

**NORTH SCOTT
COMMUNITY
SCHOOL DISTRICT**

Eldridge, Iowa



**Comprehensive Annual
Financial Report
For The Fiscal Year
Ended June 30, 201;**

Comprehensive Annual Financial Report of the

North Scott Community School District
Eldridge, Iowa

For the Fiscal Year Ended June 30, 2019

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:

Kelly Rohlf, Equity Coordinator

*308 North Main Street
Donahue, Iowa 52746*

563-282-9627

INTRODUCTORY SECTION



North Scott
Community Schools

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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 - 54
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and Changes in balances – actual to budget – all governmental funds and enterprise funds	55 - 56
Schedule of changes in the District's total OPEB liability and related ratios	57
Iowa Public Employees' Retirement System:	
Schedule of the District's proportionate share of the net pension liability	58
Schedule of District contributions	59 - 60
Notes to required supplementary information	61 - 62
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	63
Combining statement of revenues, expenditures and changes in fund balances	64
Capital projects funds:	
Schedule of combining balance sheet, by account	65
Schedule of combining statement of revenues, expenditures and changes in fund balances, by account	66
Agency fund:	
Statement of changes in assets and liabilities	67

STATISTICAL SECTION (UNAUDITED)

Statistical section contents	68
Net position by component	69 – 70
Expenses, program revenues and net (expense) revenue	71 – 72
General revenues and total change in net position	73 – 74
Fund balances, governmental funds	75 – 76
Governmental funds revenues	77 – 78
Governmental funds expenditures and debt service ratio	79 – 80
Other financing sources and uses and net change in fund balances, governmental funds	81 – 82
Assessed value and actual value of taxable property	83
Direct and overlapping property tax rates	84 – 85
Principal property tax payers	86
Property tax levies and collections	87
Outstanding debt by type	88
Ratio of net bonded debt to assessed values	89
Ratio of annual debt service principal and interest for general bonded debt to total general expenditures	90
Legal debt margin information	91 – 92
Direct and overlapping governmental activities debt	93
Pledged revenue coverage	94
Demographic and economic statistics	95
Principal employers	96
Full-time equivalent district employees by type	97 – 98
Operating statistics	99 – 100
Free and reduced students	101
School building information	102 – 103
Capital asset information	104 – 105
Miscellaneous demographic statistics	106 – 111
Property values, construction and bank deposits	112
Enrollment by grade and certified enrollment	113 – 114
Schedule of insurance coverage	115 – 116
History of state aid payments	117
Local regular program budget vs. teacher settlements, new money	118
Average salary by education level	119 – 120
Total package settlement	121 – 122
Financial solvency ratio	123

COMPLIANCE SECTION

Schedule of expenditures of federal awards	124
Notes to schedule of expenditures of federal awards	125
Summary schedule of prior audit findings	126
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>	127 – 128
Independent auditor's report on compliance for each major federal program and report on Internal control over compliance required by the Uniform Guidance	129 – 130
Schedule of findings and questioned costs	131 – 134
Corrective action plan	135



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.

December 10, 2019

Mr. Glen Keppy, 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, 2019. 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.

The chart of accounts used by the District is in conformance with the revised Uniform Accounting System for Iowa Schools and Area Education Agencies 2009 Edition. The chart of accounts manual is updated on an annual basis.

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 3,100 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, 2019 the District had \$11,610,000 of debt applicable to its legal debt margin. This amount is well below the District's bonding capacity of \$57,702,147.

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 a year-end rate of 2.43%, a Savings Account with a year-end rate of 1.97%, TELF with year-end rate of 1.65% and TELF Plus with a year-end rate of 2.01%. Interest revenue of \$621,557 was earned on all investments for the fiscal year ending June 30, 2019. This represents an increase of \$249,571 or 167%. The increase in revenue is attributed to higher interest rates.

The Education Liquidity Fund 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 partially 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.

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 with a continued shift in enrollment to the center of the District.

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 new transportation facility was purchased.

Major Initiatives and Achievements

Despite pressures from financial challenges, the 2018-2019 school year was a year of growth, achievement and change. Following are some of the major accomplishments or initiatives from the 2018-2019 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 sixth 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 3-10 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 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 2019. Over 3,000 students from around the world are represented at 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 District participated in the first year of the new state assessment, ISASP.

- 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. Listed below is information on student achievement for 2018-19:

- ISASP ELA Results:

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

- ISASP Math Results:

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

- The dropout rate of students in grades 7-12 in 2018 was 0.82% (latest data available).
- 100% of 2018-2019 North Scott graduates completed a core program of 4 years of English, and 3 years each of math, science, and social studies.
- The North Scott 2018-2019 grades K-8 Average Daily Attendance rate was 96%.
- The 2019 graduation rate for the North Scott Community School District was 89.8% for four year graduates.
- 87.5% of 2019 graduating seniors indicated they intended to pursue post-secondary education or training.

Economic Condition and Outlook

The District's General Fund Balance increased by \$1,288,865, and the Unassigned Fund Balance increased by \$1,025,032. This change in the Unassigned Fund Balance is due primarily to a \$1,100,000 cash reserve levy.

The District's solvency ratio for 2018-2019 is 21.83%, compared to 18.37%, in 2017-2018. 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 1st, 2051.

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 increased 1.4% from 3,035.10 in 2018-2019 to 3,077.25 in 2019-2020. The October 2019 certified count decreased to 3,029.62. The cost per pupil for 2018-19 is \$6,736 and the cost per pupil for 2019-20 is \$6,880. The cost per pupil for 2020-21 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 \$333.23. The cost per pupil for 2020-21 is currently unknown.

During the 2019 Legislative session, Supplemental State Aid was set at 2.06 percent for 2019-2020. 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, 2017. 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, 2018.**



JE Wohle

David J. K.



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

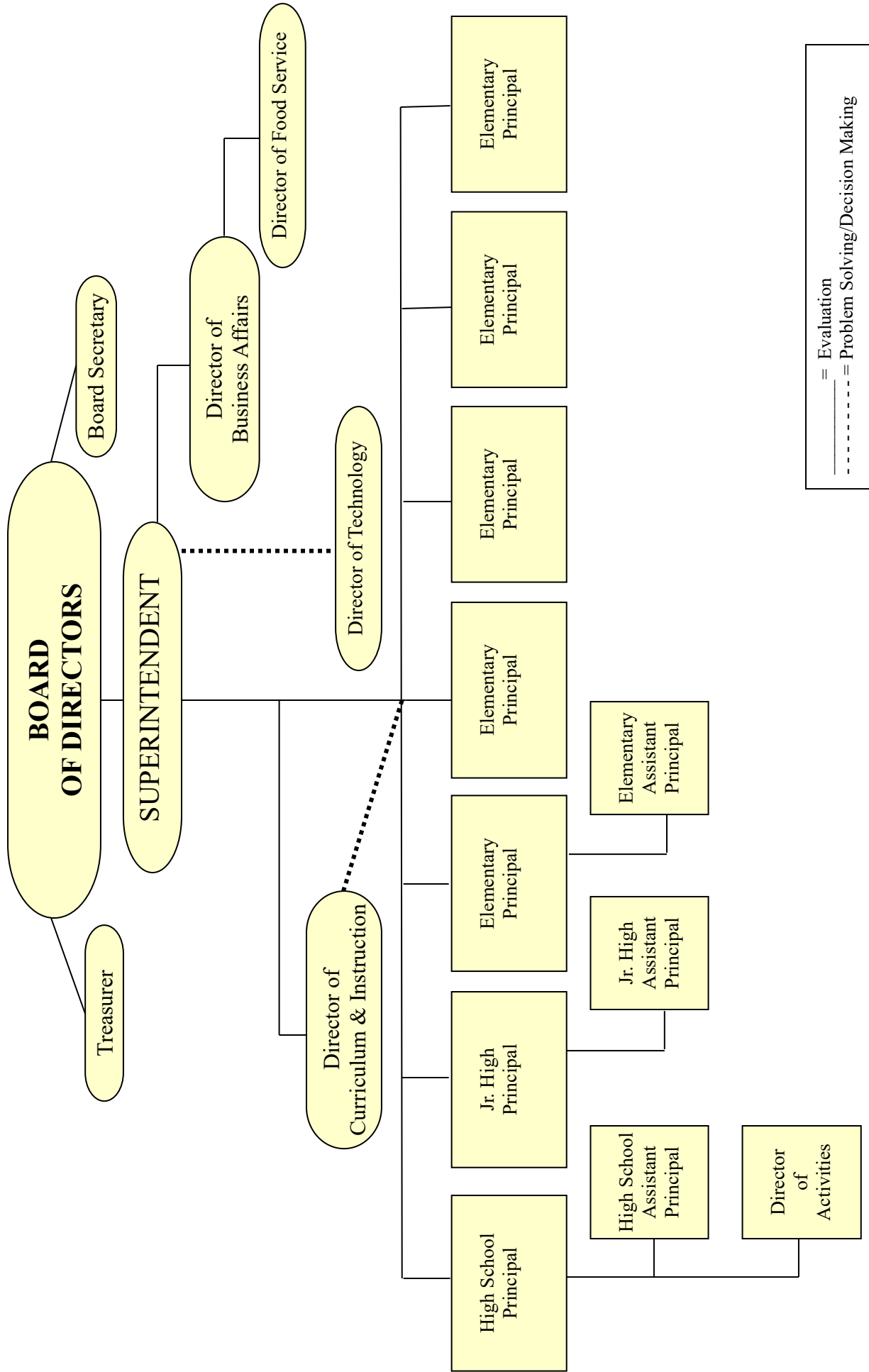
June 30, 2018

Christopher P. Morrell

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, 2019

Board of Education		
	Title	Term Expires
Prior to November 2019		
Glen Keppy	President	2019
Tracy Lindaman	Vice President	2021
Molly Bergfeld	Director	2019
Joni Dittmer	Director	2019
John Maxwell	Director	2019
Mark Pratt	Director	2021
Donn Wilmott	Director	2021
After November 2019		
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

School District Administration	
Joe Stutting	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
Chad Ruth	Principal
Michael Kline	Principal
Tim Green	Principal
Kelly Rohlif	Principal
Frank Wood	Associate Principal
Jason Schroeder	Associate Principal
Heather Shults-Hendricks	Assistant Principal
Aaron Schwartz	Assistant Principal
Erin Paysen	Assistant Principal

North Scott Community School District

Consultants and Advisors

Year Ended June 30, 2019

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

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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, 2019, 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, 2019, 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 55-62 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 November 22, 2019 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 22, 2019

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North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

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, 2019. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2019 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$3,865,618 during the year ended June 30, 2019.
- Total revenues for the fiscal year ended June 30, 2019 and 2018 of \$44,130,988 and \$42,311,493 were comprised of general revenues in the amount of \$34,467,515 and \$32,808,620 and program revenues totaling \$9,663,473 and \$9,502,873, respectively.
- The District's General Fund balance increased by \$1,288,865, the unassigned fund balance increased by \$1,025,032 and the nonspendable/restricted/assigned fund balance increased by \$263,833. The increase in the unassigned fund balance is primarily due to the increase in unrestricted local revenue.
- In fiscal year 2019 the District decreased long-term debt by \$995,000 and paid interest on long term debt of \$339,855.

USING THIS ANNUAL REPORT

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

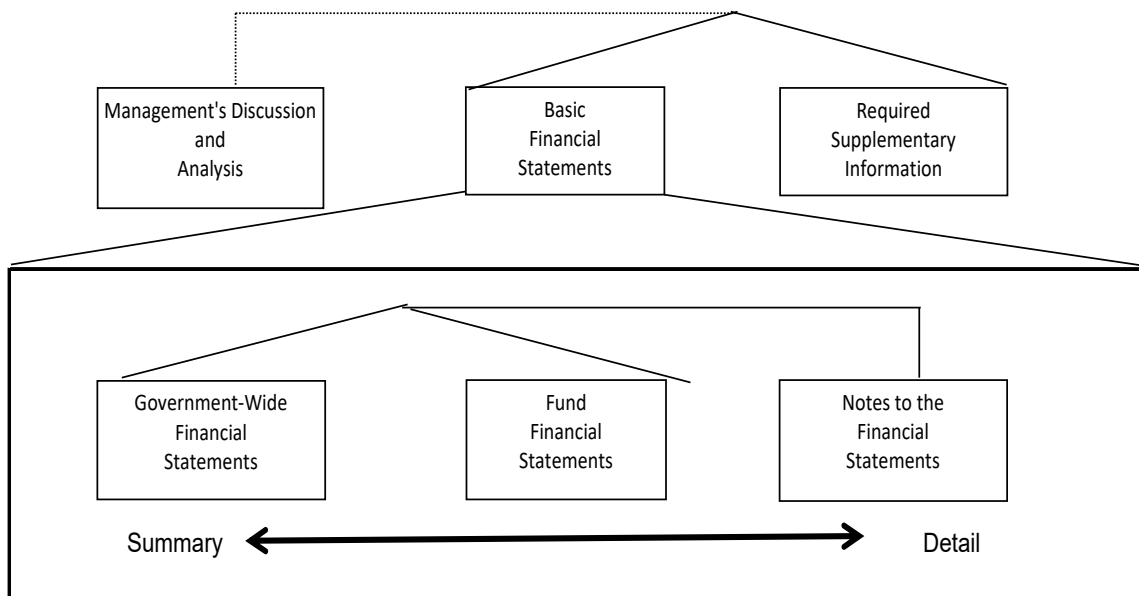
- Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about 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, 2019**

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, 2019

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.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
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, 2019

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 and child care 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, 2019

The District's governmental funds include the General Fund and Capital Projects Fund and nonmajor funds including the Management Fund, Student Activities 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 two enterprise funds, the School Nutrition Fund and the Child Care 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, 2019

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, 2019 compared to June 30, 2018.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	Percentage Change 2018-19
Current and other assets	\$ 41,851,091	\$ 41,930,292	\$ 856,804	\$ 734,974	\$ 42,707,895	\$ 42,665,266	0.1%
Capital assets	46,571,983	44,282,606	685,021	760,303	47,257,004	45,042,909	4.9%
Total assets	88,423,074	86,212,898	1,541,825	1,495,277	89,964,899	87,708,175	2.6%
Deferred outflows of resources	4,924,500	5,772,637	172,414	182,316	5,096,914	5,954,953	-14.4%
Long-term liabilities	30,905,200	32,713,729	631,355	664,070	31,536,555	33,377,799	-5.5%
Other liabilities	4,998,105	5,497,400	63,671	62,194	5,061,776	5,559,594	-9.0%
Total liabilities	35,903,305	38,211,129	695,026	726,264	36,598,331	38,937,393	-6.0%
Deferred inflows of resources	15,852,020	15,999,922	45,627	25,596	15,897,647	16,025,518	-0.8%
Net position:							
Net investment in capital assets	34,773,981	31,471,058	685,021	760,303	35,459,002	32,231,361	10.0%
Restricted	10,530,257	10,693,400	-	-	10,530,257	10,693,400	-1.5%
Unrestricted	(3,711,989)	(4,389,974)	288,565	165,430	(3,423,424)	(4,224,544)	-19.0%
Total net position	\$ 41,592,249	\$ 37,774,484	\$ 973,586	\$ 925,733	\$ 42,565,835	\$ 38,700,217	10.0%

The District's combined net position increased by 10.0 percent or \$3,865,618 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 \$813,785 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 \$3,227,641 or 10.0 percent. The District's capital assets increased by \$2,214,095. The increase is primarily attributed to completion of the auditorium improvements including the auditorium HVAC and sprinkler system, which is net of accumulated depreciation expense totaling \$36,843,132. The District's capital related debt decreased \$995,000 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 decreased \$163,143 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 – decreased from a deficit of \$4,224,544 to a deficit of \$3,423,424. 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, 2019

Figure A-4 shows the changes in net position for the year ended June 30, 2019 compared to June 30, 2018.

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total
							Percentage
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	Change 2018-19
Revenues:							
Program revenues:							
Charges for services	\$ 1,709,389	\$ 1,937,526	\$ 1,312,032	\$ 1,292,562	\$ 3,021,421	\$ 3,230,088	-6.5%
Operating grants and contributions and restricted interest	5,573,722	5,466,292	698,264	692,284	6,271,986	6,158,576	1.8%
Capital grants	370,066	114,209	-	-	370,066	114,209	0.0%
General revenues:							
Local tax	19,195,718	17,195,930	-	-	19,195,718	17,195,930	11.6%
Unrestricted state and federal revenues	14,515,809	15,196,967	-	-	14,515,809	15,196,967	-4.5%
Other	719,070	382,467	36,918	33,256	755,988	415,723	81.8%
Total revenues	42,083,774	40,293,391	2,047,214	2,018,102	44,130,988	42,311,493	4.3%
Program expenses:							
Governmental activities:							
Instruction	24,436,644	23,888,358	8,285	10,770	24,444,929	23,899,128	2.3%
Support services	12,219,947	12,064,093	182,782	161,904	12,402,729	12,225,997	1.4%
Noninstructional	20,911	7,253	1,756,111	1,763,921	1,777,022	1,771,174	0.3%
Other expenditures	1,640,690	1,663,104	-	-	1,640,690	1,663,104	-1.3%
Total expenses	38,318,192	37,622,808	1,947,178	1,936,595	40,265,370	39,559,403	1.8%
Excess of revenues over expenses before transfers	3,765,582	2,670,583	100,036	81,507	3,865,618	2,752,090	40.5%
Transfers	52,183	47,117	(52,183)	(47,117)	-	-	0.0%
Change in net position	3,817,765	2,717,700	47,853	34,390	3,865,618	2,752,090	40.5%
Beginning net position	37,774,484	35,056,784	925,733	891,343	38,700,217	35,948,127	7.7%
Ending net position	\$ 41,592,249	\$ 37,774,484	\$ 973,586	\$ 925,733	\$ 42,565,835	\$ 38,700,217	10.0%

Governmental activities:

Local tax and unrestricted state grants account for 80 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 96 percent of the total governmental activities expenses.

The increase in total revenue is primarily due to the increase in local taxes due to an increase in taxable assessed value.

Total expenses for governmental activities increased by \$695,384. The increase is primarily reflected in instruction and support services due to increases in wages.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

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		Percentage	Net Cost of Services		Percentage
			Change			Change
	June 30, 2019	June 30, 2018	2018-2019	June 30, 2019	June 30, 2018	2018-2019
Instruction	\$ 24,436,644	\$ 23,888,358	2.24%	\$ 18,570,036	\$ 17,874,200	3.9%
Support services	12,219,947	12,064,093	1.28%	11,752,759	11,878,369	-1.1%
Noninstructional	20,911	7,253	65.31%	20,911	7,253	188.3%
Other expenses	1,640,690	1,663,104	-1.37%	321,309	344,959	-6.9%
Total	\$ 38,318,192	\$ 37,622,808	1.81%	\$ 30,665,015	\$ 30,104,781	1.9%

The cost financed by users of the District's programs for the year ended June 30, 2019 was \$1,709,389 compared to year ended June 30, 2018 \$1,937,526.

Federal and state governments subsidized certain programs with grants and contributions totaling \$5,943,788 for the year ended June 30, 2019 compared to year ended June 30, 2018 \$5,580,501.

The net cost of governmental activities was financed respectively for the years ended June 30, 2019 and 2018 with \$19,195,718 and \$17,195,930 in property tax, income surtax and statewide sales, services and use tax, \$14,515,809 and \$15,196,967 in unrestricted state and federal revenue, \$602,218 and \$302,943 in unrestricted investment earnings and \$116,852 and \$79,524 in other general revenues.

Business-Type Activities

Revenues of the District's business-type activities were \$2,047,214 and expenses were \$1,947,178. The District's business-type activities include the School Nutrition Fund and the nonmajor Child Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

The School Nutrition Fund revenues increased slightly due to an increase in federal revenue and charges for services. Operating expenses reflected an increase of \$5,041 over 2018. 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 \$18,180.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

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 \$17,909,600; an increase of \$1,069,780 from last year's ending fund balances of \$16,839,820. The District spent approximately \$3,639,670 for facilities acquisition in 2019 compared to approximately \$4,763,834 in 2018.

Governmental Fund Highlights

The District's General Fund financial position increased by \$1,288,865. The District's General Fund revenues of \$34,842,752 reflect a \$419,905 increase from prior year revenue of \$34,422,847. The increase is primarily due to an increase in local taxes. Expenditures reflected an increase from \$33,596,992 in 2018 to \$33,582,796 in 2019.

The General Fund balance increased from \$6,966,116 to \$8,254,981.

The Capital Projects Fund balance decreased from \$7,754,281 in fiscal year 2018 to \$6,899,382 in fiscal year 2019. The District expended \$3,639,670 for facilities purchases and improvements in 2019 compared to \$4,763,834 in 2018. In addition, the Capital Projects Fund transferred \$1,333,830 to the Debt Service Fund for payment of principal and interest on the District's revenue bonds.

Proprietary Fund Highlights

The enterprise fund net position increased slightly from \$925,733 in 2018 to \$973,586 in 2019. The school nutrition net position increased from \$740,583 in 2018 to \$758,763 in fiscal 2019. The net pension liability for the proprietary funds as of June 30, 2019 was \$587,405.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

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 29, 2019, which did not increase overall expenditures.

The District's total actual revenues were \$802,850 more than the total budgeted revenues, a variance of 1.9%.

Total expenditures were more than budgeted by \$325,971 due primarily to the District expending more than budgeted in other expenditures function for capital outlay.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District had invested \$47,257,004, 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 \$2,214,095 from last year. More detailed information about capital assets is available in Note 6 for the financial statements. Depreciation expense for the year was \$1,812,531.

The original cost of the District's capital assets was \$84,100,136. Governmental funds account for \$82,838,182 with the remainder of \$1,261,954 the proprietary school nutrition fund. The primary addition in the current year was \$3,650,045 auditorium improvements, \$740,422 auditorium HVAC and sprinkler system and \$734,634 transportation facility.

Figure A-6 Capital Assets (Net of Depreciation)

							Total
							Percentage
	Governmental Activities		Business-Type Activities		Total District		Change
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	2018-19
Land and construction in progress	\$ 1,527,227	\$ 3,603,028	\$ -	\$ -	\$ 1,527,227	\$ 3,603,028	-57.6%
Buildings	40,715,899	36,178,987	-	-	40,715,899	36,178,987	12.5%
Land improvements	1,699,632	1,891,848	-	-	1,699,632	1,891,848	-10.2%
Machinery and equipment	2,629,225	2,608,743	685,021	760,303	3,314,246	3,369,046	-1.6%
Total	\$ 46,571,983	\$ 44,282,606	\$ 685,021	\$ 760,303	\$ 47,257,004	\$ 45,042,909	4.9%

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

Long-Term Debt

As of June 30, 2019, the District had \$31,536,555 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 2018-19
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	
Revenue bonds	\$ 11,798,002	\$ 12,811,548	\$ -	\$ -	\$ 11,798,002	\$ 12,811,548	100.0%
Early retirement	203,660	305,490	-	-	203,660	305,490	-50.0%
Compensated absences	115,368	110,785	6,880	5,254	122,248	116,039	5.4%
Net OPEB liability	1,291,619	1,212,190	37,070	34,791	1,328,689	1,246,981	6.6%
Net pension liability	17,496,551	18,273,716	587,405	624,025	18,083,956	18,897,741	-4.3%
Total	\$ 30,905,200	\$ 32,713,729	\$ 631,355	\$ 664,070	\$ 31,536,555	\$ 33,377,799	-5.5%

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.

The District also had compensated absences payable of \$122,248 as of June 30, 2019, which will be paid primarily out of the General Fund.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2019

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 3,078.2 and the District's taxable valuation has increased on average just under 4% per year. The Iowa Legislature set the funding growth rate for 2019-2020 at 2.06% and the funding growth rate for 2020-2021 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 increased 1.4% from 3,035.10 in 2018-2019 to 3,077.25 in 2019-2020. The October 2019 certified count decreased to 3,029.62. The cost per pupil for 2018-19 was \$6,736 and the cost per pupil for 2019-20 is \$6,880. The cost per pupil for 2020-21 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. It was funded on a \$312.68 per pupil basis for 2015-16. The cost per pupil for 2019-20 was \$333.23. The cost per pupil for 2020-21 is currently unknown.

The 2019 Legislative Session extended the SAVE (Secure Advanced Vision for Education) fund until January 1, 2051 and provided additional dollars to rectify the funding inequities by appropriating an additional \$5 in the cost per pupil.

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.

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North Scott Community School District

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 23,691,959	\$ 814,083	\$ 24,506,042
Restricted cash equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	46,503	-	46,503
Succeeding year	14,872,702	-	14,872,702
Income surtax	204,719	-	204,719
Accounts	166,827	8,353	175,180
Due from other governments	1,320,364	-	1,320,364
Inventories	80,135	33,355	113,490
Prepaid items	85,433	1,013	86,446
Total current assets	41,851,091	856,804	42,707,895
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	1,527,227	-	1,527,227
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	40,715,899	-	40,715,899
Land improvements	1,699,632	-	1,699,632
Machinery and equipment	2,629,225	685,021	3,314,246
Total noncurrent assets	46,571,983	685,021	47,257,004
Total assets	88,423,074	1,541,825	89,964,899
Deferred Outflows of Resources:			
OPEB related deferred outflows	66,819	1,918	68,737
Pension related deferred outflows	4,857,681	170,496	5,028,177
Total deferred outflows of resources	4,924,500	172,414	5,096,914

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	1,632,827	5,958	1,638,785
Salaries and benefits payable	3,365,278	7,421	3,372,699
Deposits	-	50,292	50,292
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	115,368	6,880	122,248
Revenue bonds	1,020,000	-	1,020,000
Early retirement	203,660	-	203,660
Portion due after one year:			
Revenue bonds	10,778,002	-	10,778,002
Net OPEB liability	1,291,619	37,070	1,328,689
Net pension liability	17,496,551	587,405	18,083,956
Total liabilities	35,903,305	695,026	36,598,331
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	14,872,702	-	14,872,702
OPEB related deferred inflows	54,979	1,578	56,557
Pension related deferred inflows	924,339	44,049	968,388
Total deferred inflows of resources	15,852,020	45,627	15,897,647
Net Position:			
Net investment in capital assets	34,773,981	685,021	35,459,002
Restricted for:			
Categorical funding	797,644	-	797,644
Debt service	1,539,818	-	1,539,818
School infrastructure	3,686,921	-	3,686,921
Management levy	2,186,973	-	2,186,973
Physical plant and equipment levy	1,908,631	-	1,908,631
Student activities	410,270	-	410,270
Unrestricted	(3,711,989)	288,565	(3,423,424)
Total net position	\$ 41,592,249	\$ 973,586	\$ 42,565,835

North Scott Community School District

Statement of Activities

Year Ended June 30, 2019

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 15,928,205
Special	5,294,084
Other	3,214,355
	<u>24,436,644</u>
Support services:	
Student	1,605,249
Instructional staff	2,087,919
Administration	3,993,048
Operation of plant	2,803,533
Transportation	1,730,198
	<u>12,219,947</u>
Noninstructional programs	<u>20,911</u>
Other expenditures:	
AEA flowthrough	1,319,381
Interest	321,309
	<u>1,640,690</u>
Total governmental activities	<u>38,318,192</u>
Business-type activities:	
Instruction, regular, child care	8,285
Support services:	
Administration:	
Nutrition	179,159
Child care	1,972
Transportation, child care	1,651
Noninstructional programs:	
Nutrition	1,430,697
Child care	325,414
Total business-type activities	<u>1,947,178</u>
Total	<u>\$ 40,265,370</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	
Transfers	
Total general revenues and transfers	
Change in net position	
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
\$ 1,098,188	\$ 2,856,617	\$ 21,725	\$ (11,951,675)	\$ -	\$ (11,951,675)
222,318	524,285	-	(4,547,481)	-	(4,547,481)
313,200	807,509	22,766	(2,070,880)	-	(2,070,880)
1,633,706	4,188,411	44,491	(18,570,036)	-	(18,570,036)
6,009	36,063	-	(1,563,177)	-	(1,563,177)
35,897	501	-	(2,051,521)	-	(2,051,521)
10,849	10,237	-	(3,971,962)	-	(3,971,962)
22,928	-	325,575	(2,455,030)	-	(2,455,030)
-	19,129	-	(1,711,069)	-	(1,711,069)
75,683	65,930	325,575	(11,752,759)	-	(11,752,759)
-	-	-	(20,911)	-	(20,911)
-	1,319,381	-	-	-	-
-	-	-	(321,309)	-	(321,309)
-	1,319,381	-	(321,309)	-	(321,309)
1,709,389	5,573,722	370,066	(30,665,015)	-	(30,665,015)
-	-	-	-	(8,285)	(8,285)
-	-	-	-	(179,159)	(179,159)
-	-	-	-	(1,972)	(1,972)
-	-	-	-	(1,651)	(1,651)
953,765	698,264	-	-	221,332	221,332
358,267	-	-	-	32,853	32,853
1,312,032	698,264	-	-	63,118	63,118
\$ 3,021,421	\$ 6,271,986	\$ 370,066	(30,665,015)	63,118	(30,601,897)

12,354,065	-	12,354,065
1,475,020	-	1,475,020
1,348,393	-	1,348,393
4,018,240	-	4,018,240
14,515,809	-	14,515,809
602,218	19,340	621,558
116,852	17,578	134,430
52,183	(52,183)	-
34,482,780	(15,265)	34,467,515
3,817,765	47,853	3,865,618
37,774,484	925,733	38,700,217
\$ 41,592,249	\$ 973,586	\$ 42,565,835

North Scott Community School District

**Balance Sheet
Governmental Funds
June 30, 2019**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash and pooled investments	\$ 11,267,896	\$ 5,293,049	\$ 2,797,548	\$ 19,358,493
Restricted cash equivalents	-	1,382,449	-	1,382,449
Receivables:				
Property tax:				
Delinquent	39,142	4,529	2,832	46,503
Succeeding year	12,454,973	1,667,730	749,999	14,872,702
Income surtax	204,719	-	-	204,719
Accounts	88,079	45,919	1,391	135,389
Due from other governments	957,228	363,098	38	1,320,364
Inventories	80,135	-	-	80,135
Prepaid items	46,391	37,381	625	84,397
Total assets	\$ 25,138,563	\$ 8,794,155	\$ 3,552,433	\$ 37,485,151
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 869,290	\$ 111,043	\$ 36,519	\$ 1,016,852
Accrued liabilities	3,354,600	-	10,678	3,365,278
Total liabilities	4,223,890	111,043	47,197	4,382,130
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	12,454,973	1,667,730	749,999	14,872,702
Income surtax	204,719	-	-	204,719
Statewide sales and services tax	-	116,000	-	116,000
Total deferred inflows of resources	12,659,692	1,783,730	749,999	15,193,421
Fund balances:				
Nonspendable:				
Inventories	80,135	-	-	80,135
Prepaid items	46,391	37,381	625	84,397
Restricted for:				
Categorical funding	797,644	-	-	797,644
Debt service	-	1,382,449	157,369	1,539,818
Management levy purposes	-	-	2,186,973	2,186,973
Student activities	-	-	410,270	410,270
School infrastructure	-	3,570,921	-	3,570,921
Physical plant and equipment levy	-	1,908,631	-	1,908,631
Assigned for special purposes	506,288	-	-	506,288
Unassigned	6,824,523	-	-	6,824,523
Total fund balances	8,254,981	6,899,382	2,755,237	17,909,600
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,138,563	\$ 8,794,155	\$ 3,552,433	\$ 37,485,151

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, 2019

Total fund balances of governmental funds	\$ 17,909,600
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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.	46,571,983
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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.	3,749,965
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Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	320,719
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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	66,819
OPEB related deferred inflows of resources	(54,979)
Pension related deferred outflows of resources	4,857,681
Pension related deferred inflows of resources	(924,339)

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	(1,020,000)
Revenue bonds, noncurrent	(10,590,000)
Premium on revenue bonds	(188,002)
Early retirement	(203,660)
Compensated absences, current	(115,368)
Net OPEB liability	(1,291,619)
Net pension liability	(17,496,551)

Net position of governmental activities

\$ 41,592,249

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, 2019

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Local tax	\$ 13,226,028	\$ 1,475,020	\$ 941,058	\$ 15,642,106
Tuition	1,175,398	-	-	1,175,398
Other	674,649	566,910	943,145	2,184,704
State appropriations	18,932,525	3,153,014	25,123	22,110,662
Federal appropriations	834,152	-	-	834,152
Total revenues	34,842,752	5,194,944	1,909,326	41,947,022
Expenditures:				
Current:				
Instruction:				
Regular	14,631,276	-	146,527	14,777,803
Special	5,281,294	-	-	5,281,294
Other	2,118,236	-	756,293	2,874,529
	<u>22,030,806</u>	<u>-</u>	<u>902,820</u>	<u>22,933,626</u>
Support services:				
Student	1,538,503	-	30,163	1,568,666
Instructional staff	2,024,596	-	13,802	2,038,398
Administration	3,120,229	658,800	55,258	3,834,287
Operation and maintenance of plant	2,586,809	80,863	189,981	2,857,653
Transportation	951,380	341,901	95,644	1,388,925
	<u>10,221,517</u>	<u>1,081,564</u>	<u>384,848</u>	<u>11,687,929</u>
Noninstructional programs	11,092	-	9,819	20,911
Other expenditures:				
Capital outlay facilities acquisition	-	3,639,670	-	3,639,670
Current, AEA flowthrough	1,319,381	-	-	1,319,381
Debt service:				
Principal	-	-	995,000	995,000
Interest	-	-	339,855	339,855
	<u>1,319,381</u>	<u>3,639,670</u>	<u>1,334,855</u>	<u>6,293,906</u>
Total expenditures	33,582,796	4,721,234	2,632,342	40,936,372
Excess (deficiency) of revenues over (under) expenditures	1,259,956	473,710	(723,016)	1,010,650
Other financing sources (uses):				
Proceeds from sale of capital assets	1,726	5,221	-	6,947
Transfers in	52,183	-	1,358,830	1,411,013
Transfers out	(25,000)	(1,333,830)	-	(1,358,830)
Total other financing sources (uses)	28,909	(1,328,609)	1,358,830	59,130
Net change in fund balances	1,288,865	(854,899)	635,814	1,069,780
Fund balances, beginning of year	6,966,116	7,754,281	2,119,423	16,839,820
Fund balances, end of year	<u>\$ 8,254,981</u>	<u>\$ 6,899,382</u>	<u>\$ 2,755,237</u>	<u>\$ 17,909,600</u>

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 2019

Net change in fund balances - total governmental funds	\$	1,069,780
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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	\$	4,015,727	
Depreciation expense		(1,726,350)	2,289,377
Gain on disposal of capital assets		6,947	
Proceeds from the sale of capital assets		(6,947)	-

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.	(81,261)
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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	4,241
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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	995,000
Amortization of premium on issuance of revenue bonds	18,546

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	101,830
Compensated absences	(4,583)
Net OPEB liability	(75,053)
Pension expense	(500,112)

Change in net position of governmental activities	\$ 3,817,765
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See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Child Care	Total	
Assets				
Current assets:				
Cash and pooled investments	\$ 456,843	\$ 357,240	\$ 814,083	\$ 4,333,466
Receivables, accounts	283	8,070	8,353	31,438
Inventories	33,355	-	33,355	-
Prepaid expenses	533	480	1,013	1,036
Total current assets	491,014	365,790	856,804	4,365,940
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	685,021	-	685,021	-
Total noncurrent assets	685,021	-	685,021	-
Total assets	1,176,035	365,790	1,541,825	4,365,940
Deferred Outflows of Resources:				
OPEB related deferred outflows	1,712	206	1,918	-
Pension related deferred outflows	116,056	54,440	170,496	-
Total deferred outflows of resources	117,768	54,646	172,414	-
Liabilities				
Current liabilities:				
Accounts payable	3,676	2,282	5,958	615,975
Salaries and benefits payable	1,996	5,425	7,421	-
Deposits	50,292	-	50,292	-
Compensated absences	2,230	4,650	6,880	-
Total current liabilities	58,194	12,357	70,551	615,975
Noncurrent liabilities:				
Net OPEB liability	33,084	3,986	37,070	-
Net pension liability	410,394	177,011	587,405	-
Total noncurrent liabilities	443,478	180,997	624,475	-
Total liabilities	501,672	193,354	695,026	615,975
Deferred Inflows of Resources:				
OPEB related deferred inflows	1,408	170	1,578	-
Pension related deferred inflows	31,960	12,089	44,049	-
Total deferred inflows of resources	33,368	12,259	45,627	-
Net Position				
Net investment in capital assets	685,021	-	685,021	-
Unrestricted	73,742	214,823	288,565	3,749,965
Total net position	\$ 758,763	\$ 214,823	\$ 973,586	\$ 3,749,965

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, 2019

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor	Total	Activities,
	Nutrition	Child Care		Internal
				Service Fund
Operating revenues:				
Local sources:				
Charges for service	\$ 953,765	\$ 358,267	\$ 1,312,032	\$ 5,389,851
Miscellaneous	17,353	225	17,578	-
Total operating revenues	971,118	358,492	1,329,610	5,389,851
Operating expenses:				
Instruction, regular, other				
Supplies	-	6,294	6,294	-
Other	-	1,991	1,991	-
Support services:				
Administration:				
Salaries	102,685	-	102,685	-
Benefits	40,906	-	40,906	-
Services	2,980	109	3,089	5,596,676
Other	32,588	1,863	34,451	-
Transportation:				
Salaries	-	1,410	1,410	-
Benefits	-	241	241	-
Noninstructional programs:				
Salaries	398,360	236,693	635,053	-
Benefits	138,995	56,483	195,478	-
Services	544	-	544	-
Supplies	806,617	32,063	838,680	-
Other	-	175	175	-
Depreciation	86,181	-	86,181	-
Total operating expenses	1,609,856	337,322	1,947,178	5,596,676
Operating income (loss)	(638,738)	21,170	(617,568)	(206,825)
Nonoperating revenues:				
State sources	11,096	-	11,096	-
Federal sources	687,168	-	687,168	-
Interest on investments	10,837	8,503	19,340	125,564
Total nonoperating revenues	709,101	8,503	717,604	125,564
Income (loss) before transfers	70,363	29,673	100,036	(81,261)
Transfers (out)	(52,183)	-	(52,183)	-
Change in net position	18,180	29,673	47,853	(81,261)
Net position, beginning of year	740,583	185,150	925,733	3,831,226
Net position, end of year	\$ 758,763	\$ 214,823	\$ 973,586	\$ 3,749,965

See Notes to Basic Financial Statements.

North Scott Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019**

	Business-Type Activities, Enterprise Fund			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Child Care	Total	
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 952,123	\$ 353,200	\$ 1,305,323	\$ -
Miscellaneous services	17,353	225	17,578	5,430,701
Cash payments to:				
Employees for services	(682,117)	(295,682)	(977,799)	-
Suppliers for goods and services	(650,882)	(43,527)	(694,409)	(5,518,591)
Net cash provided by (used in) operating activities	(363,523)	14,216	(349,307)	(87,890)
Cash flows from noncapital financing activities:				
Transfers out	(52,183)	-	(52,183)	-
State grants received	11,096	-	11,096	-
Federal grants received	505,945	-	505,945	-
Net cash provided by noncapital financing activities	464,858	-	464,858	-
Cash flows from capital financing activities and related activities, Acquisition of capital assets	(10,899)	-	(10,899)	-
Net cash (used in) capital financing activities	(10,899)	-	(10,899)	-
Cash flows from investing activities, interest on investments	10,837	8,503	19,340	125,564
Net increase in cash and cash equivalents	101,273	22,719	123,992	37,674
Cash and cash equivalents:				
Beginning of year	355,570	334,521	690,091	4,295,792
End of year	\$ 456,843	\$ 357,240	\$ 814,083	\$ 4,333,466

(Continued)

North Scott Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2019

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor	Total	Activities,
	Nutrition	Child Care		Internal
				Service Fund
Reconciliation of operating income				
(loss) to net cash provided by				
(used in) operating activities:				
Operating income (loss)	\$ (638,738)	\$ 21,170	\$ (617,568)	\$ (206,825)
Adjustments to reconcile operating				
income (loss) to net cash provided				
by (used in) operating activities:				
Commodities consumed	181,223	-	181,223	-
Depreciation	86,181	-	86,181	-
(Increase) decrease in:				
Inventories	7,705	-	7,705	-
Accounts receivable	4	(5,067)	(5,063)	40,850
Prepaid expenses	-	(480)	(480)	12
Increase (decrease) in:				
Accounts payable	2,919	(552)	2,367	78,073
Salaries and benefits payable	989	(233)	756	-
Net OPEB benefits	1,921	232	2,153	-
Net pension liability	(5,798)	(763)	(6,561)	-
Compensated absences				
payable	1,717	(91)	1,626	-
Deposits	(1,646)	-	(1,646)	-
Net cash provided by				
(used in) operating activities	\$ (363,523)	\$ 14,216	\$ (349,307)	\$ (87,890)
Noncash investing, capital and				
financing activities:				
Federal commodities	\$ 181,223	\$ -	\$ 181,223	\$ -

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2019

	<u>Agency</u>
Assets	
Cash and pooled investments	\$ 20,774
Accounts receivable	405
Total assets	<u><u>\$ 21,179</u></u>
Liabilities	
Due to other groups	<u>\$ 21,179</u>
Total liabilities	<u><u>\$ 21,179</u></u>

See Notes to Basic Financial Statements.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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, 2019

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 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 and Child Care 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.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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, 2019

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 Miles Capital Education Program 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, 2016 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2018.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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, 2019

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 2019, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2019.

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. 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, 2019. 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, 2019

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, 2019

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 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 \$797,644 for categorical funding, \$1,539,818 for debt service, \$3,868,921 for school infrastructure, \$2,186,973 for management levy, \$1,908,631 for physical plant and equipment levy and \$410,270 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, 2019

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 exceeded the other expenditures function amended budget by \$920,820.

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, 2019

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, 2019, the District had the following investments:

Investment Type	Amortized Cost	Maturity (in Years) Less Than 1
Miles Capital Education Program	\$ 3,507,049	\$ 3,507,049

The District's investment is in The Miles Capital Education Program for Iowa School Districts. 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 Miles Capital Education Program 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, 2019, 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, 2019

Note 4. Due from Other Governments

The detail of due from other governments for the year ended June 30, 2019 is as follows:

Governmental activities:

Local appropriation:

Tuition	\$	731,640
Other		11,852
Total local appropriations		<u>743,492</u>
State grants		382,443
Federal grants		194,429
Total	\$	<u><u>1,320,364</u></u>

Note 5. Transfers

The detail of transfers for the year ended June 30, 2019 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Major fund, School Nutrition	\$ 52,183
Nonmajor Governmental Funds:	Major funds:	
Student Activity	General	25,000
Debt Service	Capital Projects	1,333,830
Total		<u><u>\$ 1,411,013</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.

North Scott Community School District

**Notes to Financial Statements
Year Ended June 30, 2019**

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	2,224,108	148,307	2,224,108	148,307
Total capital assets not being depreciated	3,603,028	148,307	2,224,108	1,527,227
Capital assets being depreciated:				
Buildings	61,651,687	5,566,479	-	67,218,166
Land improvements	6,905,364	-	-	6,905,364
Machinery and equipment	6,998,765	525,049	336,389	7,187,425
Total capital assets being depreciated	75,555,816	6,091,528	336,389	81,310,955
Less accumulated depreciation for:				
Buildings	25,472,700	1,029,567	-	26,502,267
Land improvements	5,013,516	192,216	-	5,205,732
Machinery and equipment	4,390,022	504,567	336,389	4,558,200
Total accumulated depreciation	34,876,238	1,726,350	336,389	36,266,199
Total capital assets being depreciated, net	40,679,578	4,365,178	-	45,044,756
Governmental activities capital assets, net	\$ 44,282,606	\$ 4,513,485	\$ 2,224,108	\$ 46,571,983
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	1,251,874	10,899	819	1,261,954
Less accumulated depreciation	491,571	86,181	819	576,933
Total capital assets being depreciated, net	760,303	(75,282)	-	685,021
Business-type activities capital assets, net	\$ 760,303	\$ (75,282)	\$ -	\$ 685,021

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

Note 6. Capital Assets (Continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$	713,624
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Other		332,865
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Support services:

Administration		82,784
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Operation and maintenance of plant		276,437
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Transportation		320,640
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Total governmental activities depreciation expense	\$	1,726,350
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Business-type activities:

Food services		86,181
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Total business-type activities depreciation expense	\$	86,181
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Note 7. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2019:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds, Series 2013	\$ 7,240,000	\$ -	\$ 575,000	\$ 6,665,000	\$ 590,000
Revenue bonds, Series 2014	5,365,000	-	420,000	4,945,000	430,000
Premium on revenue bonds	206,548	-	18,546	188,002	-
Early retirement	305,490	-	101,830	203,660	203,660
Compensated absences	110,785	110,000	105,417	115,368	115,368
Total	\$ 13,227,823	\$ 110,000	\$ 1,220,793	\$ 12,117,030	\$ 1,339,028
Business-type activities:					
Compensated absences	\$ 5,254	\$ 6,500	\$ 4,874	\$ 6,880	\$ 6,880
Total	\$ 5,254	\$ 6,500	\$ 4,874	\$ 6,880	\$ 6,880

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

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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 \$6,665,000.
- 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 \$4,945,000.

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 \$13,507,345. During the year ended June 30, 2019, principal of \$995,000 and interest of \$338,755 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,114,143.

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, 2019, there was \$157,369 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, 2019, 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, 2019**

Note 7. General Long-Term Debt (Continued)

Annual debt service requirement on the outstanding indebtedness as of June 30, 2019, are as follows:

Series 2013:

Year ending June 30:	Rate	Principal	Interest	Total
2020	2.00%	\$ 590,000	\$ 179,680	\$ 769,680
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
2025-2029	2.75-3.20%	3,580,000	340,010	3,920,010
Total		\$ 6,665,000	\$ 1,113,345	\$ 7,778,345

Series 2014:

Year ending June 30:	Rate	Principal	Interest	Total
2020	3.00%	\$ 430,000	\$ 134,975	\$ 564,975
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
2025-2029	2.25-3.00%	2,675,000	238,088	2,913,088
Total		\$ 4,945,000	\$ 784,000	\$ 5,729,000

The June 30, 2019 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 1,154,042,949</u>
Debt limit, 5% of total assessed valuation	\$ 57,702,147
Amount of debt applicable to debt limit, total general obligation bonded debt	<u>11,798,002</u>
Excess of debt limit over bonded debt outstanding, legal debt margin	<u>\$ 45,904,145</u>

Subsequent to year end, in September 2019, the District obtained a \$250,000 line of credit to construct student 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, 2019

Note 7. General Long-Term Debt (Continued)

Early retirement: The District offered a voluntary early retirement plan to selected employee classifications in 2018. Eligible employees had to be at least age 55 and have completed at least 10 years of consecutive service to the District. Employees were required 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 2019, 2020 and 2021. As of June 30, 2019, the District had outstanding obligations of \$203,660 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 January 1, 2018 for each plan are as shown below:

	Rate Tier	Medical
Single		\$ 632
Family		1,315

Employees covered by benefit terms: At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	20
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	341
	<u>361</u>

Total OPEB Liability

The District's total OPEB liability of \$1,328,689 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75% per annum
Salary increases	3.25% per annum
Discount rate	3.62% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.80% with an ultimate health care cost trend rate of 4.40%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2010 generational table scaled using AA and applied on a gender-specific basis. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period 2010– 2018.

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, 2018	\$ 1,246,981	\$ -	\$ 1,246,981
Changes for the year:			
Service cost	106,135	-	106,135
Interest	47,012	-	47,012
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(6,347)	-	(6,347)
Benefit payments	(65,092)	-	(65,092)
Net changes	81,708	-	81,708
Balance at June 30, 2019	\$ 1,328,689	\$ -	\$ 1,328,689

There were no changes as a result of changes in benefit terms or differences between expected and actual experience. Changes of assumptions or other inputs reflect a change in the discount rate from 3.56% per annum in 2018 to 3.62% per annum in 2019.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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
	2.62%	3.62%	4.62%
Total OPEB liability	\$ 1,437,820	\$ 1,328,689	\$ 1,226,844

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
	5.80%	6.80%	7.80%
Total OPEB liability	\$ 1,161,651	\$ 1,328,689	\$ 1,529,111

For the year ended June 30, 2019, the District recognized OPEB expense of \$145,943. At June 30, 2019, 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	\$ -	\$ -
Changes of assumptions or other inputs	-	56,557
Net difference between projected and actual investments	-	-
Contributions between measurement date and reporting date	68,737	-
Total	\$ 68,737	\$ 56,557

Deferred inflows of \$68,737 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, 2020. 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:	
2020	\$ (7,204)
2021	(7,204)
2022	(7,204)
2023	(7,204)
2024	(7,204)
Thereafter	(20,537)
	<u>\$ (56,557)</u>

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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, 2019 and 2018 is as follows:

	2019	2018
Balance, beginning of year	\$ 534,000	\$ 557,000
Incurred claims and claim adjustments	3,442,567	2,985,887
Payment of claims	3,361,567	3,008,887
Balance, end of year	<u>\$ 615,000</u>	<u>\$ 534,000</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.

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, 2019

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 2019, 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, 2019 were \$2,015,749.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the District reported a liability of \$18,083,956 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was 0.285766 percent, which was an increase of 0.002070 from its proportion measured as of June 30, 2017.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

Note 10. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2019, the District recognized pension expense of \$2,488,021. At June 30, 2019, 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	\$ 99,152	\$ 408,727
Changes of assumptions	2,579,788	-
Net difference between projected and actual earnings on pension plan investments	-	496,889
Changes in proportion and differences between District contributions and proportionate share of contributions	333,488	62,772
District contributions subsequent to the measurement date	2,015,749	-
Total	\$ 5,028,177	\$ 968,388

Deferred outflows of resources of \$2,015,749 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, 2020. 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,	
2020	\$ 1,381,597
2021	759,407
2022	(90,886)
2023	4,831
2024	(10,909)
Total	\$ 2,044,040

There were no non-employer contributing entities to IPERS.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

Note 10. Pension and Retirement Benefits (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2018 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, 2018 valuation were based on the results of actuarial experience 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%	6.01%
International equity	15.0%	6.48%
Global smart beta equity	3.0%	6.23%
Core plus fixed income	27.0%	1.97%
Public credit	3.5%	3.93%
Public real assets	7.0%	2.91%
Cash	1.0%	-0.25%
Private equity	11.0%	10.81%
Private real assets	7.5%	4.14%
Private credit	3.0%	3.11%
Total	100%	

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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	\$ 30,692,107	\$ 18,083,956	\$ 7,507,591

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

Payables to the Pension Plan – At June 30, 2019, the District reported payables to the defined benefit pension plan of \$162,569 for legally required employer contributions and \$108,322 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 \$1,319,381 for the year ended June 30, 2019 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, 2019

Note 12. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2019 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 68,796
Early intervention	49,591
Teacher salary supplement	57,116
Professional development for model core curriculum	11,914
Professional development	131,015
Four-year old preschool	290,293
Successful progression for early readers	29,078
Home school assistance program	50,722
Teacher leadership	107,119
STEM	1,500
Other	500
Total restricted for categorical funding	\$ 797,644

Note 13. Commitments and Contingencies

The District has financial commitments relating to remodeling projects of approximately \$273,290 as of June 30, 2019 of which, approximately \$148,307 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, 2019 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	\$ 57,192
City of Eldridge, Iowa	Urban renewal and economic development projects	160,242
City of Davenport, Iowa	Urban renewal and economic development projects	43,011

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, 2019, this reimbursement amounted to \$124,970.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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

The District adopted the following statements during the year ended June 30, 2019:

GASB Statement No. 83, *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The implementation of the above statements did not have a material impact to the District's financial statements.

As of June 30, 2019, 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, 2020. 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, 2021. 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.

North Scott Community School District

Notes to Financial Statements Year Ended June 30, 2019

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

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.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. 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.

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, 2020. 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 2019, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement achieves those objectives by clarifying 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.

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

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, 2019**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 19,002,208	\$ 1,348,950
State sources	22,110,662	11,096
Federal sources	834,152	687,168
Total revenues	41,947,022	2,047,214
Expenditures/expenses:		
Instruction	22,933,626	8,285
Support services	11,687,929	182,782
Noninstructional programs	20,911	1,756,111
Other expenditures	6,293,906	-
Total expenditures/expenses	40,936,372	1,947,178
Excess of revenues over expenditures/expenses	1,010,650	100,036
Other financing sources (uses):		
Sale of capital assets	6,947	-
Interfund transfers in	1,411,013	-
Interfund transfers out	(1,358,830)	(52,183)
Total other financing sources (uses)	59,130	(52,183)
Net change in fund balance/net position	1,069,780	47,853
Fund balance/net position, beginning of year	16,839,820	925,733
Fund balance/net position, end of year	\$ 17,909,600	\$ 973,586

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual Variance
		Original	Final	
\$	20,351,158	\$ 19,472,921	\$ 19,472,921	\$ 878,237
	22,121,758	21,735,880	21,735,880	385,878
	1,521,320	1,982,585	1,982,585	(461,265)
	43,994,236	43,191,386	43,191,386	802,850
	22,941,911	22,637,223	23,137,223	195,312
	11,870,711	11,922,373	12,172,373	301,662
	1,777,022	1,774,897	1,874,897	97,875
	6,293,906	6,223,086	5,373,086	(920,820)
	42,883,550	42,557,579	42,557,579	(325,971)
	1,110,686	633,807	633,807	476,879
	6,947	-	-	6,947
	1,411,013	1,416,490	1,416,490	(5,477)
	(1,411,013)	(1,360,490)	(1,360,490)	(50,523)
	6,947	56,000	56,000	(49,053)
	1,117,633	\$ 689,807	\$ 689,807	\$ 427,826
	17,765,553			
\$	18,883,186			

North Scott Community School District

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

	2019	2018
Total OPEB liability		
Changes for the year:		
Service cost	\$ 106,135	\$ 111,509
Interest	47,012	37,740
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(6,347)	(63,968)
Benefit payments	(65,092)	(38,523)
Net changes in total OPEB liability	81,708	46,758
Total OPEB liability - beginning	1,246,981	1,200,223
Total OPEB liability - ending	<u>\$ 1,328,689</u>	<u>\$ 1,246,981</u>
Covered employee payroll	\$ 17,695,558	\$ 17,601,302
Total OPEB liability as a percentage of covered employee payroll	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:

There were no changes between expected and actual experience.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate from 3.56% in 2018 to 3.62% per annum in 2019

The following are the discount rates used in each period: 3.62% 3.56%

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.

See Notes to Required Supplementary Information.

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 Five Fiscal Years

	2019*	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.285766%	0.283696%	0.284000%	0.277835%	0.273656%
District's proportionate share of the net pension liability	\$ 18,083,956	\$ 18,897,741	\$ 17,875,601	\$ 13,726,395	\$ 10,852,948
District's covered payroll	\$ 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	84.19%	89.24%	87.69%	72.13%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	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**

	2019		2018		2017		2016	
Statutorily required contribution	\$	2,015	\$	1,918	\$	1,891	\$	1,820
Contributions in relation to the statutorily required contribution	\$	(2,015)	\$	(1,918)	\$	(1,891)	\$	(1,820)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-
District's covered payroll	\$	21,353	\$	21,480	\$	21,177	\$	20,384
Contributions as a percentage of covered payroll		9.44%		8.93%		8.93%		8.93%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

2015		2014		2013		2012		2011		2010	
\$	1,710	\$	1,599	\$	1,564	\$	1,398	\$	1,177	\$	1,148
\$	(1,710)	\$	(1,599)	\$	(1,564)	\$	(1,398)	\$	(1,177)	\$	(1,148)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	19,031	\$	17,907	\$	17,326	\$	17,326	\$	17,303	\$	17,510
	8.99%		8.93%		9.03%		8.07%		6.80%		6.56%

North Scott Community School District

Notes to Required Supplementary Information Year Ended June 30, 2019

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 29, 2019, which did not change the total expenditures.

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 exceeded the amended budget in the other expenditures function by \$920,820.

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

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

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, 2019

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.

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

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

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Other Supplementary Information

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COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

North Scott Community School District

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019**

	Special Revenue			
	Management	Student	Debt	
	Fund	Activity	Service	Total
Assets				
Cash and pooled investments	\$ 2,183,985	\$ 456,194	\$ 157,369	\$ 2,797,548
Receivables:				
Property tax:				
Delinquent	2,832	-	-	2,832
Succeeding year	749,999	-	-	749,999
Accounts	1,082	309	-	1,391
Due from other governments	38	-	-	38
Prepaid items	-	625	-	625
Total assets	\$ 2,937,936	\$ 457,128	\$ 157,369	\$ 3,552,433
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 964	\$ 35,555	\$ -	\$ 36,519
Accrued liabilities	-	10,678	-	10,678
Total liabilities	964	46,233	-	47,197
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	749,999	-	-	749,999
Fund balances				
Nonspendable, prepaid items	-	625	-	625
Restricted for:				
Debt service	-	-	157,369	157,369
Management levy purposes	2,186,973	-	-	2,186,973
Student activities	-	410,270	-	410,270
Total fund balances	2,186,973	410,895	157,369	2,755,237
Total liabilities, deferred inflows of resources and fund balances	\$ 2,937,936	\$ 457,128	\$ 157,369	\$ 3,552,433

North Scott Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2019

	Special Revenue			
	Management Fund	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$ 941,058	\$ -	\$ -	\$ 941,058
Other	51,449	873,698	17,998	943,145
State appropriation	25,123	-	-	25,123
Total revenues	1,017,630	873,698	17,998	1,909,326
Expenditures:				
Current:				
Instruction:				
Regular	146,527	-	-	146,527
Other	-	756,293	-	756,293
Support services:				
Student	25,406	4,757	-	30,163
Instructional staff	13,005	797	-	13,802
Administration	49,766	5,492	-	55,258
Operations and maintenance of plant	171,457	18,524	-	189,981
Transportation	32,676	62,968	-	95,644
Noninstructional programs	9,819	-	-	9,819
Debt service:				
Principal	-	-	995,000	995,000
Interest and fees	-	-	339,855	339,855
Total expenditures	448,656	848,831	1,334,855	2,632,342
Excess (deficiency) of revenues over (under) expenditures	568,974	24,867	(1,316,857)	(723,016)
Other financing sources (uses),				
Transfers in	-	25,000	1,333,830	1,358,830
Total other financing sources (uses)	-	25,000	1,333,830	1,358,830
Net change in fund balances	568,974	49,867	16,973	635,814
Fund balances, beginning of year	1,617,999	361,028	140,396	2,119,423
Fund balances, end of year	\$ 2,186,973	\$ 410,895	\$ 157,369	\$ 2,755,237

North Scott Community School District

**Schedule of Combining Balance Sheet
Capital Projects Fund - By Account
June 30, 2019**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 3,342,342	\$ 1,950,707	\$ 5,293,049
Restricted cash and equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	-	4,529	4,529
Succeeding year	-	1,667,730	1,667,730
Accounts	8,986	36,933	45,919
Due from other governments	363,033	65	363,098
Prepaid items	-	37,381	37,381
Total assets	\$ 5,096,810	\$ 3,697,345	\$ 8,794,155
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities, accounts payable	\$ 27,440	\$ 83,603	\$ 111,043
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	1,667,730	1,667,730
Statewide sales and services tax	116,000	-	116,000
Total deferred inflows of resources	116,000	1,667,730	1,783,730
Fund Balances:			
Nonspendable, prepaid items	-	37,381	37,381
Restricted for:			
School infrastructure	3,570,921	-	3,570,921
Debt service	1,382,449	-	1,382,449
Physical plant and equipment	-	1,908,631	1,908,631
Total fund balances	4,953,370	1,946,012	6,899,382
Total liabilities, deferred inflows of resources and fund balances	\$ 5,096,810	\$ 3,697,345	\$ 8,794,155

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, 2019**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 1,475,020	\$ 1,475,020
Other	387,300	179,610	566,910
State appropriations	3,114,143	38,871	3,153,014
Total revenues	3,501,443	1,693,501	5,194,944
Expenditures:			
Current:			
Support services:			
Administration	148,695	510,105	658,800
Operation and maintenance of plant	-	80,863	80,863
Transportation	-	341,901	341,901
Other expenditures:			
Facilities acquisition	3,244,184	395,486	3,639,670
Total expenditures	3,392,879	1,328,355	4,721,234
Excess of revenues over expenditures	108,564	365,146	473,710
Other financing sources (uses):			
Transfers out	(1,333,830)	-	(1,333,830)
Proceeds from sale of capital assets	-	5,221	5,221
Total other financing sources (uses)	(1,333,830)	5,221	(1,328,609)
Net change in fund balance	(1,225,266)	370,367	(854,899)
Fund balance, beginning of year	6,178,636	1,575,645	7,754,281
Fund balance, end of year	\$ 4,953,370	\$ 1,946,012	\$ 6,899,382

North Scott Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2019

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash and pooled investments	\$ 14,579	\$ 63,578	\$ 57,383	\$ 20,774
Accounts receivable	405	-	-	405
Total assets	\$ 14,984	\$ 63,578	\$ 57,383	\$ 21,179
Liabilities				
Due to other groups	\$ 14,984	\$ 99,476	\$ 93,281	\$ 21,179
Total liabilities	\$ 14,984	\$ 99,476	\$ 93,281	\$ 21,179

STATISTICAL SECTION



North Scott
Community Schools

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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
Financial Trends	69-82
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
Revenue Capacity	83-87
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
Debt Capacity	88-94
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.	
Demographic and Economic Information	95-96
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	
Operating Information	97-105
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.	
Miscellaneous Information	106-123
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			
	2010	2011	2012	2013
Governmental activities:				
Net investment in				
capital assets	\$ 21,381,552	\$ 20,646,639	\$ 19,839,922	\$ 21,204,665
Restricted	5,632,202	6,435,472	8,665,073	9,471,712
Unrestricted	3,311,949	4,418,125	5,665,890	5,615,466
Business-type activities				
Net investment in				
capital assets	298,759	278,305	253,472	242,862
Unrestricted	533,078	625,563	806,348	791,139
Total primary				
government net position	\$ 31,157,540	\$ 32,404,104	\$ 35,230,705	\$ 37,325,844

* Implemented GASB Statement No. 68
Source: District financial records

Fiscal Year					
2014	2015 *	2016	2017	2018	2019
\$ 23,850,888	\$ 23,061,587	\$ 24,761,641	\$ 26,866,583	\$ 31,471,058	\$ 34,773,981
8,408,872	11,189,617	13,484,499	13,011,813	10,693,400	10,530,257
6,859,375	(5,877,760)	(5,674,346)	(5,418,428)	(4,389,974)	(3,711,989)
218,572	207,054	188,246	209,174	760,303	685,021
835,464	534,134	620,999	665,014	165,430	288,565
\$ 40,173,171	\$ 29,114,632	\$ 33,381,039	\$ 35,334,156	\$ 38,700,217	\$ 42,565,835

North Scott Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Expenses:				
Governmental activities:				
Regular instruction	\$ 11,921,193	\$ 11,333,300	\$ 12,962,232	\$ 11,841,523
Special instruction	3,769,151	3,427,940	2,752,196	3,275,964
Other instruction	3,812,434	3,800,547	3,773,994	3,886,832
Student services	1,201,957	1,256,107	1,245,261	1,246,859
Instructional staff services	1,039,929	922,396	995,987	1,157,680
Administration services	3,210,646	3,296,030	3,323,786	3,366,816
Operation and maintenance of plant services	3,744,279	3,839,322	3,632,525	2,523,529
Transportation services	1,059,243	1,080,198	1,033,272	1,007,972
Food service operations	8,546	-	-	-
Noninstructional	-	-	-	-
Interest on long-term debt	-	-	-	-
AEA flowthrough	1,139,829	1,172,973	1,070,395	1,100,135
Debt service	-	-	-	221,458
Depreciation (unallocated)	1,259,236	1,168,591	1,176,212	1,704,026
Total governmental activities	32,166,443	31,297,404	31,965,860	31,332,794
Business-type activities:				
Nutrition services	1,455,862	1,401,846	1,395,843	1,444,983
Child care services	292,580	290,628	273,992	240,509
Total business-type activities	1,748,442	1,692,474	1,669,835	1,685,492
Total primary government expenses	33,914,885	32,989,878	33,635,695	33,018,286
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular instruction	808,902	810,688	823,426	790,471
Special instruction	249,992	285,627	207,798	261,957
Other instruction	690,228	778,201	324,945	357,427
Support services	4,682	4,701	66,905	60,017
Operating grants and contributions	5,832,697	4,159,219	5,279,988	4,743,405
Capital grants and contributions	-	-	228,823	11,986
Total governmental activities	7,586,501	6,038,436	6,931,885	6,225,263
Business-type activities:				
Charges for services:				
Nutrition	890,407	862,141	935,785	872,889
Child care	304,391	301,696	285,813	213,717
Operating grants and contributions	549,257	580,797	600,575	571,497
Total business-type activities	1,744,055	1,744,634	1,822,173	1,658,103
Total primary government revenues	9,330,556	7,783,070	8,754,058	7,883,366
Net (expense) revenues:				
Total governmental activities	(24,579,942)	(25,258,968)	(25,033,975)	(25,107,531)
Total business-type activities	(4,387)	52,160	152,338	(27,389)
Total primary government revenues	\$ (24,584,329)	\$ (25,206,808)	\$ (24,881,637)	\$ (25,134,920)

Source: District financial records

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 12,347,410	\$ 12,933,778	\$ 15,018,027	\$ 15,226,755	\$ 15,208,231	\$ 15,928,205
3,355,562	3,319,612	5,117,267	3,722,635	3,997,791	5,294,084
4,005,352	4,283,392	2,688,013	4,592,874	4,682,336	3,214,355
1,365,477	1,392,966	1,490,651	1,557,232	1,574,595	1,605,249
1,196,797	1,344,541	1,536,639	2,508,038	2,441,964	2,087,919
3,306,897	3,536,908	3,570,064	3,537,991	3,790,929	3,993,048
2,705,040	2,994,502	1,939,011	3,416,517	2,609,387	2,803,533
1,332,620	1,634,400	1,492,815	1,681,881	1,647,218	1,730,198
-	-	-	-	-	-
5,172	5,674	14,158	7,322	7,253	20,911
-	-	-	-	-	-
1,155,323	1,193,582	1,247,226	1,279,320	1,318,145	1,319,381
222,192	347,589	383,459	364,360	344,959	321,309
896,676	-	-	-	-	-
31,894,518	32,986,944	34,497,329	37,894,925	37,622,808	38,318,192
1,462,230	1,433,211	1,565,582	1,545,279	1,614,897	1,609,856
237,601	260,308	288,059	281,135	321,698	337,322
1,699,831	1,693,519	1,853,641	1,826,414	1,936,595	1,947,178
33,594,349	34,680,463	36,350,970	39,721,339	39,559,403	40,265,370
790,699	888,593	1,019,052	1,154,046	1,172,062	1,098,188
166,834	205,357	152,817	183,978	262,594	222,318
352,856	394,751	343,472	437,055	418,657	313,200
68,280	86,862	95,139	103,315	84,213	75,683
4,854,185	5,290,274	6,541,950	5,461,241	5,466,292	5,573,722
37,619	62,054	47,509	-	114,209	370,066
6,270,473	6,927,891	8,199,939	7,339,635	7,518,027	7,653,177
890,420	933,039	916,142	925,751	975,751	953,765
249,991	289,785	292,231	257,394	316,811	358,267
570,840	633,592	700,926	726,895	692,284	698,264
1,711,251	1,856,416	1,909,299	1,910,040	1,984,846	2,010,296
7,981,724	8,784,307	10,109,238	9,249,675	9,502,873	9,663,473
(25,624,045)	(26,059,053)	(26,297,390)	(30,555,290)	(30,104,781)	(30,665,015)
11,420	162,897	55,658	83,626	48,251	63,118
\$ (25,612,625)	\$ (25,896,156)	\$ (26,241,732)	\$ (30,471,664)	\$ (30,056,530)	\$ (30,601,897)

North Scott Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general and other purposes*	\$ 10,396,804	\$ 10,834,882	\$ 11,091,158	\$ 11,342,208
Property taxes levied for capital projects	1,075,899	1,108,639	1,152,677	1,152,677
Unrestricted intergovernmental	168,421	153,782	165,387	175,898
Sales tax	2,145,184	2,375,804	2,997,352	2,220,523
Unrestricted grants and contributions	9,495,352	11,788,613	12,157,291	12,214,669
Miscellaneous	130,007	143,944	108,858	85,078
Investment earnings	29,932	40,891	32,014	32,187
Transfers	23,058	(13,054)	(113)	5,248
Total governmental activities	23,464,657	26,433,501	27,704,624	27,228,488
Business-type activities:				
Miscellaneous	-	4,307	1,629	5,023
Investment earnings	2,437	2,510	1,872	1,795
Transfers	(23,058)	13,054	113	(5,248)
Total business-type activities	(20,621)	19,871	3,614	1,570
Total primary government	23,444,036	26,453,372	27,708,238	27,230,058
Change in net position:				
Total governmental activities	(1,794,311)	1,399,526	2,597,093	1,604,443
Total business-type activities	31,539	172,209	(23,775)	12,990
Total primary government	\$ (1,762,772)	\$ 1,571,735	\$ 2,573,318	\$ 1,617,433

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

Source: District financial records

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 11,423,988	\$ 11,606,668	\$ 11,695,160	\$ 11,831,951	\$ 12,562,452	\$ 13,702,458	
1,181,288	1,239,110	1,292,849	1,316,439	1,381,514	1,475,020	
190,686	205,240	309,807	627,197	411,621	904,097	
2,597,792	2,802,179	2,903,548	3,150,169	2,840,343	3,114,143	
12,944,956	13,035,041	14,076,931	15,188,270	15,196,967	14,515,809	
84,731	44,617	128,211	135,763	79,524	116,852	
27,896	83,046	89,234	141,958	302,943	602,218	
-	-	-	51,717	47,117	52,183	
28,451,337	29,015,901	30,495,740	32,443,464	32,822,481	34,482,780	
5,834	9,627	10,528	28,120	22,681	19,340	
2,781	1,040	1,871	4,914	10,575	17,578	
-	-	-	(51,717)	(47,117)	(52,183)	
8,615	10,667	12,399	(18,683)	(13,861)	(15,265)	
28,459,952	29,026,568	30,508,139	32,424,781	32,808,620	34,467,515	
2,392,284	2,718,511	4,198,350	2,338,683	2,717,700	3,817,765	
171,512	66,325	68,057	29,568	34,390	47,853	
\$ 2,563,796	\$ 2,784,836	\$ 4,266,407	\$ 2,368,251	\$ 2,752,090	\$ 3,865,618	

North Scott Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
General Fund:				
Nonspendable	\$ -	\$ 124,788	\$ 117,332	\$ 107,467
Restricted	-	353,255	389,986	420,529
Assigned	-	106,733	115,597	123,083
Unassigned	-	3,343,328	4,357,182	4,459,089
Reserved	301,975	-	-	-
Unreserved	2,820,900	-	-	-
Total General Fund	3,122,875	3,928,104	4,980,097	5,110,168
All other governmental funds:				
Nonspendable	-	13,428	19,222	6,412
Restricted for:				
Capital projects funds	-	5,336,481	6,698,709	16,631,098
Debt service	-	-	-	64,163
Special revenue funds	-	940,806	1,055,156	1,055,183
Reserved	1,522	-	-	-
Unreserved, reported in:				
Capital projects funds	3,094,362	-	-	-
Special revenue funds	2,518,877	-	-	-
Total all other governmental funds	5,614,761	6,290,715	7,773,087	17,756,856
Total governmental funds	\$ 8,737,636	\$ 10,218,819	\$ 12,753,184	\$ 22,867,024

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011.

Source: District financial records

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 145,574	\$ 177,995	\$ 172,358	\$ 178,036	\$ 117,281	\$ 126,526
334,255	466,930	635,402	689,907	757,288	797,644
160,043	188,588	188,588	292,056	292,056	506,288
5,039,443	4,810,427	4,508,003	4,911,348	5,799,491	6,824,523
-	-	-	-	-	-
-	-	-	-	-	-
5,679,315	5,643,940	5,504,351	6,071,347	6,966,116	8,254,981
13,877	4,550	630	12,566	54,592	38,006
9,888,243	10,811,564	11,036,798	8,890,096	6,327,715	6,862,001
854,725	1,499,510	1,504,282	1,510,855	1,522,845	157,369
1,116,659	1,197,185	1,575,251	1,790,955	1,968,552	2,597,243
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,873,504	13,512,809	14,116,961	12,204,472	9,873,704	9,654,619
\$ 17,552,819	\$ 19,156,749	\$ 19,621,312	\$ 18,275,819	\$ 16,839,820	\$ 17,909,600

North Scott Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Local sources:				
Property taxes	\$ 11,472,703	\$ 11,943,521	\$ 12,016,744	\$ 12,312,301
Income surtax	150,847	153,136	163,183	165,864
Local option sales and services taxes	2,145,184	2,375,804	2,495,351	2,592,523
Interest income	29,932	40,891	32,014	32,187
Other revenues	2,248,226	2,296,268	2,675,815	2,308,130
Total local sources	16,046,892	16,809,620	17,383,107	17,411,005
Intermediate sources, other revenues	-	-	-	-
State sources:				
State education finance program	11,249,874	13,138,014	11,955,282	12,164,429
Statewide sales, services and use tax	-	-	-	-
Other state grants	1,317,854	1,352,764	3,509,495	3,449,914
Total state sources	12,567,728	14,490,778	15,464,777	15,614,343
Federal sources, federal grants	2,383,405	1,168,598	1,166,881	870,266
Total revenues	\$ 30,998,025	\$ 32,468,996	\$ 34,014,765	\$ 33,895,614

Source: District financial records

Fiscal Year					
2014	2015	2016	2107	2018	2019
\$ 12,605,276 188,005	\$ 12,430,224 183,609	\$ 12,988,009 203,230	\$ 13,148,390 199,503	\$ 13,943,966 204,267	\$ 15,177,478 223,421
-	-	-	-	-	-
23,690	72,733	76,503	119,134	302,943	602,218
2,011,333	2,433,296	2,047,102	2,689,164	2,301,756	2,999,091
14,828,304	15,119,862	15,314,844	16,156,191	16,752,932	19,002,208
-	-	-	-	-	-
12,944,956	13,024,392	14,076,931	15,196,967	15,196,967	17,052,679
2,591,792	2,802,180	2,903,548	2,840,343	2,840,343	3,114,143
3,524,985	4,023,817	4,830,872	4,542,646	4,517,277	1,943,840
19,061,733	19,850,389	21,811,351	22,579,956	22,554,587	22,110,662
784,160	926,775	1,491,761	908,484	931,759	834,152
\$ 34,674,197	\$ 35,897,026	\$ 38,617,956	\$ 39,644,631	\$ 40,239,278	\$ 41,947,022

North Scott Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Regular instruction	\$ 11,563,369	\$ 11,474,729	\$ 13,000,074	\$ 12,624,134
Special instruction	3,643,387	3,529,914	2,823,007	3,437,643
Other instruction	3,785,481	3,817,797	3,843,811	4,067,536
Student services	1,175,015	1,256,477	1,278,688	1,320,096
Instructional staff services	1,003,039	960,571	1,013,092	1,225,679
Administration services	3,061,198	3,181,411	3,168,979	3,420,065
Operation and maintenance of plant	2,338,122	2,580,887	2,646,448	2,518,287
Transportation services	1,280,324	1,344,075	1,023,349	1,317,422
Noninstructional programs	2,966	10,871	781	276
Capital outlay, facilities acquisition	1,821,779	1,683,577	1,625,806	2,673,326
AEA flowthrough	1,139,829	1,172,973	1,070,395	1,100,135
Debt service:				
Principal	365,000	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance costs	-	-	-	221,458
Total expenditures	\$ 31,179,509	\$ 31,013,282	\$ 31,494,430	\$ 33,926,057
Debt service as a percentage of noncapital expenditures	1.20%	0.00%	0.00%	76.00%

Source: District financial records

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 12,495,422	\$ 13,006,232	\$ 14,810,509	\$ 14,242,364	\$ 14,068,181	\$ 14,777,803
3,399,108	3,459,513	5,220,416	3,706,249	4,025,833	5,281,294
4,045,107	4,249,107	2,531,419	4,363,770	4,435,216	2,874,529
1,380,733	1,444,916	1,514,943	1,534,895	1,554,900	1,568,666
1,210,167	1,394,685	1,561,680	2,484,224	2,416,569	2,038,398
3,251,108	3,608,066	3,566,564	3,392,127	3,625,690	3,834,287
2,565,999	2,626,922	2,830,472	2,955,046	2,850,981	2,857,653
1,327,172	1,401,920	1,219,237	1,361,800	1,333,283	1,388,925
5,172	5,674	14,158	7,322	7,253	20,911
8,417,223	7,758,237	2,356,208	4,421,410	4,763,834	3,639,670
1,155,323	1,193,582	1,247,226	1,279,320	1,318,145	1,319,381
540,000	950,000	955,000	970,000	980,000	995,000
230,704	363,628	402,005	382,906	363,505	339,855
-	-	-	-	-	-
\$ 40,023,238	\$ 41,462,482	\$ 38,229,837	\$ 41,101,433	\$ 41,743,390	\$ 40,936,372
2.44%	3.88%	3.91%	3.68%	3.69%	3.62%

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			
	2010	2011	2012	2013
Excess (deficiency) of revenues over (under) expenditures	\$ (181,484)	\$ 1,455,714	\$ (30,443)	\$ (5,349,041)
Other financing sources (uses):				
Sale of capital assets	8,721	7,524	14,143	2,838
Insurance proceeds	3,780	7,825	-	-
Issuance of bonds	-	-	-	10,000,000
Premium on issuance	-	-	-	136,197
Transfers in	420,199	32,328	15,183	79,116
Transfers out	(397,141)	(22,208)	(15,296)	(73,868)
Total other financing sources (uses)	35,559	25,469	14,030	10,144,283
Net change in fund balances	\$ (145,925)	\$ 1,481,183	\$ (16,413)	\$ 4,795,242

Source: District financial records

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (5,349,041)	\$ 388,119	\$ 388,119	\$ (1,504,112)	\$ 1,504,112	\$ 1,010,650
34,836	18,846	76,444	59,592	20,966	6,947
-	-	-	-	-	-
-	7,000,000	-	-	-	-
-	150,540	-	-	-	-
770,840	1,360,580	1,355,663	1,427,839	1,390,929	1,411,013
(770,840)	(1,360,580)	(1,355,663)	(1,376,122)	(1,343,812)	(1,358,830)
34,836	7,169,386	76,444	111,309	68,113	59,130
\$ (5,314,205)	\$ 7,557,505	\$ 464,563	\$ (1,392,803)	\$ (1,435,999)	\$ 1,069,780

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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			
2010	\$ 374,361,097	\$ 256,196,590	\$ 145,752,234	\$ 1,640,868	\$ 774,669,053	\$ 14.51584
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

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
2010	\$ 13.21584	\$ 1.30000	\$ -	\$ 14.51584	\$ 5.47607	\$ 0.87714	\$ 12.85000
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

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
\$ 15.58000	\$ 8.10000	\$ 5.96079	\$ 6.64916	\$ 11.15854	\$ 5.16094	\$ 8.10000	\$ 9.58243
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

North Scott Community School District

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

Name of Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Sterilite Corporation	\$ 49,519,917	1	4.50928%			
Kraft Heinz Foods Company	37,989,819	2	3.45935%			
John Deere Construction & Forestry	28,943,583	3	2.63560%			
Deere & Company	20,184,579	4	1.83801%	\$ 22,351,967	1	2.88536%
Mid American Energy	12,635,832	5	1.15062%	8,099,191	7	1.04550%
Petersen Properties L C	12,491,364	6	1.13746%	15,666,006	4	2.02228%
Alliance Pipeline	11,546,577	7	1.05143%	15,869,192	3	2.04851%
Murray Enterprises LTD	7,790,724	8	0.70942%	9,968,370	5	1.28679%
Northern Border Pipeline Company	7,120,542	9	0.64840%	8,923,969	6	1.15197%
ILPT Trails Road LLC	6,404,634	10	0.58321%			
Davenport-Durler Family Trust				19,868,300	2	2.56475%
Blue Dog LLC				7,228,490	8	0.93311%
The Bawden Corp.				6,786,570	9	0.87606%
Callahan Construction Inc.				6,203,690	10	0.80082%
Total	<u>\$ 194,627,571</u>		<u>17.72277%</u>	<u>\$ 120,965,745</u>		<u>15.61515%</u>

Source: Scott County Auditor

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	
			Percentage			Percentage
		Amount	of Levy		Amount	of Levy
2010	\$ 11,520,353	\$ 11,472,412	99.58%	\$ 7,559	\$ 11,472,412	99.65%
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%	N/A	13,356,867	100.49%
2018	13,727,323	13,726,635	99.99%	N/A	13,726,635	99.99%
2019	15,445,369	15,441,327	99.97%	N/A	15,441,327	99.97%

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*
2010	\$ -	\$ -	\$ -	N/A	\$ -
2011	-	-	-	N/A	-
2012	-	-	-	N/A	-
2013	-	10,000,000	10,000,000	N/A	N/A
2014	-	9,587,685	9,587,685	N/A	N/A
2015	-	15,772,186	15,772,186	N/A	N/A
2016	-	14,798,640	14,798,640	N/A	N/A
2017	-	13,810,094	13,810,094	N/A	N/A
2018	-	12,811,548	12,811,548	N/A	N/A
2019	-	11,798,002	11,798,002	N/A	N/A

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 95 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*
2010-11	\$ 831,024,323	\$ 896,474	\$ -	\$ -	-	\$ -
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	-	-

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 95 for personal income and population data. These rates are calculated using personal income and population for the prior calendar year.

N/A = not available.

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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
2010	\$ 365,000	\$ 8,669	\$ 373,669	\$ 27,240,869	1.37
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	-

Source: District financial records.

North Scott Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2010	2011	2012	2013
Debt limit	\$ 41,551,216	\$ 42,635,610	\$ 44,559,210	\$ 46,282,177
Total net debt applicable to limit	-	-	-	10,000,000
Legal debt margin	\$ 41,551,216	\$ 42,635,610	\$ 44,559,210	\$ 36,282,177
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	21.61%

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

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 1,154,042,949
Debt limit (5% of assessed value)	\$ 57,702,147
Debt applicable to limit	11,798,002
Legal debt margin	\$ 45,904,145

2014	2015	2016	2017	2018	2019
\$ 47,526,964	\$ 47,705,276	\$ 48,772,876	\$ 51,389,730	\$ 53,090,824	\$ 57,702,147
9,460,000	15,510,000	14,555,000	13,585,000	12,605,000	11,798,002
\$ 38,066,964	\$ 32,195,276	\$ 34,217,876	\$ 37,804,730	\$ 40,485,824	\$ 45,904,145

19.90%	32.51%	29.84%	26.44%	23.74%	20.45%
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North Scott Community School District

Direct and Overlapping Governmental Activities Debt As of June 30, 2019 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 30,951,186	13.65%	\$ 4,225,374
Eastern Iowa Community College	41,075,000	8.16%	3,352,890
City of Bettendorf	120,430,000	0.19%	225,403
City of Davenport	203,950,000	6.09%	12,410,495
City of Eldridge	11,050	100.00%	11,050
City of Princeton	395,000	100.00%	395,000
City of Donahue	120,000	100.00%	120,000
City of Long Grove	569,000	100.00%	569,000
City of Maysville	-	0.00%	-
City of McCausland	-	0.00%	-
Subtotal, overlapping debt			<u>21,309,212</u>
District direct debt			<u>11,798,002</u>
Total direct and overlapping debt			<u><u>\$ 33,107,214</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; 2017 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		
2010	\$ 2,145,184	\$ 365,000	\$ 8,669	574.00%	
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	

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) *
2010	13,372	\$ 361,712,600	\$ 27,050	7.3%
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	N/A	N/A	3.1
2019	15,203	N/A	N/A	2.4

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	2019				2010			
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment	
Deere & Company	7,240	1	3.16	%	6,000	2		%
Rock Island Arsenal	6,163	2	2.69		8,200	1	4.83	
Genesis Health System	5,173	3	2.26		3,850	3	2.27	
HyVee 1106	4,568	4	1.99					
Unity Point	3,954	5	1.72					
HNI Corporation/The Hon Company	3,200	6	1.40					
Walmart	2,821	7	1.23					
Arconic	2,500	8	1.09		1,900	7	1.12	
Tyson Fresh Meats	2,400	9	1.05		2,500	4	1.47	
Kraft Heinz	1,600	10	0.70		1,500	8	0.88	
Trinity Medical Center					2,200	5	1.30	
Davenport Community School District					1,950	6	1.15	
Xpac					1,200	9	0.71	
Total	<u>39,619</u>		<u>17.27590252</u>	%	<u>29,300</u>		<u>13.72</u>	%
Total Regional Employees	229,331				169,776			

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

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			
	2010	2011	2012	2013
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Principals	7.0	6.9	6.9	6.9
Assistant principals	2.0	2.0	2.0	2.0
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
Total supervisory	11.3	13.2	13.2	13.2
Instruction:				
Classroom teachers	151.5	147.3	149.6	151.6
Special education teachers	29.8	28.0	26.0	24.0
Special programs	15.9	16.4	15.8	14.9
Vocational teachers	10.2	10.8	11.3	11.2
Teacher aides	70.4	64.8	61.2	57.9
Instructional technology technicians	2.5	3.0	3.0	3.0
Other instruction programs*	1.4	1.5	1.5	2.9
Total instruction	281.7	271.8	268.5	265.4
Student services:				
Social workers	1.0	1.0	1.0	1.0
Counselors	10.0	10.0	10.0	10.0
Library/media specialists	4.3	5.1	4.8	5.1
Nurses	5.5	5.5	5.5	5.3
Total student services	20.8	21.6	21.2	21.4
Support and administration:				
Other support services	1.0	2.2	1.2	1.2
Office/clerical personnel	25.5	22.7	24.4	25.3
Other professional employees	-	-	-	-
Technology specialist	1.0	1.0	1.0	1.0
Other technical personnel	3.0	2.0	2.0	2.0
Crafts and trades personnel	6.5	5.5	6.5	5.5
Laborers	3.0	3.0	3.0	3.0
Service workers	56.6	53.9	54.8	54.7
Operative personnel	16.5	15.5	15.5	13.2
Total support and administration	113.1	105.8	108.3	105.9
Total	426.9	412.4	411.1	405.9

Source: District financial records

Full-Time Equivalent Employees as of June 30						Percentage Change 2010 - 2019
2014	2015	2016	2017	2018	2019	
1.0	1.0	1.0	1.0	1.0	1.0	- %
6.9	6.9	6.9	6.8	7.0	7.0	-
1.0	3.0	3.0	2.6	3.0	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	2.0	1.0	1.5	1.0	1.0	100.00
12.2	14.2	13.2	13.2	13.3	15.3	35.40
153.6	157.9	172.0	170.0	164.4	166.3	9.74
24.6	24.5	24.8	25.8	26.0	26.5	(11.07)
14.9	14.5	13.5	17.2	19.5	17.1	7.55
9.8	12.8	11.8	11.0	11.0	13.5	32.35
59.4	60.8	65.3	66.7	66.9	67.6	(4.02)
5.0	4.4	3.0	3.0	3.0	4.0	60.00
4.0	3.7	3.0	8.4	9.0	9.0	542.86
271.3	278.6	293.4	302.1	299.8	303.9	7.89
1.0	1.0	1.0	1.0	1.0	1.0	100.00
10.0	10.5	10.5	10.5	10.5	10.5	5.00
4.5	4.5	5.8	4.9	5.0	5.0	16.28
5.5	6.6	5.8	6.0	6.1	6.1	10.18
21.0	22.6	23.1	22.4	22.6	22.6	8.46
1.8	1.2	1.2	1.2	1.2	1.2	20.00
27.8	23.7	23.5	22.3	22.3	22.3	(12.55)
-	-	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	(33.33)
4.5	4.5	6.5	5.5	5.5	5.5	(15.38)
28.8	31.6	3.0	3.0	3.0	3.0	-
28.7	31.4	56.5	55.8	51.1	59.9	5.83
13.0	12.8	13.8	13.0	12.6	12.0	(27.27)
105.6	106.2	108.5	104.8	99.6	107.9	(4.60)
410.1	421.5	438.2	442.5	435.3	449.7	5.34 %

North Scott Community School District

Operating Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year	Daily Average Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change
2010	2,910	\$ 27,240,869	\$ 9,361	(2.55)
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

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
\$ 32,166,443	\$ 11,054	1.70	218.7	13.31
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
41,743,390	13,168	1.18	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

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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
2010	220	7.23%	582	19.12%	802	26.35%
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

Source: District financial records.

North Scott Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2010	2011	2012	2013
Armstrong				
Square feet	41,095	41,095	41,095	41,095
Capacity*	720	720	720	720
Enrollment	343	329	326	316
Playgrounds	2	2	2	2
Glenn				
Square feet	26,297	26,297	26,297	26,297
Capacity*	480	480	480	480
Enrollment	248	277	256	239
Playgrounds	2	2	2	2
Grissom				
Square feet	29,209	29,209	29,209	29,209
Capacity*	480	480	480	480
Enrollment	222	222	207	194
Playgrounds	2	2	2	2
Shepard				
Square feet	39,609	39,609	39,609	39,609
Capacity*	720	720	720	720
Enrollment	326	338	355	366
Playgrounds	2	2	2	2
White				
Square feet	42,546	42,546	42,546	42,546
Capacity*	780	780	780	780
Enrollment	490	498	446	452
Playgrounds	2	2	2	2
Jr. High				
Square feet	105,714	105,714	105,714	105,714
Capacity*	960	960	960	960
Enrollment	472	484	475	478
Playgrounds	-	-	-	-
High School				
Square feet	199,143	199,143	199,143	199,143
Capacity*	1,740	1,740	1,740	1,740
Enrollment	985	940	971	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					
2014	2015	2016	2017	2018	2019
41,095	41,095	41,095	41,095	41,095	41,095
720	720	720	720	720	720
314	329	351	370	368	372
2	2	2	2	2	2
26,297	26,297	30,177	30,177	30,177	30,177
480	480	528	528	528	528
271	253	249	258	252	236
2	2	2	2	2	2
29,209	29,209	29,209	29,209	29,209	29,209
480	480	480	480	480	480
186	187	194	185	203	199
2	2	2	2	2	2
46,900	46,900	46,900	46,900	46,900	46,900
720	870	870	870	870	870
357	412	422	422	422	428
2	2	2	2	2	2
42,546	67,546	67,546	67,546	67,546	67,546
780	990	990	990	990	990
463	476	588	561	526	528
2	2	2	2	2	2
105,714	105,714	105,714	105,714	105,714	105,714
960	960	960	960	960	960
478	480	489	483	487	528
-	-	-	-	-	-
205,000	205,000	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
942	973	962	956	985	956
-	-	-	-	-	-

North Scott Community School District

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

School	Fiscal Year			
	2010	2011	2012	2013
Elementary				
Buildings	5	5	5	5
Square feet	178,756	178,756	178,756	178,756
Capacity	3,180	3,180	3,180	3,180
Enrollment	1,627	1,664	1,753	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	472	484	469	478
High School				
Buildings	2	2	2	2
Square feet	199,143	199,143	199,143	199,143
Capacity	1,740	1,740	1,740	1,740
Enrollment	985	940	962	942
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					
2014	2015	2016	2017	2018	2019
5	5	5	5	5	5
186,047	211,047	245,104	245,104	245,104	245,104
3,180	3,540	3,588	2,588	3,588	3,588
1,759	1,759	1,887	1,885		1,763
10	10	10	10	10	10
1	1	1	1	1	1
105,714	105,714	105,714	105,714	105,714	105,714
960	960	960	960	960	960
480	489	483	483		528
2	2	2	2	2	2
205,000	205,000	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
973	962	956	985		956
1	1	1	1	1	1
5,188	5,188	5,188	5,188	5,188	5,188
1	1	1	1	1	1
9,900	9,900	9,900	9,900	9,900	9,900
19	19	19	19	19	19
1	1	1	1	1	1
5,250	5,250	5,250	5,250	5,250	5,250
38	38	38	38	38	38
-	-	-	1	1	1
-	-	-	24,000	24,000	24,000
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1

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, vehicle maintenance facility, District copy center and maintenance complex. The following data provides the grade levels housed in each building.

SCHOOLS	18-19	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10
Alan Shepard Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-7	K-8
Alan Shepard Elem.	PS	PS	PS	PS	PS	PS	PS	PS	PS	
Edward White Elem.	K-6	K-6	K-6	K-6	K-6	K-5	K-5	K-5	K-5	K-5
Edward White Elem.										PS
John Glenn Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	K-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	*6-8	*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 with relocation to take place in 2020.

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, 244.9 FTE certified staff and 189.8 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 2018-19 school year and document plans for the upcoming year in implementing the Iowa Common Core.
- The District completed the 2018-19 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 four 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 junior high conducts student led conferences.
- 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 2018-19, an emphasis continued to be placed on Professional Learning Communities, Partnership in Comprehensive Literacy and MTSS. Training was provided by AEA consultants and teacher coaches within the District.
- A technology director and 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 at the secondary level using Chromebooks as the primary devices for students. The 1:1 extended into the 5th grade in the 2018-19 school year. 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 2018 was 3,330 students – 988 senior high students, 501 junior high students, 1,841 elementary students, 174 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 number approximately 59,853 breakfasts and 348,846 lunches annually.

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
- 1st 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

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, \$22,781 – High School, 21st Century Manufacturing Project
- Scott County Regional Authority Grant, \$21,175 – North Scott CSD, Camera Grant
- Scott County Regional Authority Grant, \$1,500 – Junior High, Therapy Dog
- Scott County Regional Authority Grant, \$31,688 – North Scott CSD, Replacement of Obsolete iPads
- Scott County Regional Authority Grant, \$19,000 – High School, Virtual Reality Makerspace Lab
- Scott County Regional Authority Grant, \$40,000 – High School, Building Trades Program Expansion and Update
- Scott County Regional Authority Grant, \$4,570 – Elementary Schools, Play-based Learning Tools
- Scott County Regional Authority Grant, \$12,000 - Elementary Schools, Mindset Mentor Texts
- 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:

Kelly Rohlf, Equity Coordinator
John Glenn Elementary
308 N Main Street
Donahue, Iowa 52746
Phone 563.282.9862

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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*
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
2009-10	91,003,994	1,821,779	7,038,116

* 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	2018-19	2017-18	2016-17	2015-16
Enrollment by Grade				
Kindergarten	243.0	250.0	266.0	278.0
1	216.0	230.0	236.0	237.0
2	243.0	238.0	241.0	227.0
3	242.0	237.0	228.0	231.0
4	241.0	238.0	229.0	238.0
5	245.0	235.0	245.0	247.0
6	243.0	242.0	253.0	228.0
7	257.0	251.0	235.0	244.0
8	262.0	227.0	243.0	240.0
9	223.0	245.0	235.0	241.0
10	252.0	238.0	238.0	243.0
11	231.0	234.0	238.0	229.0
12	241.0	261.0	240.0	242.0
	3,139.0	3,126.0	3,127.0	3,125.0
Certified enrollment	3,077.3	3,035.1	3,062.1	3,078.2

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

2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
285.0	247.0	237.0	236.0	265.0	231.0
217.0	205.0	218.0	240.0	210.0	214.0
228.0	219.0	234.0	211.0	216.0	209.0
229.0	237.0	206.0	218.0	217.0	230.0
237.0	213.0	224.0	225.0	231.0	230.0
227.0	224.0	226.0	238.0	233.0	213.0
235.0	222.0	237.0	238.0	219.0	235.0
237.0	237.0	245.0	228.0	235.0	245.0
239.0	237.0	226.0	236.0	245.0	227.0
236.0	227.0	238.0	267.0	236.0	242.0
225.0	230.0	260.0	228.0	239.0	223.0
229.0	256.0	215.0	236.0	212.0	234.0
272.0	222.0	248.0	221.0	245.0	286.0
3,096.0	2,976.0	3,014.0	3,022.0	3,003.0	3,019.0
3,046.3	2,948.9	2,978.5	2,986.6	2,964.5	2,978.0

North Scott Community School District**Schedule of Insurance Coverage****July 1, 2018 - June 30, 2019****(Unaudited)**

Detail of Coverage	Number	From	To
PROPERTY			
Coverage A - Buildings	5A1-37-59-19	7/1/2018	7/1/2019
Coverage B - Personal property			
Coverage C - Extra expense			
LIABILITY			
Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefits, additional insured.	5D1-37-59-19	7/1/2018	7/1/2019
FLEET			
Bodily injury, property damage, medical uninsured motorist, comprehensive, collision. Includes non-owned.	5E1-37-59-19	7/1/2018	7/1/2019
WORKERS' COMPENSATION	180-000-9807	7/1/2018	7/1/2019
INLAND MARINE			
All risk coverage based on statement of values.	5C1-37-59-19	7/1/2018	7/1/2019
COMMERCIAL UMBRELLA (EXCESS LIABILITY)	5J1-37-59-19	7/1/2018	7/1/2019
SCHOOL DISTRICT LEGAL LIABILITY			
Includes prior acts, 36-month discovery period extension, teacher negotiation-covers school board and all employees.	5K1-37-59-19	7/1/2018	7/1/2019
PUBLIC SCHOOL EMPLOYEES BLANKET BENEFIT	5F1-37-59-19	7/1/2018	7/1/2019
POLLUTION	5P1-37-59-19	7/1/2018	7/1/2019
GROUP EXCESS LIABILITY	5Y1-37-59-19	7/1/2018	7/1/2019
DATA COMPROMISE	5Q1-37-59-19	7/1/2018	7/1/2019

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.	93,882
\$2,000,000 bodily injury and property damage each occurrence, \$4,000,000 aggregate.	17,549
\$1,000,000 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	37,366
Statutory.	148,127
As per schedule.	258
\$9,000,000 occurrence and aggregate.	11,732
\$2,000 deductible, \$2,000,000 each loss, \$2,000,000 aggregate.	11,577
Blanket coverage \$1,000,000 all employees w/ \$10,000 deductible	3,488
\$1,000,000 each incident, \$1,000,000 aggregate	1,350
\$15,000,000 occurrence limit and \$30,000,000 aggregate limit	5,796
As per schedule.	4,495

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**
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%
2010	14,959,728	13,359,462	1,600,266	10.70%
Average	\$ 16,694,299	\$ 16,311,350	\$ 382,949	2.29%

* Includes ARRA dollars as State Aid Replacement and categorical per code.

** 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)
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
2009-10	2,967.5	2.34%	4.69%	1.38%	2.84%	218.69

Ten-year average

Percent variance (B-A)/B	45.96%	(D-C)/C	130.99%
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* Source IASB reports.

North Scott Community School District

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

Education Level	Fiscal Year			
	2010	2011	2012	2013
BA				
Total FTE	62.69	59.75	55.96	55.63
Average salary	33,827.71	34,792.46	37,148.84	36,955.78
BA + 15				
Total FTE	21.94	27.34	26.40	25.40
Average salary	40,838.74	39,644.48	41,056.06	42,295.08
BA + 30				
Total FTE	31.50	32.50	24.00	24.00
Average salary	46,324.83	46,096.71	62,422.63	48,339.25
MA				
Total FTE	54.00	51.00	56.66	61.07
Average salary	44,548.39	45,159.83	40,648.62	47,017.08
MA + 15				
Total FTE	22.00	21.00	22.00	22.00
Average salary	49,541.36	48,823.05	46,603.82	50,887.18
MA + 30				
Total FTE	28.00	26.00	31.00	32.00
Average salary	56,087.14	55,181.70	46,281.42	56,768.81
Grand total FTE	220.13	217.59	216.02	220.10
Total average salary	43,346.46	43,310.96	43,625.73	45,877.97

Source: District personnel records.

Notes:

Full-time instructional employees of the District are employed for all 192 work days, at eight hours per day or 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 or Phase II Funds.

Fiscal Year					
2014	2015	2016	2017	2018	2019
60.00	66.50	67.98	59.60	65.60	46.50
37,731.38	38,755.05	39,488.71	40,397.58	41,353.20	41,709.28
22.69	21.44	23.50	22.06	20.31	21.48
44,143.98	44,872.77	45,889.45	45,935.03	46,724.58	46,529.97
25.00	22.00	19.50	21.63	22.63	23.19
48,766.80	49,253.55	51,200.49	51,875.36	52,518.64	52,954.91
60.29	62.98	64.00	64.01	65.38	73.88
48,716.42	48,786.39	50,090.38	50,838.55	51,995.18	51,742.06
21.50	20.50	25.50	30.50	29.00	31.63
51,992.14	54,365.80	55,701.45	56,109.54	57,194.41	56,444.46
29.00	33.00	40.00	42.50	40.88	42.13
59,249.59	60,275.91	60,837.10	61,585.58	62,612.50	61,645.83
218.48	226.42	240.48	240.30	243.80	238.81
46,951.03	47,606.36	49,155.48	51,514.43	51,139.97	51,807.50

North Scott Community School District

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

	Fiscal Year			
	2019-20	2018-19	2017-18	2016-17
Certified	2.00%	2.12%	3.45%	2.76%
Classified	2.36%	1.20	1.65	2.75
Bus drivers	2.76%	1.26	1.00	2.76
Administrators	2.00%	1.73	2.20	2.76
Midmanagement	2.00%	1.63	2.50	2.76
Print shop	N/A	N/A	2.50	2.76
Exempt	2.28%	1.88	2.50	2.76

Source: District records.

Fiscal Year							10-Year Average
2015-16	2014-15	2013-14	2012-13	2011-12	2010-11		
3.51%	3.86%	3.85%	3.76%	3.60%	3.60%	3.07%	
3.35	3.86	3.06	3.38	3.60	3.60	2.67	
3.35	3.86	3.12	3.52	2.50	2.50	2.30	
3.00	3.25	3.78	3.38	3.30	3.30	2.52	
3.00	3.86	3.00	3.38	3.60	3.60	2.75	
3.00	3.86	3.00	3.38	3.60	3.60	2.60	
3.00	3.86	3.00	3.38	3.60	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
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%
2010	2,714,737	24,460,186	10.26%

Source: District financial records.

2010 financial solvency = $\frac{\text{unreserved undesignated general fund balance}}{\text{actual revenues}}$

2011-2019 financial solvency = $\frac{\text{assigned + (plus) unassigned general fund balances (numerator)}}{\text{actual general fund revenues}}$

Note: The formula changed due to changes to GASB 54.

COMPLIANCE SECTION



North Scott
Community Schools

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North Scott Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

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	FY19 4552	\$ -	\$ 77,296
National School Lunch Program	10.555	FY19 4553	-	428,648
Commodities -DOD (Noncash)	10.555	FY19 4951	-	49,999
Commodities (Noncash)	10.555	FY19 4951	-	131,223
Child Nutrition Cluster Program Total			-	687,166
Total U.S. Department of Agriculture			-	687,166
U.S. Department of Education:				
Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY19 4501	-	235,248
Title IIA Federal Teacher Quality Program	84.367	FY19 4643	-	57,759
Title IV Student Support and Academic Enrichment	84.424	FY19 4669	-	19,226
Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States IDEA, Part B	84.027	FY19 4521	-	133,530
Career and Technical Education - Basic Grants to States	84.048	FY19 4531	-	5,500
Total U.S. Department of Education			-	451,263
Total Expenditures of Federal Awards			\$ -	\$ 1,138,429

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, 2019

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, 2019. 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.

North Scott Community School District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting IV-G-18: There were variances regarding certified enrollment certified to the state in October 2017.	Corrected	

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**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. 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, 2019 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.

Bohnsack & Frommelt LLP

Moline, Illinois
November 22, 2019



**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, 2019. 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, 2019.

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
November 22, 2019

North Scott Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

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?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency identified?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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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	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?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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(Continued)

North Scott Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2019

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-19

Certified Budget:

Finding: Expenditures for the year ended June 30, 2019 exceeded the certified amended budget amounts in the other expenditures function by \$920,820.

Recommendation: The certified budget should be amended before expenditures are allowed to exceed the budget.

Response and Corrective Action Plan: Future budgets will be amended in sufficient amounts to ensure the District does not exceed the certified budget.

Conclusion: Response accepted.

IV-B-19

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-19

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-19

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	\$ 69,646

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

(Continued)

North Scott Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2019

IV-E-19

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-19

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

IV-G-19

Certified Enrollment: No variances in the certified enrollment certified to the Iowa Department of Education were noted.

IV-H-19

Supplementary Weighting:

Finding: Variances regarding the October 2018 supplementary weighting data certified to the Iowa Department of Education were noted.

Recommendation: We recommend the District review supplementary weighting data for accuracy prior to submission to the state.

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

Conclusion: Response accepted.

IV-I-19

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-19

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

IV-K-19

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, 2019

IV-L-19

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, 2019, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	6,178,636
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,114,143	
Other		387,300	3,501,443
Expenditures/transfers out:			
Administration		148,695	
School infrastructure:			
Buildings and improvements		3,244,184	
Transfers out		1,333,830	4,726,709
Ending balance		\$	4,953,370

For the year ended June 30, 2019, the District reduced the tax levy by not having a debt service levy of \$2.70 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
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... a commitment to the community.

North Scott Community School District

Corrective Action Plan Year Ended June 30, 2019

Findings	Corrective Action Plan	Anticipated Date of Completion
Other Findings Related to Required Statutory Reporting:		
IV-A-19: Expenditures in the other expenditures function exceeded the amended budget.	See corrective action plan and response at IV-A-19	Fiscal Year 2020 Jill Van Roekel
IV-H-19: There were variances regarding supplementary weighting data certified to the state in October 2018.	See corrective action plan and response at IV-H-19	Fiscal Year 2020 Jill Van Roekel