to public interest. The School Nutrition Fund is used to account for the food service operations of the District.

The Child Care Fund is a nonmajor fund used to account for the child care service operations of the District.

The Student Construction fund is a nonmajor fund used to account for the student construction operations of the District.

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2020**

---

#### **Note 1. Significant Accounting Policies (Continued)**

The Internal Service Fund is used to account for the self-funded health insurance plan of the District. The Internal Service Fund is charged back to the Governmental Funds and shown combined in the statement of net position and statement of activities. This chargeback is based on a percentage of total employees by the participants' various functional areas.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. Specifically, these are funds for which the District accounts for revenue collected for faculty accounts such as purchase of pop and related expenditures, and for funds collected for other various special group accounts. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

#### **Measurement focus and basis of accounting:**

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported using 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 satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2020**

---

#### **Note 1. Significant Accounting Policies (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District maintains its financial records on the accrual basis.

#### **Cash, pooled investments and cash equivalents:**

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in Iowa School Joint Investment Trust (ISJIT) which is valued at amortized cost and non-negotiable certificates of deposit which are stated at 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, they have a maturity date no longer than three months.

#### **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.

#### **Property taxes:**

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education 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 Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2019.



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 1. Significant Accounting Policies (Continued)

##### Inventories:

General Fund inventories are valued at cost using the first-in and first-out method. The inventories consist of supplies. General fund inventories are recorded as expenses when consumed on the government-wide financial statements.

The Enterprise Fund inventories are held for resale and are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The enterprise fund inventory consists primarily of food, with purchased food recorded at the lower cost (first-in, first-out method), or market and food commodities which were received from the federal government and recorded at the contributed value as of the date received.

##### Prepaid items:

The District accounts for the prepaid items by using the purchases method. Items prepaid include postage, registration, insurance, software package renewals, security and subscriptions.

##### Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Assets	Amount
Land	\$ 1
Buildings	3,000
Land improvements	3,000
Intangibles	100,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	3,000

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 1. Significant Accounting Policies (Continued)

Land is not depreciated. Buildings, land improvements, machinery and equipment and intangibles are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Machinery and equipment	5-15 years

#### Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2020, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2020.

#### Deposits:

Deposits consist primarily of monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the statement of net position in the proprietary, school nutrition fund.

#### Compensated absences:

District employees accumulate a limited amount of earned but unused vacation benefits payable to employees that are generally liquidated within one year as employees are only allowed to carry over five days which must be used in the next fiscal year. Vacation pay is payable to employees upon retirement or termination. Sick leave does not vest. Compensated absences are reported in governmental funds only if they have matured. The cost of vacation payments expected to be liquidated currently is recorded as a long-term liability on the statement of net position and will be paid in the future primarily from the General Fund. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2020. The full balance is due within a year.

#### Cash flows:

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 1. Significant Accounting Policies (Continued)

##### Fund balances:

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balances has been delegated to the Director of Business Affairs by the Board of Education. The District has assigned balances received from donations and parent organizations; that are not specifically restricted, for supplies and other purposes. Unlike commitments, assignments only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less restrictive classifications – assigned and then unassigned fund balances.

##### Deferred outflows/inflows of resources:

In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance or net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension and other post-employment benefit related deferred outflows that qualify for reporting in this category.

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2020**

---

#### **Note 1. Significant Accounting Policies (Continued)**

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax, property tax, other grants and income surtax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension and other post-employment benefit related deferred inflows in the government-wide statements and the proprietary fund statements.

#### **Net Position:**

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$920,481 for categorical funding, \$1,551,625 for debt service, \$3,476,482 for school infrastructure, \$2,542,108 for management levy, \$1,757,934 for physical plant and equipment levy, \$532 for public education and recreation and \$460,264 for student activities.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2020**

---

#### **Note 2. Budgets and Budgetary Accounting**

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district-wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The District did not exceed budgeted expenditures.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

- In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expense and the means of financing them for the upcoming year, along with estimates for the current and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
- Public hearings are required to be conducted to obtain taxpayer comment.
- Prior to April 15, the budget is legally enacted through certification from the County Auditor.
- Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
- The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
- Appropriations lapse at the end of each fiscal year.
- The budget cannot be amended without the approval of the Board of Education.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 3. Deposits and Pooled Investments

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities, certificates of deposit and other evidenced of deposit at federally insured depository institutions approved by the Board of Education; 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.

As of June 30, 2020, the District had the following investments:

Investment Type	Amortized Cost	Maturity (in Years) Less Than 1
Iowa Schools Joint Investment Trust	\$ 9,087,418	\$ 9,087,418

The District's investment is in the Iowa Schools Joint Investment Trust. The fund is valued at an amortized cost pursuant to Rule 21-7 under the Investment Company Act of 1940. There are no limitations or restrictions on withdrawals from these investments. The fund is rated by Standard & Poor AAAM.

**Interest rate risk:** The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's assets in an external investment pool is based on the average maturity of the pool's investments.

**Credit risk:** The investments in the Iowa School Joint Investment Trust are registered and not subject to rating. The District's policy relating to credit risk of investments is to have the majority of the District's bank deposits with an AAA/Aaa rated national banking company (by Standard & Poors and Moody's Investors Services). The District does not have a separate policy from state statutes in regard to concentration risk.

**Custodial credit risk:** The risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2020, none of the District's investments were exposed to custodial credit risk and deposits in banks were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is not subject to foreign-currency risk.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 4. Due from Other Governments

The detail of due from other governments for the year ended June 30, 2020 is as follows:

##### Governmental activities:

Local appropriation:

Tuition	\$	711,982
Other		45,922
<b>Total local appropriations</b>		<u>757,904</u>
State grants		560,935
Federal grants		211,479
<b>Total</b>	<b>\$</b>	<u><u>1,530,318</u></u>

#### Note 5. Transfers

The detail of transfers for the year ended June 30, 2020 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Major fund, School Nutrition	\$ 33,527
Nonmajor Governmental Funds:		
Debt Service	Major fund, Capital Projects	1,335,463
Student activity	Major fund, General	5,000
Nonmajor Enterprise Fund:		
Student Construction	Major fund, General	229,403
<b>Total</b>		<u><u>\$ 1,603,393</u></u>

The Capital Projects Fund transferred statewide sales, services and use tax revenue to the Debt Service Fund for payment of principal and interest on the bonds. The School Nutrition Fund transfer is to record indirect costs as required by the State of Iowa. The Student Construction Fund transfer is to start a new student construction fund program.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2020

### Note 6. Capital Assets

A summary of changes in property and equipment comprising capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 1,378,920	\$ -	\$ -	\$ 1,378,920
Construction in progress	148,307	1,975,662	176,990	1,946,979
<b>Total capital assets not being depreciated</b>	<b>1,527,227</b>	<b>1,975,662</b>	<b>176,990</b>	<b>3,325,899</b>
Capital assets being depreciated:				
Buildings	67,218,166	275,444	-	67,493,610
Land improvements	6,905,364	224,251	-	7,129,615
Machinery and equipment	7,187,425	1,259,332	477,547	7,969,210
<b>Total capital assets being depreciated</b>	<b>81,310,955</b>	<b>1,759,027</b>	<b>477,547</b>	<b>82,592,435</b>
Less accumulated depreciation for:				
Buildings	26,502,267	1,097,216	-	27,599,483
Land improvements	5,205,732	196,198	-	5,401,930
Machinery and equipment	4,558,200	555,376	477,547	4,636,029
<b>Total accumulated depreciation</b>	<b>36,266,199</b>	<b>1,848,790</b>	<b>477,547</b>	<b>37,637,442</b>
<b>Total capital assets being depreciated, net</b>	<b>45,044,756</b>	<b>(89,763)</b>	<b>-</b>	<b>44,954,993</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 46,571,983</b>	<b>\$ 1,885,899</b>	<b>\$ 176,990</b>	<b>\$ 48,280,892</b>
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 1,261,954	\$ 70,991	\$ 46,058	\$ 1,286,887
Less accumulated depreciation	576,933	91,176	46,058	622,051
<b>Total capital assets being depreciated, net</b>	<b>685,021</b>	<b>(20,185)</b>	<b>-</b>	<b>664,836</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 685,021</b>	<b>\$ (20,185)</b>	<b>\$ -</b>	<b>\$ 664,836</b>



# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2020

### Note 6. Capital Assets (Continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$	715,958
Other		365,741

Support services:

Administration		88,759
Operation and maintenance of plant		311,373
Transportation		366,959

<b>Total governmental activities depreciation expense</b>	<b>\$</b>	<b>1,848,790</b>
---	-----------	------------------

Business-type activities:

Food services		91,176
---------------	--	--------

<b>Total business-type activities depreciation expense</b>	<b>\$</b>	<b>91,176</b>
--	-----------	---------------

### Note 7. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2020:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds, Series 2013	\$ 6,665,000	\$ -	\$ 590,000	\$ 6,075,000	\$ 600,000
Revenue bonds, Series 2014	4,945,000	-	430,000	4,515,000	440,000
Premium on revenue bonds	188,002	-	18,546	169,456	-
Early retirement	203,660	294,816	101,830	396,646	200,102
Compensated absences	115,368	116,242	115,400	116,210	116,210
Net OPEB liability	1,291,619	43,779	-	1,335,398	-
Net pension liability	17,496,551	-	1,780,278	15,716,273	-
<b>Total</b>	<b>\$ 30,905,200</b>	<b>\$ 454,837</b>	<b>\$ 3,036,054</b>	<b>\$ 28,323,983</b>	<b>\$ 1,356,312</b>
Business-type activities:					
Compensated absences	\$ 6,880	\$ 6,770	\$ 6,900	\$ 6,750	\$ 6,750
Line of credit	-	250,000	-	250,000	250,000
Net OPEB liability	37,070	1,354	-	38,424	-
Net pension liability	587,405	-	56,196	531,209	-
<b>Total</b>	<b>\$ 631,355</b>	<b>\$ 258,124</b>	<b>\$ 63,096</b>	<b>\$ 826,383</b>	<b>\$ 256,750</b>

Compensated absences, OPEB liabilities and pension liabilities are generally liquidated by the General Fund.

In September 2019, the District obtained a \$250,000 line of credit to construct student built spec homes on property located at 106 Muhs Circle, Eldridge, Iowa. The note is collateralized by the property, bears interest of 3.65% and matures on September 24, 2020.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 7. General Long-Term Debt (Continued)

##### Revenue bonds:

- On June 25, 2013, the District issued \$10,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.00 percent to 3.20 percent and had an unpaid balance of \$6,075,000.
- On September 23, 2014, The District issued \$7,000,000 in School Infrastructure Sale, Services and Use Tax Revenue Bonds to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.00 percent to 3.125 percent and had an unpaid balance of \$4,515,000.

The Series 2013 and Series 2014 revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects Fund. The bonds have a first priority lien and are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District through their maturity in 2029. The bonds are not general obligations of the District. The pledge of statewide sales, service and use tax revenues constitutes approximately 32% of annual statewide sales, service and use tax revenues of the District.

The total principal and interest remaining to be paid on the bonds is \$12,172,689. During the year ended June 30, 2020, principal of \$1,020,000 and interest of \$314,655 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,187,492.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- All proceeds from the statewide sales, service and use tax shall be deposited into the revenue account.
- Monies in the revenue account shall first be disbursed to make deposits into the sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year. At June 30, 2020, there was \$169,176 deposited in the sinking fund account.
- Monies in the revenue account shall next be disbursed to maintain a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. At June 30, 2020, there was \$1,382,449 deposited in the revenue account.
- If monies in the sinking fund exceed the required amount, the excess shall be transferred to the revenue account.

**North Scott Community School District**

**Notes to Financial Statements  
Year Ended June 30, 2020**

**Note 7. General Long-Term Debt (Continued)**

Annual debt service requirement on the outstanding indebtedness as of June 30, 2020, are as follows:

**Series 2013:**

Year ending June 30:	Rate	Principal	Interest	Total
2021	2.00%	\$ 600,000	\$ 167,880	\$ 767,880
2022	2.00%	615,000	155,880	770,880
2023	2.35%	630,000	142,350	772,350
2024	2.75%	650,000	127,545	777,545
2025	3.00%	670,000	109,670	779,670
2026-2029	3.00-3.20%	2,910,000	230,340	3,140,340
<b>Total</b>		<b>\$ 6,075,000</b>	<b>\$ 933,665</b>	<b>\$ 7,008,665</b>

**Series 2014:**

Year ending June 30:	Rate	Principal	Interest	Total
2021	3.00%	\$ 440,000	\$ 122,075	\$ 562,075
2022	3.00%	455,000	108,875	563,875
2023	2.25%	465,000	95,225	560,225
2024	2.25%	480,000	84,762	564,762
2025	2.375%	495,000	73,962	568,962
2026-2029	2.25-3.00%	2,180,000	164,125	2,344,125
<b>Total</b>		<b>\$ 4,515,000</b>	<b>\$ 649,024</b>	<b>\$ 5,164,024</b>

The June 30, 2020 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 1,282,869,553</u>
Debt limit, 5% of total assessed valuation	\$ 64,143,478
Amount of debt applicable to debt limit:	
General obligation bonded debt	10,759,456
Line of credit	<u>250,000</u>
	<u>11,009,456</u>
<b>Excess of debt limit over bonded debt     outstanding, legal debt margin</b>	<u><b>\$ 53,134,022</b></u>

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 7. General Long-Term Debt (Continued)

**Early retirement:** The District offered a voluntary early retirement plan to selected employee classifications in 2018 and 2020. Eligible employees had to be at least age 55 and have completed at least 15 years of consecutive service to the District. Employees were required to complete an application which was approved by the Board of Education. The retirement benefit was 40 percent of the retiree's base wage at the time of their retirement. This amount was deposited into a Health Reimbursement Account and was intended to be used on a pretax basis for the retired employee's eligible medical expenses and/or health insurance premiums. The benefit to the Premium Plan was be paid in three equal installments in January following the year of retirement. As of June 30, 2020, the District had 19 participants in the 2018 plan and 16 participants in the 2020 plan and outstanding obligations of \$396,646 under the plan. The early retirement program was funded through a property tax assessment. Early retirement incentives are paid primarily out of the nonmajor special revenue, Management Levy Fund.

#### Note 8. Postemployment Benefits Other Than Pensions (OPEB)

##### General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the North Scott Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. The medical/prescription drug coverage is provided through a self-funded plan with stop-loss limits from First Administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of September 1, 2019 for each plan are as shown below:

Rate Tier	Medical
Single	\$ 632
Family	1,315

Employees covered by benefit terms: At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	320
	<u>337</u>

Total OPEB Liability: The District's total OPEB liability of \$1,373,822 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2020 reporting date.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2020

### Note 8. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per annum
Salary increases	3.25% per annum
Discount rate	3.13% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.40% with an ultimate health care cost trend rate of 4.00%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 2010– 2019.

### Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2019	\$ 1,328,689	\$ -	\$ 1,328,689
Changes for the year:			
Service cost	110,958	-	110,958
Interest	50,871	-	50,871
Changes of benefit terms	-	-	-
Differences between expected and actual experience	215,473	-	215,473
Changes in assumptions or other inputs	(263,432)	-	(263,432)
Benefit payments	(68,737)	-	(68,737)
Net changes	45,133	-	45,133
Balance at June 30, 2020	\$ 1,373,822	\$ -	\$ 1,373,822

Changes of assumptions or other inputs reflect a change in the discount rate from 3.62% per annum in 2019 to 3.13% per annum in 2020. Healthcare trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans. Medical per capita claims costs were updated to reflect recent experience. Withdrawal, retirement, mortality, disability and salary increase rates were updated from the rates used in the June 30, 2017 IPERS Regular Members actuarial valuation to the rates from the June 2018 IPERS Demographic Assumptions Study. The percent of future retirees assumed to elect coverage at retirement changed from 60% to 50% to reflect recent plan experience. The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2020

### Note 8. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	2.13%	3.13%	4.13%
Total OPEB liability	\$ 1,483,228	\$ 1,373,822	\$ 1,270,983

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	5.40%	6.40%	7.40%
Total OPEB liability	\$ 1,213,582	\$ 1,373,822	\$ 1,564,950

For the year ended June 30, 2020, the District recognized OPEB expense of \$149,771. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 193,664	\$ -
Changes of assumptions or other inputs	-	(286,122)
Net difference between projected and actual investments	-	-
Contributions between measurement date and reporting date	82,061	-
<b>Total</b>	<b>\$ 275,725</b>	<b>\$ (286,122)</b>

Deferred inflows of \$82,061 related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (12,058)
2022	(12,058)
2023	(12,058)
2024	(12,058)
2025	(12,058)
Thereafter	(32,168)
	<b>\$ (92,458)</b>

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 9. Risk Management

The District has a self-funded health insurance plan, reported as an internal service fund. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125 percent of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$100,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three calendar plan years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The change in the unpaid claims liability for the two years ended June 30, 2020 and 2019 is as follows:

	2020	2019
Balance, beginning of year	\$ 615,000	\$ 534,000
Incurred claims and claim adjustments	2,590,764	3,442,567
Payment of claims	2,704,764	3,361,567
Balance, end of year	<u>\$ 501,000</u>	<u>\$ 615,000</u>

In addition, the District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### Note 10. Pension and Retirement Benefits

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9118, Des Moines, Iowa 50306-9118 or at [www.ipers.org](http://www.ipers.org).

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

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

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### **Note 10. Pension and Retirement Benefits (Continued)**

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 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. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2020 were \$2,062,820.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the District reported a liability of \$16,247,482 its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 0.280581 percent, which was a decrease of 0.005185 from its proportion measured as of June 30, 2018.



**North Scott Community School District**

**Notes to Financial Statements**  
**Year Ended June 30, 2020**

---

**Note 10. Pension and Retirement Benefits (Continued)**

For the year ended June 30, 2020, the District recognized pension expense of \$3,055,918. At June 30, 2020, the District 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	\$ 45,043	\$ 584,175
Changes of assumptions	1,740,337	-
Net difference between projected and actual earnings on pension plan investments	-	1,830,896
Changes in proportion and differences between District contributions and proportionate share of contributions	152,337	355,250
District contributions subsequent to the measurement date	2,062,820	-
<b>Total</b>	<b>\$ 4,000,537</b>	<b>\$ 2,770,321</b>

Deferred outflows of resources of \$2,062,820 related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2021	\$ 390,396
2022	(440,858)
2023	(348,269)
2024	(363,504)
2025	(70,369)
<b>Total</b>	<b>\$ (832,604)</b>

There were no non-employer contributing entities to IPERS.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2020

### Note 10. Pension and Retirement Benefits (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2019 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 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan, investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0%	6.08%
Global smart beta equity	3.0%	5.82%
Core plus fixed income	27.0%	1.71%
Public credit	3.5%	3.32%
Public real assets	7.0%	2.81%
Cash	1.0%	-0.21%
Private equity	11.0%	10.13%
Private real assets	7.5%	4.76%
Private credit	3.0%	3.01%
<b>Total</b>	<b>100%</b>	

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 10. Pension and Retirement Benefits (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 28,850,283	\$ 16,247,482	\$ 5,676,391

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Payables to the Pension Plan – At June 30, 2020, the District reported payables to the defined benefit pension plan of \$158,736 for legally required employer contributions and \$105,768 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### Note 11. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,370,500 for the year ended June 30, 2020 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

#### Note 12. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2020 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 80,429
Early intervention	48,253
Teacher salary supplement	105,613
Professional development	171,675
Four-year old preschool	261,501
Successful progression for early readers	25,597
Home school assistance program	68,860
Teacher leadership	157,656
STEM	397
Other	500
<b>Total restricted for categorical funding</b>	<b>\$ 920,481</b>

#### Note 13. Commitments and Contingencies

The District has financial commitments relating to remodeling projects of approximately \$1,726,528 as of June 30, 2020 of which, approximately \$1,498,847 of costs have been incurred. Sales tax proceeds will fund the majority of these commitments.

#### Note 14. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are 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. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Princeton, Iowa	Urban renewal and economic development projects	\$ 50,938
City of Eldridge, Iowa	Urban renewal and economic development projects	306,794
City of Davenport, Iowa	Urban renewal and economic development projects	287,063

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2020, this reimbursement amounted to \$346,888.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 15. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2020:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued May 2020, the provisions of this statement was effective immediately upon issuance. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statements Nos. 83, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As of June 30, 2020, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2020-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variably payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2020

---

#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets- an intangible asset- and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

#### **Note 16. Subsequent Event**

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## Required Supplementary Information

**North Scott Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in  
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds  
Year Ended June 30, 2020**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 17,763,218	\$ 1,047,721
State sources	22,915,903	11,258
Federal sources	790,805	1,232,607
<b>Total revenues</b>	<b>41,469,926</b>	<b>2,291,586</b>
Expenditures/expenses:		
Instruction	22,916,378	9,055
Support services	12,422,814	164,463
Noninstructional programs	15,033	1,879,937
Other expenditures	5,261,200	5,315
<b>Total expenditures/expenses</b>	<b>40,615,425</b>	<b>2,058,770</b>
<b>Excess of revenues over expenditures/expenses</b>	<b>854,501</b>	<b>232,816</b>
Other financing sources (uses):		
Sale of capital assets	4,582	-
Interfund transfers in	1,373,990	229,403
Interfund transfers out	(1,569,866)	(33,527)
<b>Total other financing sources (uses)</b>	<b>(191,294)</b>	<b>195,876</b>
<b>Net change in fund balance/net position</b>	<b>663,207</b>	<b>428,692</b>
Fund balance/net position, beginning of year	17,909,600	973,586
Fund balance/net position, end of year	<b>\$ 18,572,807</b>	<b>\$ 1,402,278</b>

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	18,810,939	\$ 19,109,553	\$ 19,109,553	\$ (298,614)
	22,927,161	22,874,849	22,874,849	52,312
	2,023,412	1,594,000	1,594,000	429,412
	43,761,512	43,578,402	43,578,402	183,110
	22,925,433	23,142,010	23,912,010	986,577
	12,587,277	12,460,195	13,655,195	1,067,918
	1,894,970	1,857,132	2,457,132	562,162
	5,266,515	5,373,305	5,373,086	106,571
	42,674,195	42,832,642	45,397,423	2,723,228
	1,087,317	745,760	(1,819,021)	2,906,338
	4,582	3,500	3,500	1,082
	1,603,393	1,413,460	1,413,460	189,933
	(1,603,393)	(1,413,460)	(1,413,460)	(189,933)
	4,582	3,500	3,500	1,082
	1,091,899	\$ 749,260	\$ (1,815,521)	\$ 2,907,420
	18,883,186			
\$	19,975,085			

# North Scott Community School District

## Required Supplementary Information Schedule of Changes in the District's Total OPEB Liability and Related Ratios Last Three Fiscal Years

	2020	2019	2018
Total OPEB liability			
Changes for the year:			
Service cost	\$ 110,958	\$ 106,135	\$ 111,509
Interest	50,871	47,012	37,740
Changes of benefit terms	-	-	-
Differences between expected and actual experience	215,473	-	-
Changes in assumptions or other inputs	(263,432)	(6,347)	(63,968)
Benefit payments	(68,737)	(65,092)	(38,523)
Net changes in total OPEB liability	45,133	81,708	46,758
Total OPEB liability - beginning	1,328,689	1,246,981	1,200,223
Total OPEB liability - ending	\$ 1,373,822	\$ 1,328,689	\$ 1,246,981
Covered employee payroll	\$ 18,435,919	\$ 17,695,558	\$ 17,601,302
Total OPEB liability as a percentage of covered employee	7.45%	7.51%	7.08%

### Notes to Schedule:

#### Changes of benefit terms:

There were no changes as a result of changes in benefit terms.

#### Differences between expected and actual experience:

Approximately \$239,000 of the increase is due to the change in premiums and assumed claims cost and (\$24,000) is due to all other experience change.

#### Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the discount rates used in each period:

3.13%	3.62%	3.56%
-------	-------	-------

In Fiscal Year 2020, the healthcare trend rates were reset to reflect updated cost increase expectations. Medical per capita claims costs were updated to reflect recent experience. Withdrawal, retirement, mortality, disability and salary increase rates were updated to the rates from the June 2018 IPERS Demographic Assumptions Study. The percent of future retirees assumed to elect coverage at retirement changed from 60% to 50% to reflect recent plan experience. The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

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

Note: The schedule is intended to present information for ten years.  
Information prior to 2018 is not available.

**North Scott Community School District**

**Required Supplementary Information**

**Schedule of the District's Proportionate Share of the Net Pension Liability**

**Iowa Public Employees' Retirement System**

**Last Six Fiscal Years**

	2020*	2019*	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.280581%	0.285766%	0.283696%	0.284000%	0.277835%	0.273656%
District's proportionate share of the net pension liability	\$ 16,247,482	\$ 18,083,956	\$ 18,897,741	\$ 17,875,601	\$ 13,726,395	\$ 10,852,948
District's covered payroll	\$ 21,353,267	\$ 21,480,034	\$ 21,176,537	\$ 20,384,011	\$ 19,030,701	\$ 17,906,895
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.09%	84.19%	89.24%	87.69%	72.13%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	85.45%	83.62%	82.21%	85.19%	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 year.

Note: The schedule is intended to present information for ten years. Information prior to 2015 is not available.

See Notes to Required Supplementary Information.

**North Scott Community School District**

**Required Supplementary Information**

**Schedule of District Contributions**

**Iowa Public Employees' Retirement System**

**Last Ten Fiscal Years**

---

	2020	2019	2018	2017
Statutorily required contribution	\$ 2,062	\$ 2,015	\$ 1,918	\$ 1,891
Contributions in relation to the statutorily required contribution	\$ (2,062)	\$ (2,015)	\$ (1,918)	\$ (1,891)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 21,852	\$ 21,353	\$ 21,480	\$ 21,177
Contributions as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

---

2016	2015	2014	2013	2012	2011
\$ 1,820	\$ 1,710	\$ 1,599	\$ 1,564	\$ 1,398	\$ 1,177
\$ (1,820)	\$ (1,710)	\$ (1,599)	\$ (1,564)	\$ (1,398)	\$ (1,177)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 20,384	\$ 19,031	\$ 17,907	\$ 17,326	\$ 17,326	\$ 17,303
8.93%	8.99%	8.93%	9.03%	8.07%	6.80%

## North Scott Community School District

### Notes to Required Supplementary Information Year Ended June 30, 2020

---

#### **Note 1. Budgets and Budgetary Accounting**

This budgetary comparison is presented as required supplementary information in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except the internal service fund and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year-end.

The District had one budget amendment on May 26, 2020, which increased total expenditures \$2,564,781.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides the District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District did not exceed budgeted expenditures.

#### **Note 2. Iowa Public Employees' Retirement System Pension Liability**

##### Changes of benefit terms:

There are no significant changes in benefit terms.

##### Changes of assumptions:

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

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



**North Scott Community School District**

**Notes to Required Supplementary Information  
Year Ended June 30, 2020**

---

**Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)**

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 quadrennial experience study:

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Other Supplementary Information

**THIS PAGE INTENTIONALLY LEFT BLANK**

COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS

**North Scott Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020**

	Special Revenue				
	Management	Student	Public Education	Debt	
	Fund	Activity	and Recreation	Service	Total
			Levy		
<b>Assets</b>					
Cash and pooled investments	\$ 2,305,605	\$ 465,682	\$ -	\$ 169,176	\$ 2,940,463
Receivables:					
Property tax:					
Delinquent	8,622	-	532	-	9,154
Succeeding year	1,099,999	-	163,801	-	1,263,800
Accounts	-	189	-	-	189
Due from other governments	17	-	-	-	17
Prepaid items	228,204	13,511	-	-	241,715
<b>Total assets</b>	<b>\$ 3,642,447</b>	<b>\$ 479,382</b>	<b>\$ 164,333</b>	<b>\$ 169,176</b>	<b>\$ 4,455,338</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 340	\$ 18,551	\$ -	\$ -	\$ 18,891
Accrued liabilities	-	567	-	-	567
<b>Total liabilities</b>	<b>340</b>	<b>19,118</b>	<b>-</b>	<b>-</b>	<b>19,458</b>
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	1,099,999	-	163,801	-	1,263,800
<b>Fund balances</b>					
Nonspendable, prepaid items	228,204	13,511	-	-	241,715
Restricted for:					
Debt service	-	-	-	169,176	169,176
Management levy purposes	2,313,904	-	-	-	2,313,904
Student activities	-	446,753	-	-	446,753
Public education and recreation	-	-	532	-	532
<b>Total fund balances</b>	<b>2,542,108</b>	<b>460,264</b>	<b>532</b>	<b>169,176</b>	<b>3,172,080</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,642,447</b>	<b>\$ 479,382</b>	<b>\$ 164,333</b>	<b>\$ 169,176</b>	<b>\$ 4,455,338</b>

North Scott Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2020

	Special Revenue					
	Management	Student	Public Education	Debt		
	Fund	Activity	and Recreation	Service		Total
			Levy			
Revenues:						
Local sources:						
Local tax	\$ 745,702	\$ -	\$ 532	\$ -	\$	746,234
Other	43,060	594,904	-	12,699		650,663
State appropriation	23,908	-	-	-		23,908
<b>Total revenues</b>	<b>812,670</b>	<b>594,904</b>	<b>532</b>	<b>12,699</b>		<b>1,420,805</b>
Expenditures:						
Current:						
Instruction:						
Regular	148,679	-	-	-		148,679
Other	-	527,062	-	-		527,062
Support services:						
Student	25,483	4,007	-	-		29,490
Instructional staff	12,730	2,581	-	-		15,311
Administration	44,748	3,923	-	-		48,671
Operations and maintenance						
of plant	182,106	3,237	-	-		185,343
Transportation	34,364	9,725	-	-		44,089
Noninstructional programs	9,425	-	-	-		9,425
Debt service:						
Principal	-	-	-	1,020,000		1,020,000
Interest and fees	-	-	-	316,355		316,355
<b>Total expenditures</b>	<b>457,535</b>	<b>550,535</b>	<b>-</b>	<b>1,336,355</b>		<b>2,344,425</b>
<b>Excess (deficiency) of</b>						
<b>revenues over (under)</b>						
<b>expenditures before</b>						
<b>transfers</b>	<b>355,135</b>	<b>44,369</b>	<b>532</b>	<b>(1,323,656)</b>		<b>(923,620)</b>
Transfers in	-	5,000	-	1,335,463		1,340,463
<b>Net change in fund</b>						
<b>balances</b>	<b>355,135</b>	<b>49,369</b>	<b>532</b>	<b>11,807</b>		<b>416,843</b>
Fund balances, beginning of year	2,186,973	410,895	-	157,369		2,755,237
Fund balances, end of year	\$ 2,542,108	\$ 460,264	\$ 532	\$ 169,176	\$	3,172,080

**North Scott Community School District**

**Schedule of Combining Balance Sheet  
Capital Projects Fund - By Account  
June 30, 2020**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 3,347,805	\$ 1,577,810	\$ 4,925,615
Restricted cash and equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	-	16,427	16,427
Succeeding year	-	1,735,499	1,735,499
Due from other governments	387,598	148,321	535,919
Prepaid items	-	74,449	74,449
<b>Total assets</b>	<b>\$ 5,117,852</b>	<b>\$ 3,552,506</b>	<b>\$ 8,670,358</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities, accounts payable	\$ 258,921	\$ 59,073	\$ 317,994
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	1,735,499	1,735,499
Statewide sales and services tax	119,000	-	119,000
<b>Total deferred inflows of resources</b>	<b>119,000</b>	<b>1,735,499</b>	<b>1,854,499</b>
Fund Balances:			
Nonspendable, prepaid items	-	74,449	74,449
Restricted for:			
School infrastructure	3,357,482	-	3,357,482
Debt service	1,382,449	-	1,382,449
Physical plant and equipment	-	1,683,485	1,683,485
<b>Total fund balances</b>	<b>4,739,931</b>	<b>1,757,934</b>	<b>6,497,865</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,117,852</b>	<b>\$ 3,552,506</b>	<b>\$ 8,670,358</b>



**North Scott Community School District**

**Schedule of Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund - By Account  
Year Ended June 30, 2020**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 1,656,308	\$ 1,656,308
Other	100,291	40,390	140,681
State appropriations	3,187,492	197,049	3,384,541
<b>Total revenues</b>	<b>3,287,783</b>	<b>1,893,747</b>	<b>5,181,530</b>
Expenditures:			
Current:			
Instruction	1,201	-	1,201
Support services:			
Instructional staff	143,121	174,856	317,977
Administration	11,486	256,005	267,491
Operation and maintenance of plant	-	184,611	184,611
Transportation	-	923,032	923,032
Other expenditures:			
Facilities acquisition	2,009,951	544,394	2,554,345
<b>Total expenditures</b>	<b>2,165,759</b>	<b>2,082,898</b>	<b>4,248,657</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,122,024</b>	<b>(189,151)</b>	<b>932,873</b>
Other financing sources (uses):			
Transfers out	(1,335,463)	-	(1,335,463)
Proceeds from sale of capital assets	-	1,073	1,073
<b>Total other financing sources (uses)</b>	<b>(1,335,463)</b>	<b>1,073</b>	<b>(1,334,390)</b>
<b>Net change in fund balance</b>	<b>(213,439)</b>	<b>(188,078)</b>	<b>(401,517)</b>
Fund balance, beginning of year	4,953,370	1,946,012	6,899,382
Fund balance, end of year	\$ 4,739,931	\$ 1,757,934	\$ 6,497,865

**North Scott Community School District**

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

**June 30, 2020**

	Child Care	Student Construction	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 319,837	\$ 281,403	\$ 601,240
Receivables, accounts	2,897	-	2,897
Prepaid expenses	480	-	480
Assets held for sale	-	225,091	225,091
<b>Total assets</b>	<b>323,214</b>	<b>506,494</b>	<b>829,708</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	2,276	-	2,276
Pension related deferred outflows	43,444	-	43,444
<b>Total deferred outflows of resources</b>	<b>45,720</b>	<b>-</b>	<b>45,720</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	1,141	27,091	28,232
Salaries and benefits payable	5,959	-	5,959
Accrued interest	-	5,315	5,315
Deposits	4,500	-	4,500
Compensated absences	5,409	-	5,409
Loans payable	-	250,000	250,000
<b>Total current liabilities</b>	<b>17,009</b>	<b>282,406</b>	<b>299,415</b>
Noncurrent liabilities:			
Net OPEB liability	4,437	-	4,437
Net pension liability	157,361	-	157,361
<b>Total noncurrent liabilities</b>	<b>161,798</b>	<b>-</b>	<b>161,798</b>
<b>Total liabilities</b>	<b>178,807</b>	<b>282,406</b>	<b>461,213</b>
<b>Deferred Inflows of Resources:</b>			
OPEB related deferred inflows	2,465	-	2,465
Pension related deferred inflows	31,370	-	31,370
<b>Total deferred inflows of resources</b>	<b>33,835</b>	<b>-</b>	<b>33,835</b>
<b>Net Position</b>			
Unrestricted	156,292	224,088	380,380
<b>Total net position</b>	<b>\$ 156,292</b>	<b>\$ 224,088</b>	<b>\$ 380,380</b>

**North Scott Community School District**

**Combining Statement of Revenues, Expenses and Changes in Net Position  
Nonmajor Enterprise Funds  
Year Ended June 30, 2020**

	Child Care	Student Construction	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 274,612	\$ -	\$ 274,612
Miscellaneous	48	-	48
<b>Total operating revenues</b>	<b>274,660</b>	<b>-</b>	<b>274,660</b>
Operating expenses:			
Instruction, regular, other			
Supplies	6,984	-	6,984
Other	2,071	-	2,071
Support services:			
Administration:			
Services	5,123	-	5,123
Operation and maintenance of plant	355	-	355
Transportation:			
Salaries	726	-	726
Benefits	124	-	124
Noninstructional programs:			
Salaries	235,523	-	235,523
Benefits	67,999	-	67,999
Supplies	20,648	-	20,648
Other	75	-	75
<b>Total operating expenses</b>	<b>339,628</b>	<b>-</b>	<b>339,628</b>
<b>Operating (loss)</b>	<b>(64,968)</b>	<b>-</b>	<b>(64,968)</b>
Nonoperating revenues (expenses):			
Federal sources	791	-	791
Interest on investments	5,646	-	5,646
Interest expense	-	(5,315)	(5,315)
<b>Total nonoperating revenues (expenses)</b>	<b>6,437</b>	<b>(5,315)</b>	<b>1,122</b>
<b>(Loss) before transfers</b>	<b>(58,531)</b>	<b>(5,315)</b>	<b>(63,846)</b>
Transfers in	-	229,403	229,403
<b>Change in net position</b>	<b>(58,531)</b>	<b>224,088</b>	<b>165,557</b>
Net position, beginning of year	214,823	-	214,823
Net position, end of year	\$ 156,292	\$ 224,088	\$ 380,380

**North Scott Community School District**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2020**

	Child Care	Student Construction	Total
Cash flows from operating activities:			
Cash received from:			
Charges for services	\$ 284,285	\$ -	\$ 284,285
Miscellaneous services	48	-	48
Cash payments to:			
Employees for services	(291,776)	-	(291,776)
Suppliers for goods and services	(36,397)	(198,000)	(234,397)
<b>Net cash (used in) operating activities</b>	<b>(43,840)</b>	<b>(198,000)</b>	<b>(241,840)</b>
Cash flows from noncapital financing activities:			
Transfers in	-	229,403	229,403
Federal grants received	791	-	791
Issuance of debt	-	250,000	250,000
<b>Net cash provided by noncapital financing activities</b>	<b>791</b>	<b>479,403</b>	<b>480,194</b>
Cash flows from investing activities, interest on investments	5,646	-	5,646
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(37,403)</b>	<b>281,403</b>	<b>244,000</b>
Cash and cash equivalents:			
Beginning of year	357,240	-	357,240
End of year	\$ 319,837	\$ 281,403	\$ 601,240

(Continued)

**North Scott Community School District**

**Combining Statement of Cash Flows (Continued)**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2020**

	Child Care	Student Construction	Total
Reconciliation of operating (loss) to net cash (used in) operating activities:			
Operating (loss)	\$ (64,968)	\$ -	\$ (64,968)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	5,173	-	5,173
Assets held for sale	-	(225,091)	(225,091)
Increase (decrease) in:			
Accounts payable	(1,141)	27,091	25,950
Salaries and benefits payable	534	-	534
Net OPEB benefits	677	-	677
Net pension liability	10,626	-	10,626
Compensated absences payable	759	-	759
Deposits	4,500	-	4,500
<b>Net cash (used in) operating activities</b>	<b>\$ (43,840)</b>	<b>\$ (198,000)</b>	<b>\$ (241,840)</b>

North Scott Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash and pooled investments	\$ 20,774	\$ 37,712	\$ 33,337	\$ 25,149
Accounts receivable	405	-	-	405
<b>Total assets</b>	<u>\$ 21,179</u>	<u>\$ 37,712</u>	<u>\$ 33,337</u>	<u>\$ 25,554</u>
<b>Liabilities</b>				
Due to other groups	\$ 21,179	\$ 47,345	\$ 42,970	\$ 25,554
<b>Total liabilities</b>	<u>\$ 21,179</u>	<u>\$ 47,345</u>	<u>\$ 42,970</u>	<u>\$ 25,554</u>

STATISTICAL SECTION



**North Scott**  
Community Schools

**THIS PAGE INTENTIONALLY LEFT BLANK**



## North Scott Community School District

### Statistical Section Contents

---

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

Contents	Page
<b>Financial Trends</b>	74-87
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	88-92
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
<b>Debt Capacity</b>	93-99
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	100-101
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments	
<b>Operating Information</b>	102-110
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	
<b>Miscellaneous Information</b>	111-128
These schedules offer additional insight to pertinent District data to inform the reader about the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	

**North Scott Community School District**

**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in				
capital assets	\$ 20,646,639	\$ 19,839,922	\$ 21,204,665	\$ 23,850,888
Restricted	6,435,472	8,665,073	9,471,712	8,408,872
Unrestricted	4,418,125	5,665,890	5,615,466	6,859,375
Business-type activities				
Net investment in				
capital assets	278,305	253,472	242,862	218,572
Unrestricted	625,563	806,348	791,139	835,464
<b>Total primary</b>				
<b>government net position</b>	<b>\$ 32,404,104</b>	<b>\$ 35,230,705</b>	<b>\$ 37,325,844</b>	<b>\$ 40,173,171</b>

\* Implemented GASB Statement No. 68

Source: District financial records

---

Fiscal Year					
2015 *	2016	2017	2018	2019	2020
\$ 23,061,587	\$ 24,761,641	\$ 26,866,583	\$ 31,471,058	\$ 34,773,981	\$ <b>37,521,436</b>
11,189,617	13,484,499	13,011,813	10,693,400	10,530,257	<b>10,709,426</b>
(5,877,760)	(5,674,346)	(5,418,428)	(4,389,974)	(3,711,989)	<b>(3,921,991)</b>
207,054	188,246	209,174	760,303	685,021	<b>664,836</b>
534,134	620,999	665,014	165,430	288,565	<b>737,442</b>
\$ 29,114,632	\$ 33,381,039	\$ 35,334,156	\$ 38,700,217	\$ 42,565,835	\$ <b>45,711,149</b>

---

# North Scott Community School District

## Expenses, Program Revenues and Net (Expense) Revenue

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Governmental activities:				
Regular instruction	\$ 11,333,300	\$ 12,962,232	\$ 11,841,523	\$ 12,347,410
Special instruction	3,427,940	2,752,196	3,275,964	3,355,562
Other instruction	3,800,547	3,773,994	3,886,832	4,005,352
Student services	1,256,107	1,245,261	1,246,859	1,365,477
Instructional staff services	922,396	995,987	1,157,680	1,196,797
Administration services	3,296,030	3,323,786	3,366,816	3,306,897
Operation and maintenance of plant services	3,839,322	3,632,525	2,523,529	2,705,040
Transportation services	1,080,198	1,033,272	1,007,972	1,332,620
Food service operations	-	-	-	-
Noninstructional	-	-	-	5,172
Interest on long-term debt	-	-	-	-
AEA flowthrough	1,172,973	1,070,395	1,100,135	1,155,323
Debt service	-	-	221,458	222,192
Depreciation (unallocated)	1,168,591	1,176,212	1,704,026	896,676
<b>Total governmental activities</b>	<b>31,297,404</b>	<b>31,965,860</b>	<b>31,332,794</b>	<b>31,894,518</b>
Business-type activities:				
Nutrition services	1,401,846	1,395,843	1,444,983	1,462,230
Child care services	290,628	273,992	240,509	237,601
Student construction	-	-	-	-
<b>Total business-type activities</b>	<b>1,692,474</b>	<b>1,669,835</b>	<b>1,685,492</b>	<b>1,699,831</b>
<b>Total primary government expenses</b>	<b>32,989,878</b>	<b>33,635,695</b>	<b>33,018,286</b>	<b>33,594,349</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular instruction	810,688	823,426	790,471	790,699
Special instruction	285,627	207,798	261,957	166,834
Other instruction	778,201	324,945	357,427	352,856
Support services	4,701	66,905	60,017	68,280
Operating grants and contributions	4,159,219	5,279,988	4,743,405	4,854,185
Capital grants and contributions	-	228,823	11,986	37,619
<b>Total governmental activities</b>	<b>6,038,436</b>	<b>6,931,885</b>	<b>6,225,263</b>	<b>6,270,473</b>
Business-type activities:				
Charges for services:				
Nutrition	862,141	935,785	872,889	890,420
Child care	301,696	285,813	213,717	249,991
Operating grants and contributions	580,797	600,575	571,497	570,840
<b>Total business-type activities</b>	<b>1,744,634</b>	<b>1,822,173</b>	<b>1,658,103</b>	<b>1,711,251</b>
<b>Total primary government revenues</b>	<b>7,783,070</b>	<b>8,754,058</b>	<b>7,883,366</b>	<b>7,981,724</b>
Net (expense) revenues:				
Total governmental activities	(25,258,968)	(25,033,975)	(25,107,531)	(25,624,045)
Total business-type activities	52,160	152,338	(27,389)	11,420
<b>Total primary government revenues</b>	<b>\$ (25,206,808)</b>	<b>\$ (24,881,637)</b>	<b>\$ (25,134,920)</b>	<b>\$ (25,612,625)</b>

Source: District financial records

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 12,933,778	\$ 15,018,027	\$ 15,226,755	\$ 15,208,231	\$ 15,928,205	\$ 15,700,559	
3,319,612	5,117,267	3,722,635	3,997,791	5,294,084	4,143,677	
4,283,392	2,688,013	4,592,874	4,682,336	3,214,355	4,755,060	
1,392,966	1,490,651	1,557,232	1,574,595	1,605,249	1,597,632	
1,344,541	1,536,639	2,508,038	2,441,964	2,087,919	2,440,185	
3,536,908	3,570,064	3,537,991	3,790,929	3,993,048	3,760,468	
2,994,502	1,939,011	3,416,517	2,609,387	2,803,533	2,352,668	
1,634,400	1,492,815	1,681,881	1,647,218	1,730,198	2,234,326	
-	-	-	-	-	-	
5,674	14,158	7,322	7,253	20,911	15,033	
-	-	-	-	-	-	
1,193,582	1,247,226	1,279,320	1,318,145	1,319,381	1,370,500	
347,589	383,459	364,360	344,959	321,309	321,972	
-	-	-	-	-	-	
32,986,944	34,497,329	37,894,925	37,622,808	38,318,192	38,692,080	
1,433,211	1,565,582	1,545,279	1,614,897	1,609,856	1,713,827	
260,308	288,059	281,135	321,698	337,322	339,628	
-	-	-	-	-	5,315	
1,693,519	1,853,641	1,826,414	1,936,595	1,947,178	2,058,770	
34,680,463	36,350,970	39,721,339	39,559,403	40,265,370	40,750,850	
888,593	1,019,052	1,154,046	1,172,062	1,098,188	1,258,950	
205,357	152,817	183,978	262,594	222,318	276,187	
394,751	343,472	437,055	418,657	313,200	422,090	
86,862	95,139	103,315	84,213	75,683	60,042	
5,290,274	6,541,950	5,461,241	5,466,292	5,573,722	5,268,541	
62,054	47,509	-	114,209	370,066	257,012	
6,927,891	8,199,939	7,339,635	7,518,027	7,653,177	7,542,822	
933,039	916,142	925,751	975,751	953,765	740,710	
289,785	292,231	257,394	316,811	358,267	274,612	
633,592	700,926	726,895	692,284	698,264	1,243,865	
1,856,416	1,909,299	1,910,040	1,984,846	2,010,296	2,259,187	
8,784,307	10,109,238	9,249,675	9,502,873	9,663,473	9,802,009	
(26,059,053)	(26,297,390)	(30,555,290)	(30,104,781)	(30,665,015)	(31,149,258)	
162,897	55,658	83,626	48,251	63,118	200,417	
\$ (25,896,156)	\$ (26,241,732)	\$ (30,471,664)	\$ (30,056,530)	\$ (30,601,897)	\$ (30,948,841)	

**North Scott Community School District**

**General Revenues and Total Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general and other purposes*	\$ 10,834,882	\$ 11,091,158	\$ 11,342,208	\$ 11,423,988
Property taxes levied for capital projects	1,108,639	1,152,677	1,152,677	1,181,288
Unrestricted intergovernmental	153,782	165,387	175,898	190,686
Sales tax	2,375,804	2,997,352	2,220,523	2,597,792
Unrestricted grants and contributions	11,788,613	12,157,291	12,214,669	12,944,956
Miscellaneous	143,944	108,858	85,078	84,731
Investment earnings	40,891	32,014	32,187	27,896
Transfers	(13,054)	(113)	5,248	-
<b>Total governmental activities</b>	<b>26,433,501</b>	<b>27,704,624</b>	<b>27,228,488</b>	<b>28,451,337</b>
Business-type activities:				
Miscellaneous	4,307	1,629	5,023	5,834
Investment earnings	2,510	1,872	1,795	2,781
Transfers	13,054	113	(5,248)	-
<b>Total business-type activities</b>	<b>19,871</b>	<b>3,614</b>	<b>1,570</b>	<b>8,615</b>
<b>Total primary government</b>	<b>26,453,372</b>	<b>27,708,238</b>	<b>27,230,058</b>	<b>28,459,952</b>
Change in net position:				
Total governmental activities	1,399,526	2,597,093	1,604,443	2,392,284
Total business-type activities	172,209	(23,775)	12,990	171,512
<b>Total primary government</b>	<b>\$ 1,571,735</b>	<b>\$ 2,573,318</b>	<b>\$ 1,617,433</b>	<b>\$ 2,563,796</b>

\* Changes in property tax revenues are a product of underlying changes in property values and tax rates.

Source: District financial records

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 11,606,668	\$ 11,695,160	\$ 11,831,951	\$ 12,562,452	\$ 13,702,458	\$ 12,864,339
1,239,110	1,292,849	1,316,439	1,381,514	1,475,020	1,627,608
205,240	309,807	627,197	411,621	904,097	977,008
2,802,179	2,903,548	3,150,169	2,840,343	3,114,143	3,187,492
13,035,041	14,076,931	15,188,270	15,196,967	14,515,809	14,954,654
44,617	128,211	135,763	79,524	116,852	4,582
83,046	89,234	141,958	302,943	602,218	446,073
-	-	51,717	47,117	52,183	(195,876)
29,015,901	30,495,740	32,443,464	32,822,481	34,482,780	33,865,880
9,627	10,528	28,120	22,681	19,340	14,268
1,040	1,871	4,914	10,575	17,578	18,131
-	-	(51,717)	(47,117)	(52,183)	195,876
10,667	12,399	(18,683)	(13,861)	(15,265)	228,275
29,026,568	30,508,139	32,424,781	32,808,620	34,467,515	34,094,155
2,718,511	4,198,350	2,338,683	2,717,700	3,817,765	2,716,622
66,325	68,057	29,568	34,390	47,853	428,692
\$ 2,784,836	\$ 4,266,407	\$ 2,368,251	\$ 2,752,090	\$ 3,865,618	\$ 3,145,314

**North Scott Community School District**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 124,788	\$ 117,332	\$ 107,467	\$ 145,574
Restricted	353,255	389,986	420,529	334,255
Assigned	106,733	115,597	123,083	160,043
Unassigned	3,343,328	4,357,182	4,459,089	5,039,443
<b>Total General Fund</b>	<b>3,928,104</b>	<b>4,980,097</b>	<b>5,110,168</b>	<b>5,679,315</b>
All other governmental funds:				
Nonspendable	13,428	19,222	6,412	13,877
Restricted for:				
Capital projects funds	5,336,481	6,698,709	16,631,098	9,888,243
Debt service	-	-	64,163	854,725
Special revenue funds	940,806	1,055,156	1,055,183	1,116,659
<b>Total all other governmental funds</b>	<b>6,290,715</b>	<b>7,773,087</b>	<b>17,756,856</b>	<b>11,873,504</b>
<b>Total governmental funds</b>	<b>\$ 10,218,819</b>	<b>\$ 12,753,184</b>	<b>\$ 22,867,024</b>	<b>\$ 17,552,819</b>

Source: District financial records



---

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 177,995	\$ 172,358	\$ 178,036	\$ 117,281	\$ 126,526	\$ 108,296
466,930	635,402	689,907	757,288	797,644	920,481
188,588	188,588	292,056	292,056	506,288	574,714
4,810,427	4,508,003	4,911,348	5,799,491	6,824,523	7,299,371
5,643,940	5,504,351	6,071,347	6,966,116	8,254,981	8,902,862
4,550	630	12,566	54,592	38,006	316,164
10,811,564	11,036,798	8,890,096	6,327,715	6,862,001	5,040,967
1,499,510	1,504,282	1,510,855	1,522,845	157,369	1,551,625
1,197,185	1,575,251	1,790,955	1,968,552	2,597,243	2,761,189
13,512,809	14,116,961	12,204,472	9,873,704	9,654,619	9,669,945
\$ 19,156,749	\$ 19,621,312	\$ 18,275,819	\$ 16,839,820	\$ 17,909,600	\$ 18,572,807

---

**North Scott Community School District**

**Governmental Funds Revenues**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
Local sources:				
Property taxes	\$ 11,943,521	\$ 12,016,744	\$ 12,312,301	\$ 12,605,276
Income surtax	153,136	163,183	165,864	188,005
Local option sales and services taxes	2,375,804	2,495,351	2,592,523	-
Interest income	40,891	32,014	32,187	23,690
Other revenues	2,296,268	2,675,815	2,308,130	2,011,333
<b>Total local sources</b>	<b>16,809,620</b>	<b>17,383,107</b>	<b>17,411,005</b>	<b>14,828,304</b>
State sources:				
State education finance program	13,138,014	11,955,282	12,164,429	12,944,956
Statewide sales, services and use tax	-	-	-	2,591,792
Other state grants	1,352,764	3,509,495	3,449,914	3,524,985
<b>Total state sources</b>	<b>14,490,778</b>	<b>15,464,777</b>	<b>15,614,343</b>	<b>19,061,733</b>
Federal sources, federal grants	1,168,598	1,166,881	870,266	784,160
<b>Total revenues</b>	<b>\$ 32,468,996</b>	<b>\$ 34,014,765</b>	<b>\$ 33,895,614</b>	<b>\$ 34,674,197</b>

Source: District financial records

Fiscal Year						
2015	2016	2107	2018	2019	2020	
\$ 12,430,224	\$ 12,988,009	\$ 13,148,390	\$ 13,943,966	\$ 15,177,478	\$ 14,491,947	
183,609	203,230	199,503	204,267	223,421	236,688	
-	-	-	-	-	-	
72,733	76,503	119,134	302,943	602,218	446,073	
2,433,296	2,047,102	2,689,164	2,301,756	2,999,091	2,588,510	
15,119,862	15,314,844	16,156,191	16,752,932	19,002,208	17,763,218	
13,024,392	14,076,931	15,196,967	15,196,967	17,052,679	17,121,938	
2,802,180	2,903,548	2,840,343	2,840,343	3,114,143	3,187,492	
4,023,817	4,830,872	4,542,646	4,517,277	1,870,491	2,606,473	
19,850,389	21,811,351	22,579,956	22,554,587	22,110,662	22,915,903	
926,775	1,491,761	908,484	931,759	834,152	790,805	
\$ 35,897,026	\$ 38,617,956	\$ 39,644,631	\$ 40,239,278	\$ 41,947,022	\$ 41,469,926	

**North Scott Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
Regular instruction	\$ 11,474,729	\$ 13,000,074	\$ 12,624,134	\$ 12,495,422
Special instruction	3,529,914	2,823,007	3,437,643	3,399,108
Other instruction	3,817,797	3,843,811	4,067,536	4,045,107
Student services	1,256,477	1,278,688	1,320,096	1,380,733
Instructional staff services	960,571	1,013,092	1,225,679	1,210,167
Administration services	3,181,411	3,168,979	3,420,065	3,251,108
Operation and maintenance of plant	2,580,887	2,646,448	2,518,287	2,565,999
Transportation services	1,344,075	1,023,349	1,317,422	1,327,172
Noninstructional programs	10,871	781	276	5,172
Capital outlay, facilities acquisition	1,683,577	1,625,806	2,673,326	8,417,223
AEA flowthrough	1,172,973	1,070,395	1,100,135	1,155,323
Debt service:				
Principal	-	-	-	540,000
Interest and fiscal charges	-	-	-	230,704
Issuance costs	-	-	221,458	-
<b>Total expenditures</b>	<b>\$ 31,013,282</b>	<b>\$ 31,494,430</b>	<b>\$ 33,926,057</b>	<b>\$ 40,023,238</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.76%	2.44%

Source: District financial records

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 13,006,232	\$ 14,810,509	\$ 14,242,364	\$ 14,068,181	\$ 14,777,803	\$ 14,338,674	
3,459,513	5,220,416	3,706,249	4,025,833	5,281,294	4,165,387	
4,249,107	2,531,419	4,363,770	4,435,216	2,874,529	4,412,317	
1,444,916	1,514,943	1,534,895	1,554,900	1,568,666	1,558,246	
1,394,685	1,561,680	2,484,224	2,416,569	2,038,398	2,400,794	
3,608,066	3,566,564	3,392,127	3,625,690	3,834,287	3,598,605	
2,626,922	2,830,472	2,955,046	2,850,981	2,857,653	3,009,894	
1,401,920	1,219,237	1,361,800	1,333,283	1,388,925	1,855,275	
5,674	14,158	7,322	7,253	20,911	15,033	
7,758,237	2,356,208	4,421,410	4,763,834	3,639,670	2,554,345	
1,193,582	1,247,226	1,279,320	1,318,145	1,319,381	1,370,500	
950,000	955,000	970,000	980,000	995,000	1,020,000	
363,628	402,005	382,906	363,505	339,855	316,355	
-	-	-	-	-	-	
\$ 41,462,482	\$ 38,229,837	\$ 41,101,433	\$ 41,743,390	\$ 40,936,372	\$ 40,615,425	
3.88%	3.91%	3.68%	3.69%	3.62%	3.61%	

**North Scott Community School District**

**Other Financing Sources and Uses and Net Change in Fund Balances**

**Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2011	2012	2013	2014
Excess (deficiency) of revenues over (under) expenditures	\$ 1,455,714	\$ (30,443)	\$ (5,349,041)	\$ (5,349,041)
Other financing sources (uses):				
Sale of capital assets	7,524	14,143	2,838	34,836
Insurance proceeds	7,825	-	-	-
Issuance of bonds	-	-	10,000,000	-
Premium on issuance	-	-	136,197	-
Transfers in	32,328	15,183	79,116	770,840
Transfers out	(22,208)	(15,296)	(73,868)	(770,840)
<b>Total other financing     sources (uses)</b>	<b>25,469</b>	<b>14,030</b>	<b>10,144,283</b>	<b>34,836</b>
<b>Net change in fund balances</b>	<b>\$ 1,481,183</b>	<b>\$ (16,413)</b>	<b>\$ 4,795,242</b>	<b>\$ (5,314,205)</b>

Source: District financial records

---

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 388,119	\$ 388,119	\$ (1,504,112)	\$ 1,504,112	\$ 1,010,650	\$ 854,501
18,846	76,444	59,592	20,966	6,947	4,582
-	-	-	-	-	-
7,000,000	-	-	-	-	-
150,540	-	-	-	-	-
1,360,580	1,355,663	1,427,839	1,390,929	1,411,013	1,373,990
(1,360,580)	(1,355,663)	(1,376,122)	(1,343,812)	(1,358,830)	(1,569,866)
7,169,386	76,444	111,309	68,113	59,130	(191,294)
\$ 7,557,505	\$ 464,563	\$ (1,392,803)	\$ (1,435,999)	\$ 1,069,780	\$ 663,207

---

**THIS PAGE INTENTIONALLY LEFT BLANK**



**North Scott Community School District**

**Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Actual Value			Less Exemptions	Total Taxable Value - Actual	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2011	\$ 395,248,768	\$ 256,029,785	\$ 140,927,148	\$ 1,666,796	\$ 790,538,905	\$ 14.75964
2012	416,974,917	255,224,493	143,458,280	1,674,204	813,983,486	14.75525
2013	456,576,305	253,216,138	137,398,822	1,668,648	845,522,617	14.50592
2014	483,951,457	237,210,994	140,561,772	1,661,240	860,062,745	14.18910
2015	503,306,152	222,893,531	139,085,750	1,655,688	863,629,745	14.19507
2016	529,972,762	213,453,591	140,725,732	1,655,688	882,496,397	14.01459
2017	573,867,704	195,492,425	16,708,701	1,611,240	934,830,590	13.85580
2018	597,969,228	199,841,640	166,356,616	1,585,312	962,582,172	13.82050
2019	643,198,947	269,936,128	186,613,521	1,570,496	1,098,178,100	13.74358
<b>2020</b>	<b>670,291,892</b>	<b>297,603,988</b>	<b>189,475,898</b>	<b>1,550,124</b>	<b>1,155,821,654</b>	<b>12.42408</b>

Source: Iowa Department of Management and Scott County Auditor.

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the second fiscal year following the tax assessment year.

(a) Per \$1,000 of assessed value.

## North Scott Community School District

### Direct and Overlapping Property Tax Rates

#### Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

Fiscal Year	District Direct Rates				Overlapping Rates		
	General Purposes	Capital Purposes	Debt Service	Total	Scott County	College Area IX	City of Bettendorf
2011	\$ 13.45964	\$ 1.30000	\$ -	\$ 14.75964	\$ 6.37607	\$ 0.92444	\$ 12.60000
2012	13.45525	1.30000	-	14.75525	6.37759	1.01724	12.60000
2013	13.20592	1.30000	-	14.50592	6.30156	0.91511	12.55000
2014	12.88910	1.30000	-	14.18910	6.23534	0.92043	12.55000
2015	12.89507	1.30000	-	14.19507	6.13204	0.92782	12.55000
2016	12.71459	1.30000	-	14.01459	6.00377	0.96863	12.55000
2017	12.55580	1.30000	-	13.85580	5.82228	1.00909	12.55000
2018	12.52050	1.30000	-	13.82050	5.82167	1.03000	12.50000
2019	12.44358	1.30000	-	13.74358	5.82167	1.03000	12.50000
<b>2020</b>	<b>11.12408</b>	<b>1.30000</b>	<b>-</b>	<b>12.42408</b>	<b>5.99401</b>	<b>0.99000</b>	<b>12.50000</b>

Source: Iowa Department of Management and Scott County Auditor.

#### Note:

\* Includes levies for operating and debt service costs.

The District has certain restrictions on raising the property tax rate.

General Fund - the District's enrollment as well as District property value and state aid is formula calculated to determine the maximum amount of allowable funding.

Special Revenue Funds - The Special Revenue Fund, PPEL has a restriction from voters of \$1.00 and board imposed levy up to \$0.33.

---

Overlapping Rates							
City of Davenport	City of Dixon	City of Donahue	City of Eldridge	City of Long Grove	City of Maysville	City of McCausland	City of Princeton
\$ 15.53000	\$ 8.10000	\$ 7.21883	\$ 6.74852	\$ 11.03125	\$ 5.16962	\$ 9.25982	\$ 9.58242
15.53000	8.10000	7.22080	6.75418	10.90085	5.16951	9.21668	9.58242
16.78000	8.10000	7.22267	6.75396	10.74199	5.16957	9.22504	10.26832
16.78000	8.10000	7.22420	6.75436	10.60442	5.57674	8.10000	10.27159
16.78000	8.09989	7.22152	6.75442	10.52099	5.99993	8.10000	10.27158
16.78000	8.10000	7.22036	6.82817	10.45768	5.99988	8.10000	10.27158
16.78000	8.37000	7.22091	6.74841	10.29541	5.99003	8.10000	10.25069
16.78000	8.47000	7.21575	6.74820	10.21368	6.00002	8.10000	10.02797
16.78000	8.37000	7.22249	6.74728	9.98558	5.99993	7.89303	10.22336
<b>16.78000</b>	<b>8.37000</b>	<b>7.22454</b>	<b>6.74949</b>	<b>9.92845</b>	<b>6.00003</b>	<b>9.76833</b>	<b>9.79527</b>

# North Scott Community School District

## Principal Property Tax Payers Current Year and Nine Years Ago (Unaudited)

Name of Taxpayer	2020			2011		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Sterilite Corporation	\$ 57,721,581	1	4.99399%			
Kraft Heinz Foods Company	39,353,067	2	3.40477%			
John Deere Construction & Forestry	28,997,258	3	2.50880%			
Deere & Company	20,118,429	4	1.74062%	\$ 22,776,100	1	2.88109%
Petersen Properties L C	13,352,426	5	1.15523%	15,683,400	3	1.98389%
Mid American Energy	12,405,685	6	1.07332%	12,355,851	4	1.56297%
Alliance Pipeline	11,765,798	7	1.01796%	15,044,205	5	1.90303%
7G Properties LLC	8,025,012	8	0.69431%			
Murray Enterprises LTD	7,790,724	9	0.67404%	9,968,370	6	1.26096%
Northern Border Pipeline Company	6,951,573	10	0.60144%	8,004,591	7	1.01255%
ILPT Trails Road LLC						
Davenport-Durler Family Trust				19,868,300	2	2.51326%
Blue Dog LLC				7,228,490	8	0.91437%
Von Hoffman Corporation				6,786,570	9	0.85847%
Callahan Construction Inc.				5,534,230	10	0.70006%
	<u>\$ 206,481,553</u>		<u>17.86448%</u>	<u>\$ 123,250,107</u>		<u>15.59064%</u>

Source: Scott County Auditor

2020 Total Tax Assessment:	<u>\$ 1,155,821,654</u>
2011 Total Tax Assessment:	<u>\$ 790,538,905</u>

**North Scott Community School District**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 11,942,957	\$ 11,935,962	99.94%	\$ 4,267	\$ 11,940,229	99.98%
2012	12,307,354	12,251,578	99.55%	2,484	12,254,062	99.57%
2013	12,559,559	12,551,092	99.93%	2,415	12,553,507	99.95%
2014	12,600,240	12,600,240	100.02%	3,990	12,600,240	100.06%
2015	12,672,844	12,672,844	100.18%	2,853	12,672,844	100.20%
2016	12,783,686	12,783,686	100.57%	3,595	12,783,686	100.60%
2017	13,356,867	13,356,867	100.49%	162	13,355,952	99.99%
2018	13,727,323	13,726,635	99.99%	158	13,726,793	100.00%
2019	15,445,369	15,441,327	99.97%	1,077	15,442,404	99.98%
<b>2020</b>	<b>14,872,703</b>	<b>14,762,200</b>	<b>99.26%</b>	<b>-</b>	<b>14,762,200</b>	<b>99.26%</b>

Source: Iowa Department of Management, Scott County Auditor and School District financial records.

Note: N/A = not available.

# North Scott Community School District

## Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
2011	\$ -	\$ -	\$ -	- %	\$ -
2012	-	-	-	-	-
2013	-	10,000,000	10,000,000	0.0233	657.76
2014	-	9,587,685	9,587,685	0.0222	630.64
2015	-	15,772,186	15,772,186	0.0362	1,037.44
2016	-	14,798,640	14,798,640	0.0324	973.40
2017	-	13,810,094	13,810,094	0.0294	908.38
2018	-	12,811,548	12,811,548	0.0238	764.77
2019	-	11,798,002	11,798,002	N/A	N/A
<b>2020</b>	-	<b>10,759,456</b>	<b>10,759,456</b>	<b>N/A</b>	<b>N/A</b>

Source: District financial records

Notes: Details of the District's outstanding debt can be found in Note 7 in the notes to the financial statements.

\* See page 100 for personal income and population data. These rates are calculated using personal income and population for the prior calendar year.

N/A = not available.

**North Scott Community School District**

**Ratio of Net Bonded Debt to Assessed Values  
Last Ten Fiscal Years  
(Unaudited)**

Year of Collection	Estimated Actual Value of Taxable Property	Total Primary Government Outstanding Debt	Net Bonded Debt	Amount Restricted for Repayment of Outstanding Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita*
2011-12	\$ 852,712,206	\$ 1,096,658	\$ -	\$ -	-	\$ -
2012-13	891,184,204	1,325,993	-	-	-	-
2013-14	925,643,543	12,014,519	-	853,643	-	-
2014-15	950,539,289	11,544,681	-	854,725	-	-
2015-16	954,105,513	15,772,186	-	1,499,510	-	-
2016-17	975,457,521	14,798,640	-	1,504,282	-	-
2017-18	1,027,794,598	13,810,094	-	1,510,855	-	-
2018-19	1,061,816,489	12,811,548	-	1,522,845	-	-
2019-20	1,154,042,949	11,798,002	-	1,539,818	-	-
<b>2020-21</b>	<b>1,282,869,553</b>	<b>10,759,456</b>	-	<b>1,551,625</b>	-	-

Source: Iowa Department of Management, Scott County Auditor and School District financial records.

Notes: Details of the District's outstanding debt can be found in Note 7 in the notes to the financial statements.

\* See page 100 for personal income and population data. These rates are calculated using personal income and population for the prior calendar year.

**THIS PAGE INTENTIONALLY LEFT BLANK**



North Scott Community School District

**Ratio of Annual Debt Service Principal and Interest for General Bonded Debt  
to Total General Expenditures  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Principal	Interest	Total Debt Service Principal and Interest	Total General Fund Expenditures	Ratio of Debt Service to Total General Expenditures
2011	\$ -	\$ -	\$ -	\$ 27,303,824	-
2012	-	-	-	27,936,637	-
2013	-	-	-	28,725,487	-
2014	-	-	-	28,894,503	-
2015	-	-	-	30,154,436	-
2016	-	-	-	32,308,297	-
2017	-	-	-	33,283,869	-
2018	-	-	-	33,596,992	-
2019	-	-	-	33,582,796	-
<b>2020</b>	-	-	-	<b>34,022,343</b>	-

Source: District financial records.

**North Scott Community School District**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)**

---

	2011	2012	2013	2014
Debt limit	\$ 42,635,610	\$ 44,559,210	\$ 46,282,177	\$ 47,526,964
Total net debt applicable to limit	-	-	10,000,000	9,460,000
Legal debt margin	\$ 42,635,610	\$ 44,559,210	\$ 36,282,177	\$ 38,066,964
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	0.00%	0.00%	21.61%	19.90%

Source: Iowa Department of Management, Scott County Auditor's Office and School District financial records.

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	<b>\$ 1,282,869,553</b>
Debt limit (5% of assessed value)	<b>\$ 64,143,478</b>
Debt applicable to limit	<b>11,009,456</b>
Legal debt margin	<b>\$ 53,134,022</b>

2015	2016	2017	2018	2019	2020
\$ 47,705,276	\$ 48,772,876	\$ 51,389,730	\$ 53,090,824	\$ 57,702,147	\$ 64,143,478
15,510,000	14,555,000	13,585,000	12,605,000	11,798,002	11,009,456
\$ 32,195,276	\$ 34,217,876	\$ 37,804,730	\$ 40,485,824	\$ 45,904,145	\$ 53,134,022
32.51%	29.84%	26.44%	23.74%	20.45%	17.16%

## North Scott Community School District

### Direct and Overlapping Governmental Activities Debt As of June 30, 2020 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 35,372,162	13.75%	\$ 4,862,184
Eastern Iowa Community College	31,875,000	8.30%	2,645,412
City of Bettendorf	121,395,000	0.12%	144,482
City of Davenport	201,565,000	6.02%	12,132,731
City of Eldridge	10,810	100.00%	10,810
City of Princeton	280,000	100.00%	280,000
City of Donahue	110,000	100.00%	110,000
City of Long Grove	513,000	100.00%	513,000
City of Maysville	-	0.00%	-
City of McCausland	-	0.00%	-
<b>Subtotal, overlapping debt</b>			20,698,619
District direct debt			11,009,456
<b>Total direct and overlapping debt</b>			<u><u>\$ 31,708,075</u></u>

Source: Scott County Auditor.

#### Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This statistical page estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

\* The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value. (Calculated by dividing the amount of the value applicable to the North Scott School District by the total value for that taxing authority; 2018 assessed values are used.)

**North Scott Community School District**

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Revenue Bonds*			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2011	\$ 2,375,804	\$ -	\$ -	-
2012	2,495,352	-	-	-
2013	2,592,523	-	-	-
2014	2,591,792	540,000	229,955	29.71
2015	2,802,180	950,000	362,628	46.84
2016	2,903,548	955,000	401,005	46.70
2017	2,945,799	970,000	381,905	45.89
2018	2,852,367	980,000	362,505	47.07
2019	3,114,143	995,000	338,755	42.86
<b>2020</b>	<b>3,187,492</b>	<b>1,020,000</b>	<b>314,655</b>	<b>41.87</b>

Source: District financial records

Notes: Details regarding the District's outstanding debt can be found in Note 7 of the notes to the financial statements.

\* These bonds are backed by a one-cent statewide sales, service and use tax.

**North Scott Community School District**

**Demographic and Economic Statistics  
Last Ten Calendar Years  
(Unaudited)**

Calendar Year	Population (a)	Personal Income (b) (Thousands of Dollars)	Per Capita Personal Income (a)	Scott County Area Unemployment Rate (c) *
2011	15,203	\$ 411,241,150	\$ 27,050	6.9%
2012	15,203	414,889,870	27,290	6.7
2013	15,203	429,135,081	28,227	6.1
2014	15,203	431,673,982	28,394	5.9
2015	15,203	435,231,484	28,628	4.6
2016	15,203	456,804,541	30,047	4.7
2017	15,203	469,240,595	30,865	3.8
2018	15,203	538,261,634	32,131	3.1
2019	15,203	N/A	33,107	2.4
<b>2020</b>	<b>15,203</b>	<b>N/A</b>	<b>N/A</b>	<b>6.0</b>

Source:

(a) U.S. Census Bureau

(b) Iowa Department of Revenue

(c) Iowa Workforce Development

Notes: N/A = not available.

\* Based on a ten-month period, January through October.

# North Scott Community School District

## Principal Employers - Regional\* Current Year and Nine Years Ago (Unaudited)

Employer	2020				2011			
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment	
Rock Island Arsenal	8,100	1	3.30	%	8,500	1	5.40	%
Unity Point - Trinity	7,348	2	2.99		2,900	4	1.85	
Deere & Company	7,240	3	2.95		6,300	2	4.02	
Genesis Health System	6,160	4	2.51		4,900	3	3.12	
HyVee	4,581	5	1.87					
HNI Corporation/The Hon Company	4,205	6	1.71					
Arconic	2,500	7	1.02		2,250	6	1.43	
Kraft Heinz	2,498	8	1.02		1,650	7	1.05	
Walmart	2,480	9	1.01					
Tyson Fresh Meats	2,400	10	0.98		2,400	5	1.53	
Xpac					1,195	8	0.76	
Isle of Capri					1,050	9	0.67	
Mid American Energy					1,025	10	0.65	
Total	<u>47,512</u>		<u>19.35</u>	%	<u>32,170</u>		<u>20.49</u>	%
Total Regional Employees	245,573				156,860			

Source: Bi-State Regional Commission, Infogroup, Reference USA Gov, and individual employers. U.S. Census

\*Quad Cities Chamber Region includes Clinton, Muscatine, and Scott Counties in Iowa, and Henry, Mercer, and Rock Island Counties in Illinois.

Note: "Percent of Total Employment" is derived from the proportion of a firm's employees divided by the total employees in the region. These employees may represent workers who commute outside of the study region, and are estimates reported by the Census Bureau, not the individual firms.

Note: Arsenal Employees include military personnel, tenants and contractors.

**North Scott Community School District**

**Full-Time Equivalent District Employees By Type  
Last Ten Fiscal Years  
(Unaudited)**

	Full-Time Equivalent Employees as of June 30			
	2011	2012	2013	2014
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Assistant superintendent	-	-	-	-
Principals	6.9	6.9	6.9	6.9
Assistant principals	2.0	2.0	2.0	1.0
District secretary	0.3	0.3	0.3	0.3
Business Manager	1.0	1.0	1.0	1.0
Other officials/administrators	2.0	2.0	2.0	2.0
<b>Total supervisory</b>	<b>13.2</b>	<b>13.2</b>	<b>13.2</b>	<b>12.2</b>
Instruction:				
Classroom teachers	147.3	149.6	151.6	153.6
Special education teachers	28.0	26.0	24.0	24.6
Special programs	16.4	15.8	14.9	14.9
Vocational teachers	10.8	11.3	11.2	9.8
Teacher aides	64.8	61.2	57.9	59.4
Instructional technology technicians	3.0	3.0	3.0	5.0
Other instruction programs	1.5	1.5	2.9	4.0
<b>Total instruction</b>	<b>271.8</b>	<b>268.5</b>	<b>265.4</b>	<b>271.3</b>
Student services:				
Social workers	1.0	1.0	1.0	1.0
Counselors	10.0	10.0	10.0	10.0
Library/media specialists	5.1	4.8	5.1	4.5
Nurses	5.5	5.5	5.3	5.5
<b>Total student services</b>	<b>21.6</b>	<b>21.2</b>	<b>21.4</b>	<b>21.0</b>
Support and administration:				
Other support services	2.2	1.2	1.2	1.8
Office/clerical personnel	22.7	24.4	25.3	27.8
Other professional employees	-	-	-	-
Technology specialist	1.0	1.0	1.0	1.0
Other technical personnel	2.0	2.0	2.0	-
Crafts and trades personnel	5.5	6.5	5.5	4.5
Laborers	3.0	3.0	3.0	28.8
Service workers	53.9	54.8	54.7	28.7
Operative personnel	15.5	15.5	13.2	13.0
<b>Total support and administration</b>	<b>105.8</b>	<b>108.3</b>	<b>105.9</b>	<b>105.6</b>
<b>Total</b>	<b>412.4</b>	<b>411.1</b>	<b>405.9</b>	<b>410.1</b>

Source: District financial records



Full-Time Equivalent Employees as of June 30						Percentage Change 2011 - 2020
2015	2016	2017	2018	2019	2020	
1.0	1.0	1.0	1.0	1.0	1.0	- %
-	-	-	-	-	1.0	100.00
6.9	6.9	6.8	7.0	7.0	7.0	1.45
3.0	3.0	2.6	3.0	5.0	5.0	150.00
0.3	0.3	0.3	0.3	0.3	0.3	-
1.0	1.0	1.0	1.0	1.0	1.0	-
2.0	1.0	1.5	1.0	1.0	-	(100.00)
14.2	13.2	13.2	13.3	15.3	15.3	15.91
157.9	172.0	170.0	164.4	166.3	162.5	10.32
24.5	24.8	25.8	26.0	26.5	28.5	1.79
14.5	13.5	17.2	19.5	17.1	17.7	7.68
12.8	11.8	11.0	11.0	13.5	12.0	11.11
60.8	65.3	66.7	66.9	67.6	68.1	5.02
4.4	3.0	3.0	3.0	4.0	4.0	33.33
3.7	3.0	8.4	9.0	9.0	11.0	633.33
278.6	293.4	302.1	299.8	303.9	303.7	11.74
1.0	1.0	1.0	1.0	1.0	1.0	-
10.5	10.5	10.5	10.5	10.5	10.5	5.00
4.5	5.8	4.9	5.0	5.0	7.0	37.25
6.6	5.8	6.0	6.1	6.1	6.2	12.55
22.6	23.1	22.4	22.6	22.6	24.7	14.31
1.2	1.2	1.2	1.2	1.2	1.2	(45.45)
23.7	23.5	22.3	22.3	22.3	22.3	(1.76)
-	1.0	1.0	1.0	1.0	1.0	100.00
1.0	1.0	1.0	1.0	1.0	1.0	-
-	2.0	2.0	2.0	2.0	2.0	-
4.5	6.5	5.5	5.5	5.5	5.5	-
31.6	3.0	3.0	3.0	3.0	3.0	-
31.4	56.5	55.8	51.1	59.9	55.6	3.15
12.8	13.8	13.0	12.6	12.0	12.0	(22.58)
106.2	108.5	104.8	99.6	107.9	103.6	(2.08)
421.5	438.2	442.5	435.3	449.7	447.3	8.46 %

**North Scott Community School District**

**Operating Statistics  
Last Ten Fiscal Years  
(Unaudited)**

---

Fiscal Year	Daily Average Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change
2011	2,900	\$ 27,303,824	\$ 9,415	(0.58)
2012	3,004	27,936,637	9,300	(1.22)
2013	2,952	28,725,487	9,731	3.35
2014	3,034	28,894,503	9,524	2.41
2015	3,088	30,154,436	9,765	2.53
2016	3,158	32,308,297	10,230	4.76
2017	3,170	33,258,870	10,492	2.56
2018	3,154	33,596,992	10,652	1.53
2019	2,998	33,582,796	11,202	5.16
<b>2020</b>	<b>2,965</b>	<b>34,022,343</b>	<b>11,475</b>	<b>2.44</b>

Source: Nonfinancial information from District records. District financial records.

Notes: Operating expenditures are total expenditures in the General Fund.

---

Governmental Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
\$ 31,297,404	\$ 10,792	(2.37)	219.3	13.22
31,494,430	10,484	(2.85)	216.0	13.91
33,926,057	11,493	6.49	219.6	13.44
40,023,238	13,192	25.82	218.5	13.89
41,462,482	13,427	1.78	226.4	13.64
38,229,837	13,014	(3.07)	240.5	13.13
40,936,372	12,914	(0.77)	243.8	13.00
41,743,390	13,235	2.08	243.8	12.94
40,936,372	13,655	3.17	244.9	12.24
<b>40,615,425</b>	<b>13,660</b>	<b>0.04</b>	<b>245.0</b>	<b>12.10</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**North Scott Community School District**

**Free and Reduced Students  
Last Ten Fiscal Years  
(Unaudited)**

---

Fiscal Year	Reduced Students	Reduced Percentage	Free Students	Free Percentage	Total Free and Reduced Students	Total Free and Reduced Percentage
2011	164	5.38%	598	19.62%	762	25.00%
2012	135	4.47	610	20.18	745	24.64
2013	145	4.81	539	17.88	684	22.68
2014	145	4.79	553	18.25	698	23.04
2015	139	4.68	583	20.45	722	25.13
2016	112	3.54	580	18.35	692	21.89
2017	150	4.60	547	16.77	697	21.37
2018	145	4.46	630	19.37	775	23.82
2019	114	3.52	617	19.07	731	22.60
<b>2020</b>	<b>113</b>	<b>3.42</b>	<b>662</b>	<b>20.04</b>	<b>775</b>	<b>23.46</b>

Source: District financial records.

# North Scott Community School District

## School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2011	2012	2013	2014
Armstrong				
Square feet	41,095	41,095	41,095	41,095
Capacity*	720	720	720	720
Enrollment	329	326	316	314
Playgrounds	2	2	2	2
Glenn				
Square feet	26,297	26,297	26,297	26,297
Capacity*	480	480	480	480
Enrollment	277	256	239	271
Playgrounds	2	2	2	2
Grissom				
Square feet	29,209	29,209	29,209	29,209
Capacity*	480	480	480	480
Enrollment	222	207	194	186
Playgrounds	2	2	2	2
Shepard				
Square feet	39,609	39,609	39,609	46,900
Capacity*	720	720	720	720
Enrollment	338	355	366	357
Playgrounds	2	2	2	2
White				
Square feet	42,546	42,546	42,546	42,546
Capacity*	780	780	780	780
Enrollment	498	446	452	463
Playgrounds	2	2	2	2
Jr. High				
Square feet	105,714	105,714	105,714	105,714
Capacity*	960	960	960	960
Enrollment	484	475	478	478
Playgrounds	-	-	-	-
High School				
Square feet	199,143	199,143	199,143	205,000
Capacity*	1,740	1,740	1,740	1,740
Enrollment	940	971	942	942
Playgrounds	-	-	-	-

Source: District records.

Notes: \* Capacity calculation is number of possible classrooms times maximum of 30 students each (as suggested by architect).

Fiscal Year					
2015	2016	2017	2018	2019	2020
41,095	41,095	41,095	41,095	41,095	<b>41,095</b>
720	720	720	720	720	<b>720</b>
329	351	370	368	372	<b>375</b>
2	2	2	2	2	<b>2</b>
26,297	30,177	30,177	30,177	30,177	<b>30,177</b>
480	528	528	528	528	<b>528</b>
253	249	258	252	236	<b>228</b>
2	2	2	2	2	<b>2</b>
29,209	29,209	29,209	29,209	29,209	<b>29,209</b>
480	480	480	480	480	<b>480</b>
187	194	185	203	199	<b>198</b>
2	2	2	2	2	<b>2</b>
46,900	46,900	46,900	46,900	46,900	<b>46,900</b>
870	870	870	870	870	<b>870</b>
412	422	422	422	428	<b>442</b>
2	2	2	2	2	<b>2</b>
67,546	67,546	67,546	67,546	67,546	<b>67,546</b>
990	990	990	990	990	<b>990</b>
476	588	561	526	528	<b>506</b>
2	2	2	2	2	<b>2</b>
105,714	105,714	105,714	105,714	105,714	<b>105,714</b>
960	960	960	960	960	<b>960</b>
480	489	483	487	528	<b>501</b>
-	-	-	-	-	<b>-</b>
205,000	205,000	205,000	205,000	205,000	<b>205,000</b>
1,740	1,740	1,740	1,740	1,740	<b>1,740</b>
973	962	956	985	956	<b>988</b>
-	-	-	-	-	<b>-</b>

# North Scott Community School District

## Capital Asset Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2011	2012	2013	2014
Elementary				
Buildings	5	5	5	5
Square feet	178,756	178,756	178,756	186,047
Capacity	3,180	3,180	3,180	3,180
Enrollment	1,664	1,753	1,759	1,759
Playgrounds	10	10	10	10
Junior High				
Buildings	1	1	1	1
Square feet	105,714	105,714	105,714	105,714
Capacity	960	960	960	960
Enrollment	484	469	478	480
High School				
Buildings	2	2	2	2
Square feet	199,143	199,143	199,143	205,000
Capacity	1,740	1,740	1,740	1,740
Enrollment	940	962	942	973
Administrative				
Admin building	1	1	1	1
Square feet	5,188	5,188	5,188	5,188
Warehouse/printshop	1	1	1	1
Square feet	9,900	9,900	9,900	9,900
Service buildings	19	19	19	19
Transportation				
Bus garage	1	1	1	1
Square feet	5,250	5,250	5,250	5,250
Buses	38	38	38	38
Athletics				
Lancer Athletic Building	-	-	-	-
Square feet	-	-	-	-
Football fields	1	1	1	1
Soccer fields	1	1	1	1
Running tracks	1	1	1	1
Baseball/softball	2	2	2	2
Tennis courts	1	1	1	1

Source: District records.



Fiscal Year					
2015	2016	2017	2018	2019	2020
5	5	5	5	5	5
211,047	245,104	245,104	245,104	245,104	<b>245,104</b>
3,540	3,588	2,588	3,588	3,588	<b>3,588</b>
1,759	1,887	1,885		1,763	<b>1,763</b>
10	10	10	10	10	<b>10</b>
1	1	1	1	1	<b>1</b>
105,714	105,714	105,714	105,714	105,714	<b>105,714</b>
960	960	960	960	960	<b>960</b>
489	483	483		528	<b>528</b>
2	2	2	2	2	<b>2</b>
205,000	205,000	205,000	205,000	205,000	<b>205,000</b>
1,740	1,740	1,740	1,740	1,740	<b>1,740</b>
962	956	985		956	<b>956</b>
1	1	1	1	1	<b>1</b>
5,188	5,188	5,188	5,188	5,188	<b>5,188</b>
1	1	1	1	1	<b>1</b>
9,900	9,900	9,900	9,900	9,900	<b>9,900</b>
19	19	19	19	19	<b>20</b>
1	1	1	1	1	<b>1</b>
5,250	5,250	5,250	5,250	5,250	<b>25,351</b>
38	38	38	38	38	<b>40</b>
-	-	1	1	1	<b>1</b>
-	-	24,000	24,000	24,000	<b>24,000</b>
1	1	1	1	1	<b>1</b>
1	1	1	1	1	<b>1</b>
1	1	1	1	1	<b>1</b>
2	2	2	2	2	<b>2</b>
1	1	1	1	1	<b>1</b>

## North Scott Community School District Miscellaneous Demographic Statistics

The North Scott Community School District was incorporated in 1956, and includes portions of Winfield, Butler, Sheridan, Princeton, Lincoln, Allens Grove and Hickory Grove townships, in the County of Scott, in the State of Iowa. The District encompasses an area of 220 square miles. Included in the District are the towns of Dixon, Maysville, Donahue, Long Grove, Eldridge, McCausland and Princeton and the unincorporated communities of Mt. Joy and Park View. The District office is located at 251 East Iowa Street, Eldridge, Iowa.

The District owns and operates seven schools plus an administration building, transportation facility, maintenance complex, athletic building and indoor practice facility. The following data provides the grade levels housed in each building.

<b>SCHOOLS</b>	<b>19-20</b>	<b>18-19</b>	<b>17-18</b>	<b>16-17</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
Alan Shepard Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-7
Alan Shepard Elem.	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS
Edward White Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-5	K-5	K-5	K-5
John Glenn Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6
Neil Armstrong Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Neil Armstrong Elem.	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS
Virgil Grissom Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6
Junior High	7-8	7-8	7-8	7-8	7-8	7-8	*6-8	*6-8	*6-8	*6-8
High School	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12

\*Approximately 58 sixth graders 07-08; approximately 71 sixth graders 08-09; approximately 73 sixth graders 09-10; approximately 63 sixth graders 10-11; approximately 63 sixth graders 11-12; approximately 78 sixth graders 12-13; approximately 72 sixth graders 13-14; approximately 81 sixth graders(Aug-Dec)

### Schools

North Scott High School, located in Eldridge, was opened in the fall of 1958. Major additions to this building were completed in 1980, 1982 and 2000 that included an 800-seat performing arts auditorium, six fully equipped science classrooms and a modernized and expanded vocal and instrumental music complex. Major interior renovation and enlargement of the girls' locker room was completed in October 2006, as well as the replacement of the original gymnasium floor. In 2008, a major renovation and enlargement of the high school nurse's office and other support offices was completed. An 864-square foot free-standing greenhouse was added to support the vocational agriculture and science departments. In 2009, a major track and football field renovation was completed. In 2014 major improvements and expansions were completed to the boys' locker room and wrestling room. In 2015 the High School was updated with renovations to the front school entrances, office area, and library/media center. The new 26,000 square foot fitness center at the high school, Lancer Athletic Building (LAB), was completed in 2017 and houses a 12,000 square foot weight room and two practice courts. In 2018 the High School Kitchen was renovated and improvements began on the auditorium with completion in 2019. In 2019 a transportation facility was purchased. In 2020 a new indoor practice facility was completed.

The North Scott Junior High School, for grades seven and eight, was completed for occupancy January 3, 1976. Major interior remodeling was completed in 1991 and 2000 that included two fully equipped science classrooms and a second full-sized gymnasium. A major kitchen/cafeteria renovation and 1,444-square foot addition was completed in September 2009. A security camera system was added in 2009. In 2014 improvements and expansions were completed to the restrooms.

The John Glenn Elementary School at Donahue, the Virgil Grissom Elementary School at Princeton, the Alan Shepard Elementary School at Long Grove and the Edward White Elementary School at Eldridge were opened in 1967. These buildings replaced 32 buildings, which were mostly one-room, rural schools. Major additions to these elementary buildings were finished in 1967, 1969, 1971, 1993 and 2000. The Neil Armstrong Elementary School at Park View was opened on August 30, 1976 with a major addition completed in 2000. A major interior renovation project was completed in two phases. The District started on a playground safety program, replacing existing playground equipment and adding rubber tile fall protection surfaces at four of the District's elementary buildings. A large addition was completed at Alan Shepard Elementary in 2014 which added multiple classrooms and breakout rooms. A large addition was completed at Ed White Elementary in 2015, which added a gym, multiple classrooms, and office area. The library was expanded and updated as well. In 2016, John Glenn Elementary added a SAFE room that also holds two classrooms for the building. In 2019 John Glenn started a solar project with expected completion in early 2020.

A major sports complex was completed in the fall of 2002, which includes 12 lighted tennis courts and a lighted soccer complex. A District-wide web-based HVAC control system upgrade was started in the spring of 2009.

### **Staff and Curriculum**

The North Scott Schools take pride in their excellent workforce. The seven buildings and central office are staffed by 15.00 FTE administrators, 244.4 FTE certified staff and 187.9 FTE support staff. The teaching staff includes classroom teachers, media specialists, nurses and teacher specialists in the areas of reading, art, music, physical education and guidance. The support staff of teacher aides, secretarial and clerical staff, bus drivers and mechanics, custodial/maintenance, child care, food service, print shop and grounds staff all contributes to creating a positive, safe learning environment for students.

Following are listed a variety of activities that were directed and/or coordinated by the Superintendent for the continuous improvement of the learning experiences and environment provided to students and staff:

- All teachers and administrators are involved in grade level and content area meetings to align curriculum, assessment and instruction.
- The District completed the CASA document to report on 2019-20 school year and document plans for the upcoming year in implementing the Iowa Common Core.
- The District completed the 2019-20 K-12 Department of Education Desk Audit, Preschool Desk Audit and all other required reports for the State.
- The District received the Teacher Leadership Compensation funding for 2015-16. We have completed five years of the leadership programming. The end-of-year state report was completed to share data on how TLC is doing in the district.
- The District has identified long-range goals and annual improvement goals with specific action plans to meet the identified needs of students and staff within the District using a School Strategic plan which is reviewed annually with members of the administration and Board of Directors.
- The District employs reading specialists who provide academic support in reading for students in grades K-12.
- The Comprehensive Intervention Model is used by reading specialists and special education teachers in grades K-12.
- Curriculum reports are made during the school year to the Board of Directors.

- The District has a Curriculum Cabinet, which meets once a month to discuss issues directly related to curriculum, instruction and assessment. Members of the Cabinet include the Superintendent, Curriculum Director, a board member and all elementary principals, JH and HS principal, the 7-12 Teacher Leader Coordinator and all teacher leader instructional coaches. Minutes of the Curriculum Cabinet are shared after each meeting at School Board meetings.
- Each building annually identifies building improvement goals based upon student data. Action plans are developed at the building level to make improvements at the site level.
- Parent/teacher conferences are held in grades kindergarten through twelve twice a year with a high parent participation rate.
- The District provides a well-articulated K-12 counseling program to address the needs of students. All elementary buildings have full time guidance personnel.
- The District continues to provide regular professional development opportunities to all staff in the areas of reading, math, science, technology, and meeting the needs of diverse learners. In 2019-20, an emphasis continued to be placed on Professional Learning Communities, Gradual Release of Responsibility, Partnership in Comprehensive Literacy and MTSS. Training was provided by AEA consultants and instructional coaches within the District.
- Four computer technicians are employed by the District to assist in the placement of technology in all classrooms. 100 percent of the District's classrooms are connected to the Internet. All staff members have e-mail addresses. There are more than 3,000 computers across the District. The District has a 1:1 initiative using Chromebooks as the primary devices for students. The District maintains a web page which was restructured and updated in 2018-19.
- The Central Office and administrative staff use a web-based personnel software system for hiring new staff.
- The District has an active mentoring program for beginning teachers. "Journey to Excellence" provides each beginning teacher with a trained mentor for a two-year period. Training teachers is on-going to enlarge the pool of mentors supporting beginning educators starting their careers in the District.
- Both the junior high and high school provide a student academic intervention time each school day.

## **Population**

The population of the North Scott Community School District is estimated at approximately 15,000. The enrollment in October 2020 was 3,345 students – 1,018 senior high students, 496 junior high students, 1,831 elementary students, 151 4-year-olds. These numbers include students who are open-enrolled or tuitioned into the District.

A fleet of 40 buses is owned by the District to serve its transportation needs. A total of 22 regular bus routes operate daily, with 3 activity routes operating in the evening. The District also has 5 special education routes operating daily.

Student lunches are prepared at two central locations, North Scott High School and North Scott Junior High and numbered approximately 46,400 regular breakfasts and 260,000 regular lunches. In 2019-20 an additional 98,188 breakfasts and 98,188 lunches were served under the Summer Food Service Program due to the coronavirus pandemic.

The North Scott Board of Education generally meets on the second and fourth Monday of each month, and complete minutes are published in the North Scott Press and on the North Scott web page.

### **District Awards Over the Last Several Years**

The following is a summary of various awards and positions held by specific individuals, buildings, school organizations and as a District, over the last several years.

#### Individuals

District individuals have served and been awarded the following recognition in the last 10 years.

- Presenters, University of Northern Iowa Literacy Spring Conference & Summer Academy, 2013, 2014, 2015, and 2016
- Presenter – 2017 Visible Learning Conference
- Presenter – Association for Middle Level Educators
- Presenters – 2018 National Reading Recovery Council Conference
- 1<sup>st</sup> place in the state for Sr. Division National History Day, 2014
- 2013 National Merit Finalist/Recipient
- Teacher of the Year Finalist, 2012
- Teacher National Board Certification, 2012
- State of Iowa Governor's Volunteer Award for Individual Volunteerism
- Big Brothers/Big Sisters of America Big Impact Award Winner
- Teacher National Board Certification, 2012
- National Merit Finalist/Recipient, 2013
- Member of MBAEA and School Administrators of Iowa's Professional Development Committee, 2013-15
- Member of SAI Elementary Principal of the Year Selection Committee, 2013-14
- Serve on SAI Fall Conference Planning Committee, 2012-13
- Edward White Elementary Model PCL School, 2013-14, 2014-15, 2015-16
- Member of North Scott Rotary
- Member of State's C4K Committee
- Iowa State Representative
- Iowa State Senator
- Committee member, Leadership Committee, IASBO
- Presenter – School Administrators of Iowa 2009 Fall Activity Fund Workshop
- Presenter – School Administrators of Iowa 2011 Fall Activity Fund Workshop
- Iowa State Distribution Advisory Council
- Presenter at Middle Level Education Southeast Sectional Conference

- Instructor – Iowa Superintendent and Leadership Consortium 2010 – Understanding & Managing Special Revenue Funds
- Southeast District High School Athletic Director of the Year, 2015
- Wrestling Coach of the Year, 2015
- Boys Class 4A Basketball Coach of the Year, 2015
- Iowa School Counselor-of-the-Year Semi-Finalist, 2017
- Iowa State Bar Mock Trial Coach Educator Hall of Fame Induction, 2017
- MAC Cross-Country Coach of the Year, 2018
- Football District Coaching Staff of the Year, 2018
- Cross Country MAC Coach of the Year, 2019
- Volleyball MAC Coach of the Year, 2019
- Football District Coach of the Year, 2019
- Wrestling MAC Coach of the Year, 2020

#### Building Awards

- Five Elementary Schools Received the 2012-2014 USDA Healthier US School Challenge Award
- Junior High Educational Equity Recognition Award – Iowa State Board of Education
- Junior High “Employer Support of the Guard and Reserve” ESGR Award

#### Grounds Awards

- Presenter at National Sports Turf Manager’s Conference, 2012
- Hosted & Presented Turf & Technology Workshop, 2010
- 2010 National Sports Turf Manager’s Association High School & Parks Football Field of the Year
- 2015 Tennis Courts of the Year

#### Grants

- Scott County Regional Authority Grant, \$39,000 – Junior High, Web-Based Surveillance Cameras
- Scott County Regional Authority Grant, \$3,710 – Junior High, Double Robot
- Scott County Regional Authority Grant, \$2,300 – Neil Armstrong, Therapy Dog
- Scott County Regional Authority Grant, \$6,188 – John Glenn, Virtual Reality Makerspace Lab
- Scott County Regional Authority Grant, \$8,886 – High School, Standing Desks
- Scott County Regional Authority Grant, \$14,000 – Junior High, Industrial Technology Lab
- Iowa Department of Transportation, \$150,000 – North Scott CSD, Iowa’s Volkswagen Settlement Environmental Mitigation Trust Program Grant

## Statistical Review

Area – 220 square miles                      Altitude – 793 feet above sea level

Parks & Lakes – Scott County Park, a total of 1,450 acres. Each small town in the District has their own small park. Lost Grove Lake is a 400-acre lake located six miles east of Eldridge near Scott County Park where you can fish, kayak, canoe and hike.

Location – Distance in miles from Eldridge (center of District):

Chicago	162	Los Angeles	1,605	Omaha	300
Dallas	799	Minneapolis	334	St. Louis	240
Denver	777	Detroit	425	Kansas City	300
Des Moines	167	Milwaukee	199		

Churches – 13, representing five denominations.

Fitness Center, Roller Skating Rink, Golf Course, Pickle Ball Court, Bike/Walking Trail (in City of Eldridge).

Public Library – Scott County Public Library and Bookmobile provide services to the seven communities located in North Scott.

Newspapers – 1 weekly, 1 daily (morning and evening) in metropolitan area. Also 1 weekly trade paper.

Climate:

Average winter temperature	24.6
Average summer temperature	72.7
Average annual rainfall	24.6
Average annual snowfall	32.9

## Municipal Services

Council/City Managers; all volunteer fire department personnel in cities; full-time police officers- Eldridge and Princeton; part-time police officers-Princeton. All other cities are patrolled by the County; industrial waste pickup service.

## Notice of Nondiscrimination

The North Scott Community School District does not discriminate on the basis of race, color, creed, gender, sexual orientation, marital status, national origin, religion, age or disability in its educational programs, services or employment practices. Inquiries concerning application of this statement should be address to:

Erin Paysen, Equity Coordinator  
John Glenn Elementary  
308 N Main Street  
Donahue, Iowa 52746  
Phone 563.282.9862

**THIS PAGE INTENTIONALLY LEFT BLANK**



**North Scott Community School District**

**Property Values, Construction and Bank Deposits  
Last Ten Fiscal Years  
(Unaudited)**

---

Year	Insured Property Values	Expenditures for Construction	Bank Deposit*
<b>2019-20</b>	<b>\$ 138,773,492</b>	<b>\$ 2,251,106</b>	<b>\$ 18,781,893</b>
2018-19	127,709,918	5,714,786	21,533,792
2017-18	124,662,825	4,286,334	15,765,345
2016-17	119,576,825	6,615,029	5,415,715
2015-16	117,555,405	15,649,202	6,599,043
2014-15	110,037,643	7,469,839	7,261,512
2013-14	99,516,364	11,223,369	2,439,275
2012-13	97,224,430	3,480,508	2,907,201
2011-12	91,387,744	1,625,806	2,109,219
2010-11	91,387,744	1,683,577	4,962,663

\* School district's bank deposit as of June 30.

Sources: District financial and insurance records.

**North Scott Community School District**

**Enrollment by Grade and Certified Enrollment  
Last Ten Fiscal Years  
(Unaudited)**

Grade	2019-20	2018-19	2017-18	2016-17
Enrollment by Grade				
Kindergarten	<b>257.0</b>	243.0	250.0	266.0
1	<b>212.0</b>	216.0	230.0	236.0
2	<b>216.0</b>	243.0	238.0	241.0
3	<b>235.0</b>	242.0	237.0	228.0
4	<b>237.0</b>	241.0	238.0	229.0
5	<b>247.0</b>	245.0	235.0	245.0
6	<b>239.0</b>	243.0	242.0	253.0
7	<b>244.0</b>	257.0	251.0	235.0
8	<b>255.0</b>	262.0	227.0	243.0
9	<b>261.0</b>	223.0	245.0	235.0
10	<b>230.0</b>	252.0	238.0	238.0
11	<b>236.0</b>	231.0	234.0	238.0
12	<b>244.0</b>	241.0	261.0	240.0
	<b>3,113.0</b>	3,139.0	3,126.0	3,127.0
Certified enrollment	<b>3,029.6</b>	3,077.3	3,035.1	3,062.1

Source: Basic Educational Data Survey (BEDS) and Certified Enrollment

---

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
278.0	285.0	247.0	237.0	236.0	265.0
237.0	217.0	205.0	218.0	240.0	210.0
227.0	228.0	219.0	234.0	211.0	216.0
231.0	229.0	237.0	206.0	218.0	217.0
238.0	237.0	213.0	224.0	225.0	231.0
247.0	227.0	224.0	226.0	238.0	233.0
228.0	235.0	222.0	237.0	238.0	219.0
244.0	237.0	237.0	245.0	228.0	235.0
240.0	239.0	237.0	226.0	236.0	245.0
241.0	236.0	227.0	238.0	267.0	236.0
243.0	225.0	230.0	260.0	228.0	239.0
229.0	229.0	256.0	215.0	236.0	212.0
242.0	272.0	222.0	248.0	221.0	245.0
3,125.0	3,096.0	2,976.0	3,014.0	3,022.0	3,003.0
3,078.2	3,046.3	2,948.9	2,978.5	2,986.6	2,964.5

**North Scott Community School District**

**Schedule of Insurance Coverage**

**July 1, 2019 - June 30, 2020**

**(Unaudited)**

---

Detail of Coverage	Number	From	To
<b>PROPERTY</b>			
Coverage A - Buildings	5A1-37-59-20	7/1/2019	7/1/2020
Coverage B - Personal property			
Coverage C - Extra expense			
<b>LIABILITY</b>			
Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefits, additional insured.	5D1-37-59-20	7/1/2019	7/1/2020
<b>FLEET</b>			
Bodily injury, property damage, medical uninsured motorist, comprehensive, collision. Includes non-owned.	5E1-37-59-20	7/1/2019	7/1/2020
<b>WORKERS' COMPENSATION</b>	180-001-2833	7/1/2019	7/1/2020
<b>INLAND MARINE</b>			
All risk coverage based on statement of values.	5C1-37-59-20	7/1/2019	7/1/2020
<b>COMMERCIAL UMBRELLA (EXCESS LIABILITY)</b>	5J1-37-59-20	7/1/2019	7/1/2020
<b>SCHOOL DISTRICT LEGAL LIABILITY</b>			
Includes prior acts, 36-month discovery period extension, teacher negotiation-covers school board and all employees.	5K1-37-59-20	7/1/2019	7/1/2020
<b>PUBLIC SCHOOL EMPLOYEES BLANKET BOND</b>	5F1-37-59-20	7/1/2019	7/1/2020
<b>POLLUTION</b>	5P1-37-59-20	7/1/2019	7/1/2020
<b>GROUP EXCESS LIABILITY</b>	5Y1-37-59-20	7/1/2019	7/1/2020
<b>DATA COMPROMISE</b>	5Q1-37-59-20	7/1/2019	7/1/2020

Source: School District insurance records.

---

Liability Limits	Premium
Coverages A and B - 90% of full replacement cost as per statement of values - \$25,000 deductible. Coverage C - As per schedule.	99,574
\$2,000,000 bodily injury and property damage each occurrence, \$4,000,000 aggregate.	17,815
\$2,000,000 combined single limit liability, \$5,000 medical payment, ACV comprehensive no deductible, buses \$250 deductible, small vehicles \$100 deductible and automobiles uninsured and underinsured motorist \$1,000,000	39,156
Statutory.	134,271
As per schedule.	258
\$9,000,000 occurrence and aggregate.	12,485
\$2,000 deductible, \$2,000,000 each loss, \$2,000,000 aggregate.	12,494
Blanket coverage \$1,000,000 all employees w/ \$10,000 deductible	3,496
\$1,000,000 each incident, \$1,000,000 aggregate	1,350
\$15,000,000 occurrence limit and \$30,000,000 aggregate limit	6,114
As per schedule.	3,889

**North Scott Community School District**

**History of State Aid Payments  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Budgeted State Aid	Actual Revenue	Difference State Aid to Actual	Difference % of Budget Variance**
<b>2020</b>	<b>\$ 18,985,887</b>	<b>\$ 18,828,806</b>	<b>\$ 157,081</b>	<b>0.83%</b>
2019	18,374,416	18,298,603	75,813	0.41%
2018	19,033,612	18,956,147	77,465	0.41%
2017	18,978,935	18,902,895	76,040	0.40%
2016	17,230,352	17,150,827	79,525	0.46%
2015	16,592,001	16,513,565	78,436	0.47%
2014	15,876,358	15,793,642	82,716	0.52%
2013	15,395,627	15,308,497	87,130	0.57%
2012	15,904,254	14,321,192	1,583,062	9.95%
2011	14,597,704	14,508,670	89,034	0.61%
Average	\$ 17,096,915	\$ 16,858,284	\$ 238,630	2.29%

\*\* The % of budget variance indicates the percent that actual revenues were below those projected by use of the state's foundation formula used in calculations to prepare the certified school district budget.

Source: District Budget Documents and Financial Records.

**North Scott Community School District**

**Local Regular Program Budget vs. Teacher Settlements**

**New Money the Last Ten Years - Percent Increase**

**(Unaudited)**

Budget Year	Enrollment	(A) North Scott New Money	(B) North Scott Settlement	(C) New Money State Trend	(D) Settlement State Trend	(E) Certified Teaching Staff (FTE)
<b>2019-20</b>	<b>3,077.3</b>	<b>2.73%</b>	<b>2.00%</b>	<b>1.23%</b>	<b>2.51%</b>	<b>240.31</b>
2018-19	3,035.1	0.58%	2.12%	1.20%	2.34%	238.81
2017-18	3,062.1	1.00%	3.45%	1.34%	2.16%	243.80
2016-17	3,078.2	3.32%	2.76%	1.79%	3.33%	240.30
2015-16	3,046.3	4.60%	3.51%	1.87%	3.15%	240.48
2014-15	2,948.9	2.97%	3.86%	3.00%	3.65%	226.42
2013-14	2,978.5	1.72%	3.85%	2.42%	3.70%	218.48
2012-13	2,986.6	1.70%	3.76%	1.28%	3.70%	219.60
2011-12	2,964.5	1.30%	3.60%	0.13%	3.70%	216.68
2010-11	2,977.5	-0.40%	3.80%	-0.60%	3.33%	223.46

Ten-year average

Percent variance (B-A)/B                      40.32%                      (D-C)/C                      56.73%

Source: IASB reports.

**North Scott Community School District**

**Average Salary by Education Level  
Last Ten Fiscal Years  
(Unaudited)**

Education Level	Fiscal Year			
	2010	2012	2013	2014
<b>BA</b>				
Total FTE	62.69	55.96	55.63	60.00
Average salary	33,827.71	37,148.84	36,955.78	37,731.38
<b>BA + 15</b>				
Total FTE	21.94	26.40	25.40	22.69
Average salary	40,838.74	41,056.06	42,295.08	44,143.98
<b>BA + 30</b>				
Total FTE	31.50	24.00	24.00	25.00
Average salary	46,324.83	62,422.63	48,339.25	48,766.80
<b>MA</b>				
Total FTE	54.00	56.66	61.07	60.29
Average salary	44,548.39	40,648.62	47,017.08	48,716.42
<b>MA + 15</b>				
Total FTE	22.00	22.00	22.00	21.50
Average salary	49,541.36	46,603.82	50,887.18	51,992.14
<b>MA + 30</b>				
Total FTE	28.00	31.00	32.00	29.00
Average salary	56,087.14	46,281.42	56,768.81	59,249.59
<b>Grand total FTE</b>	220.13	216.02	220.10	218.48
<b>Total average salary</b>	43,346.46	43,625.73	45,877.97	46,951.03

Source: District personnel records.

**Notes:**

Full-time instructional employees of the District are employed for all 192 work days, at eight hours per day 1,536 hours per year. This schedule includes the local instructional salary schedule only. Not included are state appropriations to increase salaries, i.e., Teacher Salary Supplement, Teacher Quality of Phase II Funds.



---

Fiscal Year					
2015	2016	2017	2018	2019	2020
66.50 38,755.05	67.98 39,488.71	59.60 40,397.58	65.60 41,353.20	46.50 41,709.28	<b>49.98</b> <b>40,914.01</b>
21.44 44,872.77	23.50 45,889.45	22.06 45,935.03	20.31 46,724.58	21.48 46,529.97	<b>13.00</b> <b>48,383.85</b>
22.00 49,253.55	19.50 51,200.49	21.63 51,875.36	22.63 52,518.64	23.19 52,954.91	<b>19.69</b> <b>54,985.96</b>
62.98 48,786.39	64.00 50,090.38	64.01 50,838.55	65.38 51,995.18	73.88 51,742.06	<b>78.88</b> <b>52,223.14</b>
20.50 54,365.80	25.50 55,701.45	30.50 56,109.54	29.00 57,194.41	31.63 56,444.46	<b>33.63</b> <b>56,854.19</b>
33.00 60,275.91	40.00 60,837.10	42.50 61,585.58	40.88 62,612.50	42.13 61,645.83	<b>45.13</b> <b>62,126.03</b>
226.42 47,606.36	240.48 49,155.48	240.30 51,514.43	243.80 51,139.97	238.81 51,807.50	<b>240.31</b> <b>52,397.58</b>

**North Scott Community School District**

**Total Package Settlement  
Last Ten Fiscal Years  
(Unaudited)**

---

	Fiscal Year			
	<b>2020-21</b>	2019-20	2018-19	2017-18
Certified	<b>2.00 %</b>	2.00 %	2.12 %	3.45 %
Classified	<b>2.00</b>	2.00	1.20	1.65
Bus drivers	<b>2.00</b>	3.00	1.26	1.00
Administrators	<b>2.00</b>	2.00	1.73	2.20
Midmanagement	<b>2.00</b>	2.00	1.63	2.50
Print shop	<b>N/A</b>	N/A	N/A	2.50
Exempt	<b>2.00</b>	2.00	1.88	2.50

Source: District records.

---

Fiscal Year						10-Year
2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	Average
2.76 %	3.51 %	3.86 %	3.85 %	3.76 %	3.60 %	3.07 %
2.75	3.35	3.86	3.06	3.38	3.60	2.67
2.76	3.35	3.86	3.12	3.52	2.50	2.30
2.76	3.00	3.25	3.78	3.38	3.30	2.52
2.76	3.00	3.86	3.00	3.38	3.60	2.75
2.76	3.00	3.86	3.00	3.38	3.60	2.60
2.76	3.00	3.86	3.00	3.38	3.60	2.79

**North Scott Community School District**

**Financial Solvency Ratio  
Last Ten Fiscal Years  
(Unaudited)**

---

Fiscal Year	Unassigned/ Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
<b>2020</b>	<b>\$ 7,874,085</b>	<b>\$ 34,867,591</b>	<b>22.58%</b>
2019	7,330,814	34,896,662	21.01%
2018	6,091,547	34,422,847	17.66%
2017	5,203,385	33,850,867	15.37%
2016	4,696,591	30,914,743	15.19%
2015	4,999,015	30,113,559	16.60%
2014	5,199,486	29,463,500	17.65%
2013	4,582,172	28,838,374	15.89%
2012	4,472,779	28,960,008	15.44%
2011	3,450,061	26,940,253	12.81%

Source: District financial records.

Financial solvency = 
$$\frac{\text{assigned} + (\text{plus}) \text{unassigned General Fund balances (numerator)}}{\text{actual General Fund revenues}}$$

COMPLIANCE SECTION



**North Scott**  
Community Schools

**THIS PAGE INTENTIONALLY LEFT BLANK**

**North Scott Community School District**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY20 4552	\$ -	\$ 55,765
National School Lunch Program	10.555	FY20 4553	-	293,167
National School Lunch Program- COVID 19 CARES ACT	10.555	FY20 4056	-	670,059
Commodities -DOD (Noncash)	10.555	FY20 4951	-	69,996
Commodities (Noncash)	10.555	FY20 4951	-	142,829
Child Nutrition Cluster Program Total			-	1,231,816
Child and Adult Food Care Program	10.558	FY20 4554	-	791
<b>Total U.S. Department of Agriculture</b>			-	1,232,607
U.S. Department of Education:				
Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY20 4501	-	225,675
Title IIA Federal Teacher Quality Program	84.367	FY20 4643	-	51,390
Title IV Student Support and Academic Enrichment	84.424	FY20 4669	-	14,315
Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States IDEA, Part B	84.027	FY20 4521	-	135,466
<b>Total U.S. Department of Education</b>			-	426,846
U.S. Department of Labor:				
Iowa Workforce Development Apprenticeship USA Grants	17.285	FY20 4071	-	11,712
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 1,671,165

See notes to schedule of expenditures of federal awards.

## **North Scott Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2020**

---

#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the North Scott Community School District under programs of the federal government for the year ended June 30, 2020. 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 North Scott Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of North Scott Community School District.

#### **Note 2. Summary of significant accounting policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual or accrual basis of accounting based on the fund-type of the program. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

#### **Note 3. Indirect Cost Rate**

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.





... a commitment to the community.

**North Scott Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020**

---

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
<b>Other Findings Related to Required Statutory Reporting</b>		
<b>IV-A-19:</b> Expenditures in the other expenditures function exceeded the amended budget.	Corrected.	
<b>IV-H-19:</b> There were variances regarding supplementary weighting data certified to the state in October 2018.	Corrected.	

**THIS PAGE INTENTIONALLY LEFT BLANK**



**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 Education  
North Scott Community School District  
Eldridge, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of North Scott Community School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 of financial statements 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*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The script is cursive and fluid.

Moline, Illinois  
December 10, 2020



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

To the Board of Education  
North Scott Community School District  
Eldridge, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited North Scott Community School District's (the District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the 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 the District'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 auditing standards generally accepted in the United States of America, 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District 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, 2020.

## Report on Internal Control Over Compliance

Management of the District 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the District's internal control over compliance.

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

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

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

*Bohnsack & Frommelt LLP*

Moline, Illinois  
December 10, 2020

**North Scott Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020**

---

**I. Summary of the Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

**Identification of major programs:**

CFDA Number	Name of Federal Program or Cluster
Child Nutrition Cluster Program:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program- COVID 19 CARES Act
10.555	Commodities-DOD (Noncash)
10.555	Commodities (Noncash)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

## North Scott Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

---

#### Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

#### Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

#### Part IV: Other Findings Related to Statutory Reporting

##### IV-A-20

Certified Budget: Expenditures for the year ended June 30, 2020 did not exceed the amounts budgeted at year-end.

##### IV-B-20

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

##### IV-C-20

Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

##### IV-D-20

Business Transactions: Business transactions between the District and District officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction	
	Description	Amount
Central Scott Telephone, CEO & General MGR, Donn Wilmott, Board Member	Services	\$ 71,441

In accordance with the Attorney General's opinion dated November 9, 1976, the above transaction does not appear to represent a conflict of interest.

##### IV-E-20

Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

##### IV-F-20

Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

(Continued)



**North Scott Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020**

---

**IV-G-20**

Certified Enrollment:

Finding: Variances regarding the October 2019 certified enrollment data certified to the Iowa Department of Education were noted.

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response: The District will review current processes to ensure data submitted for certified enrollment is accurately reported.

Conclusion: Response accepted.

**IV-H-20**

Supplementary Weighting: No variances in the supplementary weighting data certified to the Iowa Department of Education were noted.

**IV-I-20**

Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

**IV-J-20**

Certified Annual Report: The Certified Annual Report was certified timely to the Iowa Department of Education.

**IV-K-20**

Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

(Continued)

## North Scott Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

---

#### IV-L-20

Statewide Sales and Services Tax: No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	4,953,370
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,187,492	
Other		100,291	3,287,783
Expenditures/transfers out:			
Instruction		1,201	
Support services		154,607	
School infrastructure:			
Buildings and improvements		2,009,951	
Transfers out		1,335,463	3,501,222
Ending balance			\$ 4,739,931

For the year ended June 30, 2020, the District reduced the tax levy by not having a debt service levy of \$2.485 per \$1,000 of taxable valuation as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.



North Scott Community School District  
251 East Iowa Street, Eldridge, Iowa 52748  
Fax (563) 285-6075 Phone (563) 285-4819

... a commitment to the community.

## North Scott Community School District

### Corrective Action Plan

Year Ended June 30, 2020

Findings	Corrective Action Plan	Anticipated Date of Completion
<b>Other Findings Related to Required Statutory Reporting:</b>		
<b>IV-G-20:</b> There were variances regarding certified enrollment data certified to the state in October 2019.	See corrective action plan and response at IV-G-20	Fiscal Year 2021 Jill Van Roekel