

**NORTH SCOTT  
COMMUNITY  
SCHOOL DISTRICT**

Eldridge, Iowa



**Comprehensive Annual  
Financial Report  
For The Fiscal Year  
Ended June 30, 2017**

Comprehensive Annual Financial Report of the

North Scott Community School District  
Eldridge, Iowa

For the Fiscal Year Ended June 30, 2017

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*



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INTRODUCTORY SECTION



**North Scott**  
Community Schools

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

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. . . . a commitment to the community.

November 17, 2017

Mr. John Maxwell, 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, 2017. 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 September 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.

### Debt Administration

As of June 30, 2017 the District had \$13,585,000 of debt applicable to its legal debt margin. This amount is well below the District's bonding capacity of \$51,389,730.

### 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 an average rate of 1.301%, the Iowa Schools Joint Investment Trust with an average rate of .298% and TELF with an average rate of .277%. Interest revenue of \$143,727 was earned on all investments for the fiscal year ending June 30, 2017. This represents an increase of \$54,492 or 61%. The increase in revenue is attributed to more deposits being held in interest bearing accounts and higher interest rates.

The Iowa Schools Joint Investment Trust and the Education Liquidity Fund are common law trusts 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 accounts 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.

### 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 interior renovations have been completed in each of these buildings as well. In addition, major building additions have been taking place during 2013-2017 at Edward White, Alan Shepard Elementary, John Glenn Elementary, the Jr. High and High School.

### Major Initiatives and Achievements

Despite pressures from financial challenges, the 2016-2017 school year was a year of growth, achievement and change. Following are some of the major accomplishments or initiatives from the 2016-2017 year.

- The District continues 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. Their responsibilities include coaching, modeling and providing professional development for teachers to improve their instructional expertise.
- Secondary coaches completed their second year of training with new Teacher Centers as part of TLC.
- The District is involved with professional development opportunities focusing on the Iowa Core and Common Core, especially in the core areas of Literacy, Math, and Science. Many non-core areas have been added to this work.
- Professional Learning Communities have been established district-wide.
- 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.
- The 2017 National History Day theme was "Taking a Stand." Thirty-seven students presented at the state level and twelve students represented North Scott at the 38th National History Day competition in June 2017. Over 3,000 students from around the world are represented at the National History Day competition.
- Spanish I is now being offered as an elective at the Junior High.
- 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 receives on-going professional development.
- Continuation of a web-based student records/management system allows parents to view student assignments, grades and progress.
- 1:1 has been extended down to the 6<sup>th</sup> grade level. All 6<sup>th</sup>-12<sup>th</sup> graders now have a device.
- Apex, a credit recovery program, is offered to students at the high school.
- The District completed a new weight and gym facility to enhance strength and conditioning classes and athletic extra-curricular activities.

District efforts are focused on supporting and increasing student learning. Listed below is information on student achievement for 2016-17:

- 89% of 4th grade students were proficient in reading.
- 91% of 4th grade students were proficient in math.
- 78% of the 8th grade students were proficient in reading.
- 82% of the 8th grade students were proficient in math.
- 11th grade had 82% of students proficient in reading, and 87% proficient in math.
- The dropout rate of students in grades 7-12 in 2015-2016 was .97% (latest data available).
- 100% of 2016-2017 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 2016-2017 grades K-8 Average Daily Attendance rate was 96.5%.
- The 2016 graduation rate for the North Scott Community School District was 92.89% (latest data available.)
- 88.3% of 2017 graduating seniors indicated they intended to pursue post-secondary education or training.

#### Economic Condition and Outlook

The District's General Fund Balance increased by \$566,996, and the Unassigned Fund Balance increased by \$403,345. This change in the Unassigned Fund Balance is due primarily to the increase in unrestricted state and federal grants.

The District's solvency ratio for 2016-2017 is 15.37%, down slightly from 15.19% in 2015-2016. It is recommended the District have a solvency ratio of no more than 25%.

A revenue purpose statement was approved in September 2012. This will allow the District to plan and improve District facilities over the next 10 to 15 years.

The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Enrollment decreased 0.5% from 3,078.20 in 2016-2017 to 3,062.05 in 2017-2018. The October 2017 certified count decreased slightly to 3,035.05. The cost per pupil for 2016-17 was \$6,591 and the cost per pupil for 2017-18 is \$6,664. The cost per pupil for 2018-19 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 2017-18 is \$323.27. The cost per pupil for 2018-19 is currently unknown.

During the 2017 Legislative session, Supplemental State Aid was set at 1.11 percent for 2017-2018, school districts were given more flexibility to use specific categorical funds (professional development, at-risk/drop out and preschool), school districts were given the ability to create a general fund flexibility account, and new collective bargaining laws were passed.

### 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 requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. 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, 2016. 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

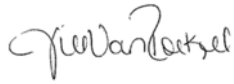
Also included in this report is a statistical section that will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

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, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**North Scott Community  
School District, Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

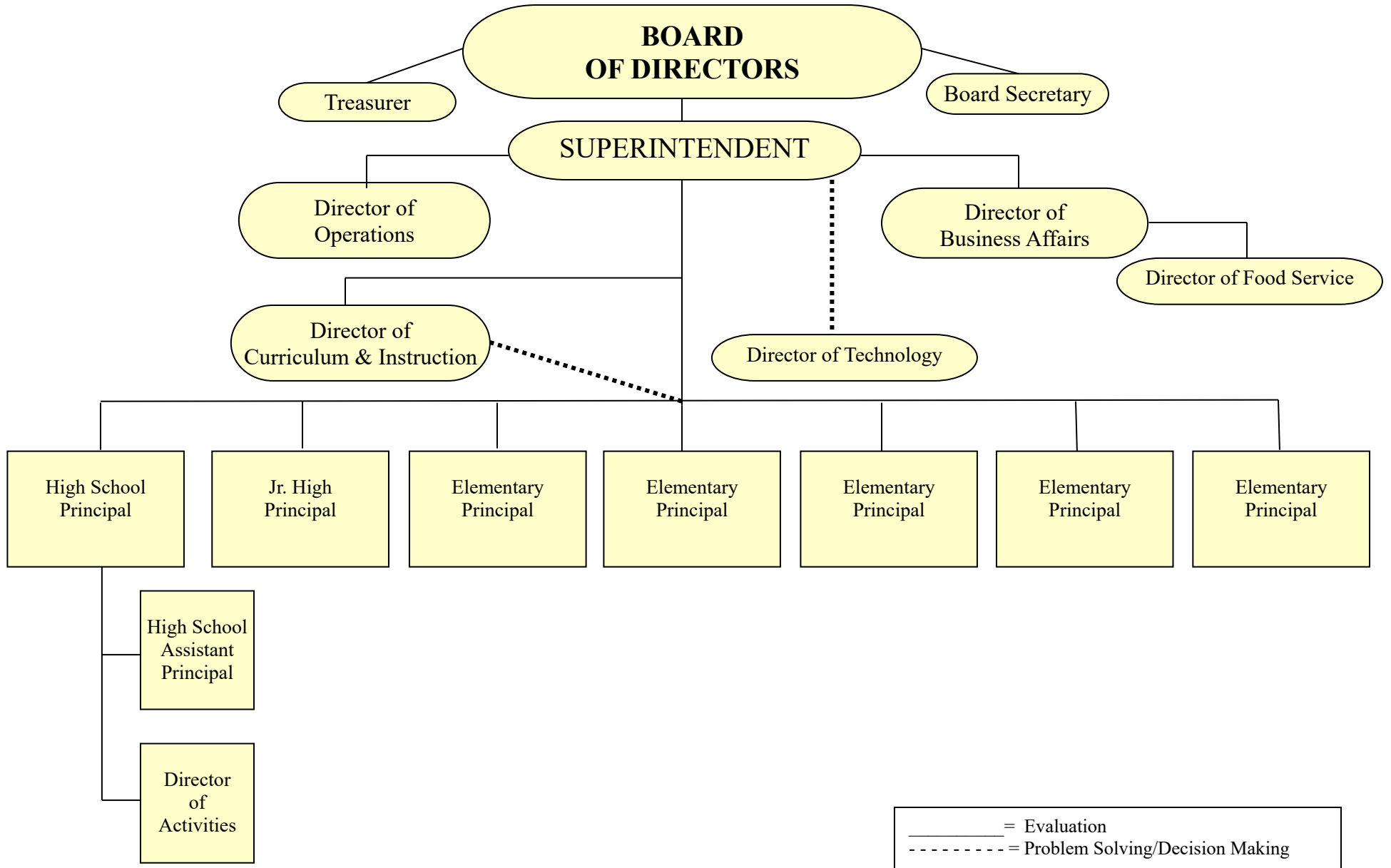
**June 30, 2016**

Executive Director/CEO



# NORTH SCOTT COMMUNITY SCHOOL DISTRICT

## Organizational Chart



**North Scott Community School District**

**Board of Education and School District Administration  
Year Ended June 30, 2017**

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Board of Education		
	Title	Term Expires
Prior to September 2017		
John Maxwell	President	2019
Molly Bergfeld	Vice President	2019
Reid Blanche	Director	2017
Nick Hansel	Director	2017
Donn Wilmott	Director	2017
Joni Dittmer	Director	2019
Glen Keppy	Director	2019
After September 2017		
John Maxwell	President	2019
Molly Bergfeld	Vice President	2019
Joni Dittmer	Director	2019
Glen Keppy	Director	2019
Tracy Lindaman	Director	2021
Mark Pratt	Director	2021
Don Wilmott	Director	2021
School District Administration		
Joe Stutting	Superintendent	
Kristy Looney	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	
Sherri Marceau	Principal	
Michael Kline	Principal	
Tim Green	Principal	
Kelly Rohlf	Principal	
Frank Wood	Associate Principal	
Jason Schroeder	Associate Principal	
Chad Ruth	Associate Principal	

## **North Scott Community School District**

### **Consultants and Advisors**

**Year Ended June 30, 2017**

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#### **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, 2017, 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, 2017, 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, schedules of funding progress, 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 17, 2017 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 17, 2017



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## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2017**

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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, 2017. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

#### **2017 FINANCIAL HIGHLIGHTS**

- The District showed an increase in net position of \$1,953,117 during the year ended June 30, 2017.
- The District's General Fund balance increased by \$566,996, the unassigned fund balance increased by \$403,345 and the nonspendable/restricted/assigned fund balance increased by \$163,651. The increase in the unassigned fund balance is primarily due to the increase in unrestricted state and federal grants.

#### **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 funding progress for the Retiree Health Plan, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

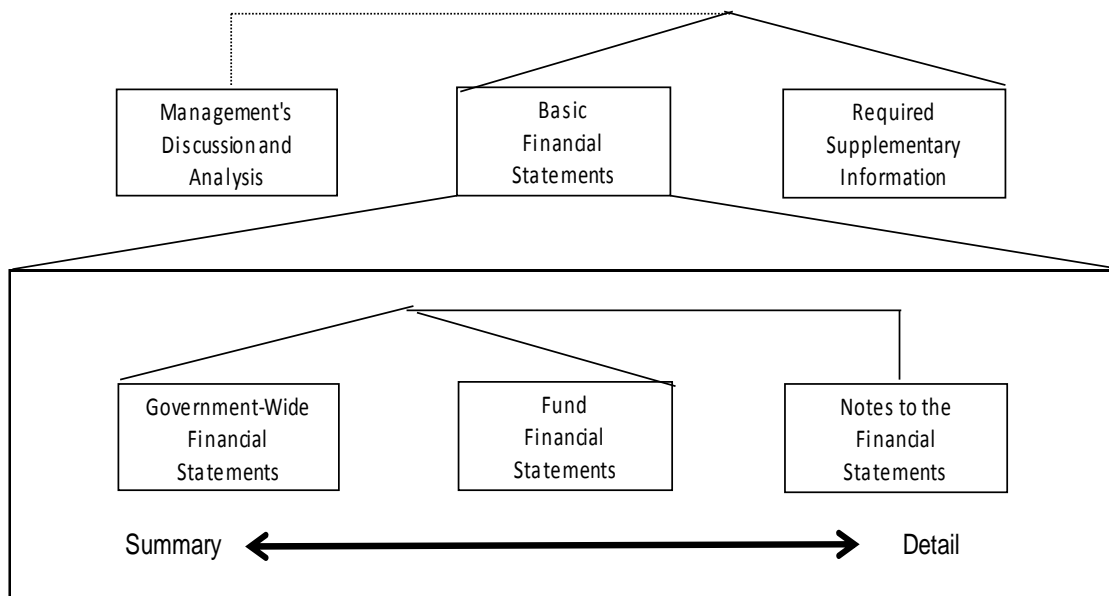
## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2017

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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, 2017

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

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

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2017

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#### 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, 2017

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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, 2017

#### 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, 2017 compared to June 30, 2016.

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

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change 2016-17
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Current and other assets	\$ 40,963,779	\$ 40,849,538	\$ 1,230,837	\$ 1,154,891	\$ 42,194,616	\$ 42,004,429	0.5%
Capital assets	40,676,677	38,013,047	209,174	188,246	40,885,851	38,201,293	7.0%
<b>Total assets</b>	<b>81,640,456</b>	<b>78,862,585</b>	<b>1,440,011</b>	<b>1,343,137</b>	<b>83,080,467</b>	<b>80,205,722</b>	<b>3.6%</b>
Deferred outflows of resources	5,400,174	4,645,736	164,102	162,382	5,564,276	4,808,118	15.7%
Long-term liabilities	32,915,914	29,780,676	647,577	515,980	33,563,491	30,296,656	10.8%
Other liabilities	5,478,236	4,349,334	66,415	57,203	5,544,651	4,406,537	25.8%
<b>Total liabilities</b>	<b>38,394,150</b>	<b>34,130,010</b>	<b>713,992</b>	<b>573,183</b>	<b>39,108,142</b>	<b>34,703,193</b>	<b>12.7%</b>
Deferred inflows of resources	14,186,512	16,806,517	15,933	123,091	14,202,445	16,929,608	-16.1%
Net position:							
Net investment in capital assets	26,866,583	24,761,641	209,174	188,246	27,075,757	24,949,887	8.5%
Restricted	13,011,813	13,484,499	-	-	13,011,813	13,484,499	-3.5%
Unrestricted	(5,418,428)	(5,674,346)	665,014	620,999	(4,753,414)	(5,053,347)	-5.9%
<b>Total net position</b>	<b>\$ 34,459,968</b>	<b>\$ 32,571,794</b>	<b>\$ 874,188</b>	<b>\$ 809,245</b>	<b>\$ 35,334,156</b>	<b>\$ 33,381,039</b>	<b>5.9%</b>

The District's combined net position increased by 5.9 percent or \$1,953,117 from the prior year. The increase in net position was due primarily to the increase in capital assets from projects in progress and completed with the proceeds of the revenue bonds issued at the beginning of fiscal year 2014.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$2,125,870 or 8.5 percent. The District's capital assets increased by \$2,684,558 which is net of accumulated depreciation expense totaling \$34,208,277. The District's capital related debt decreased \$970,000. Unspent bond proceeds also decreased from \$1,547,234 as of June 30, 2016 to no unspent bond proceeds as of June 30, 2017.

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 \$472,686 or 3.5 percent from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of \$5,053,347 to a deficit of \$4,753,414. The deficit in unrestricted net position is due to the net pension liability.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2017

Figure A-4 shows the changes in net position for the year ended June 30, 2017 compared to June 30, 2016.

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

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	2016-17
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 1,878,394	\$ 1,610,480	\$ 1,183,145	\$ 1,208,373	\$ 3,061,539	\$ 2,818,853	8.6%
Operating grants and contributions and restricted interest	5,461,241	6,541,950	726,895	700,926	6,188,136	7,242,876	-14.6%
Capital grants	-	47,509	-	-	-	47,509	-100.0%
General revenues:							
Local tax	16,925,756	16,201,364	-	-	16,925,756	16,201,364	4.5%
Unrestricted state and federal revenues	15,188,270	14,076,931	-	-	15,188,270	14,076,931	7.9%
Other	277,721	217,445	33,034	12,399	310,755	229,844	35.2%
<b>Total revenues</b>	<b>39,731,382</b>	<b>38,695,679</b>	<b>1,943,074</b>	<b>1,921,698</b>	<b>41,674,456</b>	<b>40,617,377</b>	<b>2.6%</b>
<b>Program expenses:</b>							
Governmental activities:							
Instruction	23,542,264	22,823,306	3,478	4,652	23,545,742	22,827,958	3.1%
Support services	12,701,659	10,029,180	159,176	247,370	12,860,835	10,276,550	25.1%
Noninstructional	7,322	14,158	1,663,760	1,601,619	1,671,082	1,615,777	3.4%
Other expenditures	1,643,680	1,630,685	-	-	1,643,680	1,630,685	0.8%
<b>Total expenses</b>	<b>37,894,925</b>	<b>34,497,329</b>	<b>1,826,414</b>	<b>1,853,641</b>	<b>39,721,339</b>	<b>36,350,970</b>	<b>9.3%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>1,836,457</b>	<b>4,198,350</b>	<b>116,660</b>	<b>68,057</b>	<b>1,953,117</b>	<b>4,266,407</b>	<b>-54.2%</b>
Transfers	51,717	-	(51,717)	-	-	-	0.0%
<b>Change in net position</b>	<b>1,888,174</b>	<b>4,198,350</b>	<b>64,943</b>	<b>68,057</b>	<b>1,953,117</b>	<b>4,266,407</b>	<b>-54.2%</b>
Beginning net position	32,571,794	28,373,444	809,245	741,188	33,381,039	29,114,632	14.7%
Ending net position	<b>\$ 34,459,968</b>	<b>\$ 32,571,794</b>	<b>\$ 874,188</b>	<b>\$ 809,245</b>	<b>\$ 35,334,156</b>	<b>\$ 33,381,039</b>	<b>5.9%</b>

#### Governmental activities:

Local tax and unrestricted state grants account for 81 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 unrestricted state and federal revenues.

Total expenses for governmental activities increased by \$3,397,596. The increase is primarily reflected in instruction and support services.



## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2017

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, 2017	June 30, 2016		2016-2017	June 30, 2017	June 30, 2016		2016-2017
Instruction	\$ 23,542,264	\$ 22,823,306		3.05%	\$ 17,655,522	\$ 16,058,986		9.9%
Support services	12,701,659	10,029,180		21.04%	12,528,086	9,840,787		27.3%
Noninstructional	7,322	14,158		-93.36%	7,322	14,158		-48.3%
Other expenses	1,643,680	1,630,685		0.79%	364,360	383,459		-5.0%
<b>Total</b>	<b>\$ 37,894,925</b>	<b>\$ 34,497,329</b>		<b>8.97%</b>	<b>\$ 30,555,290</b>	<b>\$ 26,297,390</b>		<b>16.2%</b>

The cost financed by users of the District's programs for the year ended June 30, 2017 was \$1,878,394 compared to year ended June 30, 2016 \$1,610,480.

Federal and state governments subsidized certain programs with grants and contributions totaling \$5,461,241 for the year ended June 30, 2017 compared to year ended June 30, 2016 \$6,589,459.

The net cost of governmental activities was financed respectively for the years ended June 30, 2017 and 2016 with \$16,925,756 and \$16,201,364 in property tax, income surtax and statewide sales, services and use tax, \$15,188,270 and \$14,076,931 in unrestricted state and federal revenue, \$141,958 and \$89,234 in unrestricted investment earnings and \$76,171 and \$128,211 in other general revenues.

### Business-Type Activities

Revenues of the District's business-type activities were \$1,943,074 and expenses were \$1,826,414. 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 remained relatively comparable to prior year decreasing \$15,601. 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 \$68,399.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2017**

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#### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$18,275,819; a decrease of \$1,345,493 from last year's ending fund balances of \$19,621,312. The District spent approximately \$2,356,000 for facilities acquisition in 2016 compared to approximately \$4,421,410 in 2017.

#### **Governmental Fund Highlights**

The District's General Fund financial position increased by \$566,996. The District's General Fund revenues of \$33,788,226 reflect a \$1,626,257 increase from prior year revenue of \$32,161,969. The increase is primarily due to an increase in state appropriations. Expenditures reflected an increase of approximately 3% from \$32,308,297 in 2016 to \$33,258,870 in 2017.

The General Fund balance increased from \$5,504,351 to \$6,071,347.

The Capital Projects Fund balance decreased from \$12,419,247 in fiscal year 2016 to \$10,278,671 in fiscal year 2017. The District expended \$4,294,899 for capital items in 2017 compared to \$3,516,977 in 2016.

#### **Proprietary Fund Highlights**

The enterprise fund net position increased slightly from \$809,245 in 2016 to \$874,188 in 2017. The school nutrition net position increased from \$622,679 in 2016 to \$691,078 in fiscal 2017. The net pension liability for the school nutrition fund as of June 30, 2017 was \$415,178.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2017**

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#### **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 22, 2017, which increased budgeted expenditures in total by \$2,319,640.

The District's total actual revenues were \$281,760 more than the total budgeted revenues, a variance of less than 1%.

Total expenditures were less than budgeted by \$2,640,114 due primarily to the District expending less than budgeted in other expenditures function for capital outlay.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **Capital Assets**

As of June 30, 2017, the District had invested \$40,885,851, 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 \$2,684,558 from last year. More detailed information about capital assets is available in Note 6 for the financial statements. Depreciation expense for the year was \$1,663,525.

The original cost of the District's capital assets was \$75,094,128. Governmental funds account for \$74,331,674 with the remainder of \$762,454 in the proprietary school nutrition fund.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2017

The largest change in capital asset activity during the year occurred with the construction of the High School Fitness Center.

**Figure A-6 Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	2016-17
Land and construction in progress	\$ 1,259,057	\$ 1,080,055	\$ 39,250	\$ -	\$ 1,298,307	\$ 1,080,055	20.2%
Buildings	35,444,338	32,880,755	-	-	35,444,338	32,880,755	7.8%
Land improvements	1,765,842	1,976,300	-	-	1,765,842	1,976,300	-10.6%
Machinery and equipment	2,207,440	2,075,937	169,924	188,246	2,377,364	2,264,183	5.0%
<b>Total</b>	<b>\$ 40,676,677</b>	<b>\$ 38,013,047</b>	<b>\$ 209,174</b>	<b>\$ 188,246</b>	<b>\$ 40,885,851</b>	<b>\$ 38,201,293</b>	<b>7.0%</b>

### Long-Term Debt

As of June 30, 2017, the District had \$33,563,491 in long-term obligations outstanding. See Figure A-7.

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

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	2016-17
Revenue bonds	\$ 13,810,094	\$ 14,798,640	\$ -	\$ -	\$ 13,810,094	\$ 14,798,640	100.0%
Early retirement	-	36,742	-	-	-	36,742	-100.0%
Compensated absences	60,076	52,842	3,526	3,932	63,602	56,774	12.0%
Net OPEB liability	1,763,504	1,634,942	50,690	47,095	1,814,194	1,682,037	7.9%
Net pension liability	17,282,240	13,257,510	593,361	468,885	17,875,601	13,726,395	30.2%
<b>Total</b>	<b>\$ 32,915,914</b>	<b>\$ 29,780,676</b>	<b>\$ 647,577</b>	<b>\$ 519,912</b>	<b>\$ 33,563,491</b>	<b>\$ 30,300,588</b>	<b>10.8%</b>

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

The District issued 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.

The District had net OPEB liability payable of \$1,814,194 as of June 30, 2017.

The District also had compensated absences payable of \$63,602 as of June 30, 2017, which will be paid primarily out of the General Fund.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2017**

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#### **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 over 3% per year. However, the Iowa Legislature set the funding growth rate for 2017-2018 at 1.11% and the funding growth rate for 2018-2019 is currently unknown.

The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Enrollment decreased 0.5% from 3,078.20 in 2016-2017 to 3,062.05 in 2017-2018. The October 2017 certified count decreased slightly to 3,035.05. The cost per pupil for 2016-17 was \$6,591 and the cost per pupil for 2017-18 is \$6,664. The cost per pupil for 2018-19 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 2017-18 is \$323.27. The cost per pupil for 2018-19 is currently unknown.

During the 2017 Legislative session, Supplemental State Aid was set at 1.11 percent for 2017-2018, school districts were given more flexibility to use specific categorical funds (professional development, at-risk/drop out and preschool), school districts were given the ability to create a general fund flexibility account, and new collective bargaining laws were passed.

#### **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, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 24,185,967	\$ 1,176,303	\$ 25,362,270
Restricted cash equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	77,761	-	77,761
Succeeding year	13,727,320	-	13,727,320
Income surtax	198,402	-	198,402
Accounts	81,278	4,418	85,696
Due from other governments	1,118,926	5,149	1,124,075
Inventories	92,995	44,967	137,962
Prepaid items	98,681	-	98,681
<b>Total current assets</b>	<b>40,963,779</b>	<b>1,230,837</b>	<b>42,194,616</b>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	1,259,057	39,250	1,298,307
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	35,444,338	-	35,444,338
Land improvements	1,765,842	-	1,765,842
Machinery and equipment	2,207,440	169,924	2,377,364
<b>Total noncurrent assets</b>	<b>40,676,677</b>	<b>209,174</b>	<b>40,885,851</b>
<b>Total assets</b>	<b>\$ 81,640,456</b>	<b>\$ 1,440,011</b>	<b>\$ 83,080,467</b>
<b>Deferred Outflows of Resources,</b> pension related deferred outflows	<b>\$ 5,400,174</b>	<b>\$ 164,102</b>	<b>\$ 5,564,276</b>

See Notes to Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	2,146,411	7,464	2,153,875
Salaries and benefits payable	3,331,825	5,708	3,337,533
Deposits	-	53,243	53,243
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	60,076	3,526	63,602
Revenue bonds	980,000	-	980,000
Portion due after one year:			
Revenue bonds	12,830,094	-	12,830,094
Net OPEB liability	1,763,504	50,690	1,814,194
Net pension liability	17,282,240	593,361	17,875,601
<b>Total liabilities</b>	<b>38,394,150</b>	<b>713,992</b>	<b>39,108,142</b>
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	13,727,320	-	13,727,320
Pension related deferred inflows	459,192	15,933	475,125
<b>Total deferred inflows of resources</b>	<b>14,186,512</b>	<b>15,933</b>	<b>14,202,445</b>
<b>Net Position:</b>			
Net investment in capital assets	26,866,583	209,174	27,075,757
Restricted for:			
Categorical funding	689,907	-	689,907
Debt service	1,510,855	-	1,510,855
School infrastructure	6,889,106	-	6,889,106
Management levy	1,459,028	-	1,459,028
Physical plant and equipment levy	2,130,990	-	2,130,990
Student activities	331,927	-	331,927
Unrestricted	(5,418,428)	665,014	(4,753,414)
<b>Total net position</b>	<b>\$ 34,459,968</b>	<b>\$ 874,188</b>	<b>\$ 35,334,156</b>



**North Scott Community School District**

**Statement of Activities**  
**Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular	\$ 15,226,755	\$ 1,154,046	\$ 2,733,684	\$ -	
Special	3,722,635	183,978	502,430	-	
Other	4,592,874	437,055	875,549	-	
	23,542,264	1,775,079	4,111,663	-	
Support services:					
Student	1,557,232	12,600	24,756	-	
Instructional staff	2,508,038	48,470	804	-	
Administration	3,537,991	16,045	5,291	-	
Operation of plant	3,416,517	26,200	22,750	-	
Transportation	1,681,881	-	16,657	-	
	12,701,659	103,315	70,258	-	
Noninstructional programs	7,322	-	-	-	
Other expenditures:					
AEA flowthrough	1,279,320	-	1,279,320	-	
Debt Service	364,360	-	-	-	
	1,643,680	-	1,279,320	-	
<b>Total governmental activities</b>	<b>37,894,925</b>	<b>1,878,394</b>	<b>5,461,241</b>	<b>-</b>	
Business-type activities:					
Instruction, regular, child care	3,478	-	-	-	
Support services:					
Administration:					
Nutrition	156,617	-	-	-	
Child care	455	-	-	-	
Operation of plant:					
Nutrition	-	-	-	-	
Child care	405	-	-	-	
Transportation, child care	1,699	-	-	-	
Noninstructional programs:					
Nutrition	1,388,662	925,751	708,044	-	
Child care	275,098	257,394	18,851	-	
<b>Total business-type activities</b>	<b>1,826,414</b>	<b>1,183,145</b>	<b>726,895</b>	<b>-</b>	
<b>Total</b>	<b>\$ 39,721,339</b>	<b>\$ 3,061,539</b>	<b>\$ 6,188,136</b>	<b>\$ -</b>	
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					
Gain on the sale of capital assets					
Other					
Transfers					
<b>Total general revenues and transfers</b>					
<b>Change in net position</b>					
Net position, beginning of year					
Net position, end of year					
See Notes to Financial Statements.					

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (11,339,025)	\$ -	\$ (11,339,025)
(3,036,227)	-	(3,036,227)
(3,280,270)	-	(3,280,270)
(17,655,522)	-	(17,655,522)
(1,519,876)	-	(1,519,876)
(2,458,764)	-	(2,458,764)
(3,516,655)	-	(3,516,655)
(3,367,567)	-	(3,367,567)
(1,665,224)	-	(1,665,224)
(12,528,086)	-	(12,528,086)
(7,322)	-	(7,322)
-	-	-
(364,360)	-	(364,360)
(364,360)	-	(364,360)
(30,555,290)	-	(30,555,290)
-	(3,478)	(3,478)
-	(156,617)	(156,617)
-	(455)	(455)
-	-	-
-	(405)	(405)
-	(1,699)	(1,699)
-	245,133	245,133
-	1,147	1,147
-	83,626	83,626
(30,555,290)	83,626	(30,471,664)
10,109,146	-	10,109,146
1,316,439	-	1,316,439
1,722,805	-	1,722,805
3,777,366	-	3,777,366
15,188,270	-	15,188,270
141,958	4,914	146,872
59,592	-	59,592
76,171	28,120	104,291
51,717	(51,717)	-
32,443,464	(18,683)	32,424,781
1,888,174	64,943	1,953,117
32,571,794	809,245	33,381,039
\$ 34,459,968	\$ 874,188	\$ 35,334,156

**North Scott Community School District**

**Balance Sheet  
Governmental Funds  
June 30, 2017**

	General	Capital Projects	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and pooled investments	\$ 9,241,738	\$ 9,305,288	\$ 1,953,004	\$ 20,500,030
Restricted cash equivalents	-	1,382,449	-	1,382,449
Receivables:				
Property tax:				
Delinquent	66,913	7,306	3,542	77,761
Succeeding year	11,862,280	1,380,361	484,679	13,727,320
Income surtax	198,402	-	-	198,402
Accounts	50,211	3,749	1,361	55,321
Due from other governments	743,778	375,119	29	1,118,926
Inventories	92,995	-	-	92,995
Prepaid items	85,041	6,126	6,440	97,607
<b>Total assets</b>	<b>\$ 22,341,358</b>	<b>\$ 12,460,398</b>	<b>\$ 2,449,055</b>	<b>\$ 37,250,811</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 889,067	\$ 671,366	\$ 27,012	\$ 1,587,445
Accrued expenses	3,320,262	-	11,563	3,331,825
<b>Total liabilities</b>	<b>4,209,329</b>	<b>671,366</b>	<b>38,575</b>	<b>4,919,270</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	11,862,280	1,380,361	484,679	13,727,320
Income surtax	198,402	-	-	198,402
Other	-	130,000	-	130,000
<b>Total deferred inflows of resources</b>	<b>12,060,682</b>	<b>1,510,361</b>	<b>484,679</b>	<b>14,055,722</b>
Fund balances:				
Nonspendable:				
Inventories	92,995	-	-	92,995
Prepaid items	85,041	6,126	6,440	97,607
Restricted for:				
Categorical funding	689,907	-	-	689,907
Debt service	-	1,382,449	128,406	1,510,855
Management levy purposes	-	-	1,459,028	1,459,028
Student activities	-	-	331,927	331,927
School infrastructure	-	6,759,106	-	6,759,106
Physical plant and equipment levy	-	2,130,990	-	2,130,990
Assigned for special purposes	292,056	-	-	292,056
Unassigned	4,911,348	-	-	4,911,348
<b>Total fund balances</b>	<b>6,071,347</b>	<b>10,278,671</b>	<b>1,925,801</b>	<b>18,275,819</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 22,341,358</b>	<b>\$ 12,460,398</b>	<b>\$ 2,449,055</b>	<b>\$ 37,250,811</b>

See Notes to Financial Statements.

**North Scott Community School District**

**Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Position  
June 30, 2017**

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Total fund balances of governmental funds \$ 18,275,819

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. 40,676,677

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. 3,154,002

Other assets are not available to pay for current period expenditures and,  
therefore, are deferred in the funds. 328,402

Pension 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:

Deferred outflows of resources 5,400,174  
Deferred inflows of resources (459,192)

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 (980,000)  
Revenue bonds, noncurrent (12,605,000)  
Premium on revenue bonds (225,094)  
Compensated absences, current (60,076)  
Net OPEB liability (1,763,504)  
Net pension liability (17,282,240)

**Net position of governmental activities** \$ 34,459,968

See Notes to Financial Statements.

**North Scott Community School District**

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

**Governmental Funds**

**Year Ended June 30, 2017**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Local tax	\$ 11,242,061	\$ 1,316,439	\$ 589,890	\$ 13,148,390
Tuition	1,156,070	-	-	1,156,070
Other	905,674	79,940	866,117	1,851,731
State appropriations	19,575,937	2,985,011	19,008	22,579,956
Federal appropriations	908,484	-	-	908,484
<b>Total revenues</b>	<b>33,788,226</b>	<b>4,381,390</b>	<b>1,475,015</b>	<b>39,644,631</b>
Expenditures:				
Current:				
Instruction:				
Regular	14,064,695	-	177,669	14,242,364
Special	3,706,249	-	-	3,706,249
Other	3,606,054	5,116	752,600	4,363,770
	<b>21,376,998</b>	<b>5,116</b>	<b>930,269</b>	<b>22,312,383</b>
Support services:				
Student	1,524,785	-	10,110	1,534,895
Instructional staff	2,473,546	-	10,678	2,484,224
Administration	2,976,444	389,931	25,752	3,392,127
Operation and maintenance of plant	2,722,381	32,166	200,499	2,955,046
Transportation	898,303	370,890	92,607	1,361,800
	<b>10,595,459</b>	<b>792,987</b>	<b>339,646</b>	<b>11,728,092</b>
Noninstructional programs	<b>7,093</b>	<b>-</b>	<b>229</b>	<b>7,322</b>
Other expenditures:				
Capital outlay:				
Facilities acquisition	-	4,421,410	-	4,421,410
Current, AEA flowthrough	1,279,320	-	-	1,279,320
Debt service:				
Principal	-	-	970,000	970,000
Interest	-	-	382,906	382,906
	<b>1,279,320</b>	<b>4,421,410</b>	<b>1,352,906</b>	<b>7,053,636</b>
<b>Total expenditures</b>	<b>33,258,870</b>	<b>5,219,513</b>	<b>2,623,050</b>	<b>41,101,433</b>
<b>Exces (Deficiency) of revenues over (under) expenditures</b>	<b>529,356</b>	<b>(838,123)</b>	<b>(1,148,035)</b>	<b>(1,456,802)</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	10,923	48,669	-	59,592
Transfers in	51,717	-	1,376,122	1,427,839
Transfers out	(25,000)	(1,351,122)	-	(1,376,122)
<b>Total other financing sources (uses)</b>	<b>37,640</b>	<b>(1,302,453)</b>	<b>1,376,122</b>	<b>111,309</b>
<b>Net change in fund balances</b>	<b>566,996</b>	<b>(2,140,576)</b>	<b>228,087</b>	<b>(1,345,493)</b>
Fund balances, beginning of year	5,504,351	12,419,247	1,697,714	19,621,312
Fund balances, end of year	<b>\$ 6,071,347</b>	<b>\$ 10,278,671</b>	<b>\$ 1,925,801</b>	<b>\$ 18,275,819</b>

See Notes to 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 2017

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Net change in fund balances - total governmental funds \$ (1,345,493)

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	\$ 4,294,899	
Depreciation expense	<u>(1,631,269)</u>	2,663,630
Gain on sale of capital assets	59,592	
Proceeds from the sale of capital assets	<u>(59,592)</u>	-

The decrease in net position of the Internal Service Fund represents an undercharge to the governmental funds and is incorporated into the change in net position of governmental activities. (43,954)

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 4,335

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	970,000
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	36,742
Compensated absences	(7,234)
Net OPEB liability	(128,562)
Pension expense	<u>(279,836)</u>

<b>Change in net position of governmental activities</b>	<b>\$ 1,888,174</b>
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See Notes to Financial Statements.

**North Scott Community School District**

**Statement of Net Position  
Proprietary Funds  
June 30, 2017**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Child Care	Total	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 862,302	\$ 314,001	\$ 1,176,303	\$ 3,685,937
Receivables, accounts	68	4,350	4,418	25,957
Due from other governments	85	5,064	5,149	-
Inventories	44,967	-	44,967	-
Prepaid expenses	-	-	-	1,074
<b>Total current assets</b>	<b>907,422</b>	<b>323,415</b>	<b>1,230,837</b>	<b>3,712,968</b>
Noncurrent assets:				
Capital assets not being depreciated:				
Construction in progress	39,250	-	39,250	-
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	169,924	-	169,924	-
<b>Total noncurrent assets</b>	<b>209,174</b>	<b>-</b>	<b>209,174</b>	<b>-</b>
<b>Total assets</b>	<b>1,116,596</b>	<b>323,415</b>	<b>1,440,011</b>	<b>3,712,968</b>
<b>Deferred Outflows of Resources,</b>				
Pension related deferred outflows	109,125	54,977	164,102	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	5,872	1,592	7,464	558,966
Salaries and benefits payable	1,319	4,389	5,708	-
Deposits	53,243	-	53,243	-
Compensated absences	2,613	913	3,526	-
<b>Total current liabilities</b>	<b>63,047</b>	<b>6,894</b>	<b>69,941</b>	<b>558,966</b>
Noncurrent liabilities:				
Net OPEB liability	45,259	5,431	50,690	-
Net pension liability	415,178	178,183	593,361	-
<b>Total noncurrent liabilities</b>	<b>460,437</b>	<b>183,614</b>	<b>644,051</b>	<b>-</b>
<b>Total liabilities</b>	<b>523,484</b>	<b>190,508</b>	<b>713,992</b>	<b>558,966</b>
<b>Deferred Inflows of Resources,</b>				
Pension related deferred inflows	11,159	4,774	15,933	-
<b>Net Position</b>				
Net investment in capital assets	209,174	-	209,174	-
Unrestricted	481,904	183,110	665,014	3,154,002
<b>Total net position</b>	<b>\$ 691,078</b>	<b>\$ 183,110</b>	<b>\$ 874,188</b>	<b>\$ 3,154,002</b>

See Notes to Financial Statements.

**North Scott Community School District**

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

**Proprietary Funds**

**Year Ended June 30, 2017**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Child Care	Total	
Operating revenues:				
Local sources:				
Charges for service	\$ 925,751	\$ 257,394	\$ 1,183,145	\$ 4,758,498
Miscellaneous	28,120	-	28,120	-
<b>Total operating revenues</b>	<b>953,871</b>	<b>257,394</b>	<b>1,211,265</b>	<b>4,758,498</b>
Operating expenses:				
Instruction, regular, other				
Supplies	-	1,383	1,383	-
Other		2,095	2,095	-
Support services:				
Administration:				
Salaries	91,049	-	91,049	-
Benefits	33,222	-	33,222	-
Services	4,860	455	5,315	4,825,276
Supplies	555	-	555	-
Other	26,931	-	26,931	-
Operation and maintenance of plant:				
Services	-	405	405	-
Transportation:				
Salaries	-	1,457	1,457	-
Benefits	-	242	242	-
Noninstructional programs:				
Salaries	419,750	206,565	626,315	-
Benefits	157,999	51,338	209,337	-
Services	592	15	607	-
Supplies	778,065	16,980	795,045	-
Other	-	200	200	-
Depreciation	32,256	-	32,256	-
<b>Total operating expenses</b>	<b>1,545,279</b>	<b>281,135</b>	<b>1,826,414</b>	<b>4,825,276</b>
<b>Operating (loss)</b>	<b>(591,408)</b>	<b>(23,741)</b>	<b>(615,149)</b>	<b>(66,778)</b>
Nonoperating revenues:				
State sources	11,095	16,680	27,775	-
Federal sources	696,949	2,171	699,120	-
Interest on investments	3,480	1,434	4,914	22,824
<b>Total nonoperating revenues</b>	<b>711,524</b>	<b>20,285</b>	<b>731,809</b>	<b>22,824</b>
<b>Income (loss) before transfers</b>	<b>120,116</b>	<b>(3,456)</b>	<b>116,660</b>	<b>(43,954)</b>
Transfers (out)	(51,717)	-	(51,717)	-
<b>Change in net position</b>	<b>68,399</b>	<b>(3,456)</b>	<b>64,943</b>	<b>(43,954)</b>
Net position, end of year	622,679	186,566	809,245	3,197,956
Net position, end of year	\$ 691,078	\$ 183,110	\$ 874,188	\$ 3,154,002

See Notes to Financial Statements.



**North Scott Community School District**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2017**

	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	\$ 934,897	\$ 258,010	\$ 1,192,907	\$ -
Miscellaneous services	28,120	-	28,120	4,756,897
Cash payments to:				
Employees for services	(685,427)	(256,996)	(942,423)	-
Suppliers for goods and services	(351,365)	(20,467)	(371,832)	(4,790,739)
<b>Net cash (used in)     operating activities</b>	<b>(73,775)</b>	<b>(19,453)</b>	<b>(93,228)</b>	<b>(33,842)</b>
Cash flows from noncapital financing activities:				
Transfers out	(51,717)	-	(51,717)	-
State grants received	11,095	16,680	27,775	-
Federal grants received	229,579	2,171	231,750	-
<b>Net cash provided by     noncapital financing     activities</b>	<b>188,957</b>	<b>18,851</b>	<b>207,808</b>	<b>-</b>
Cash flows from capital financing activities and related activities, Acquisition of capital assets	(53,184)	-	(53,184)	-
<b>Net cash (used in)     capital financing activities</b>	<b>(53,184)</b>	<b>-</b>	<b>(53,184)</b>	<b>-</b>
Cash flows from investing activities, interest on investments	3,480	1,434	4,914	22,824
<b>Net increase (decrease) in     cash and cash equivalents</b>	<b>65,478</b>	<b>832</b>	<b>66,310</b>	<b>(11,018)</b>
Cash and cash equivalents:				
Beginning of year	796,824	313,169	1,109,993	3,696,955
End of year	<u>\$ 862,302</u>	<u>\$ 314,001</u>	<u>\$ 1,176,303</u>	<u>\$ 3,685,937</u>

(Continued)

**North Scott Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2017**

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor	Total	Activities,
	Nutrition	Child Care		Internal
				Service Fund
Reconciliation of operating income				
(loss) to net cash (used in)				
operating activities:				
Operating (loss)	\$ (591,408)	\$ (23,741)	\$ (615,149)	\$ (66,778)
Adjustments to reconcile operating				
(loss) to net cash (used in)				
operating activities:				
Commodities consumed	467,370	-	467,370	-
Depreciation	32,256	-	32,256	-
(Increase) decrease in:				
Inventories	(10,114)	-	(10,114)	-
Accounts receivable	(53)	4,870	4,817	(1,601)
Due from other governments	(85)	(4,254)	(4,339)	-
Prepaid expenses	-	-	-	(27)
Increase (decrease) in:				
Accounts payable	2,467	1,066	3,533	34,564
Salaries and benefits payable	(59)	471	412	-
Other postemployment benefits	3,210	385	3,595	-
Net pension liability	13,008	2,590	15,598	-
Compensated absences payable	434	(840)	(406)	-
Deposits	9,199	-	9,199	-
<b>Net cash (used in)</b>				
<b>operating activities</b>	<b>\$ (73,775)</b>	<b>\$ (19,453)</b>	<b>\$ (93,228)</b>	<b>\$ (33,842)</b>
Noncash investing, capital and				
financing activities:				
Federal commodities	\$ 467,370	\$ -	\$ 467,370	\$ -

See Notes to Financial Statements.

**North Scott Community School District**

**Statement of Assets and Liabilities**

**Fiduciary Fund**

**June 30, 2017**

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	<u>Agency</u>
<b>Assets</b>	
Cash and pooled investments	\$ 15,196
Accounts receivable	405
<b>Total assets</b>	<u><u>\$ 15,601</u></u>
<b>Liabilities</b>	
Due to other groups	<u>\$ 15,601</u>
<b>Total liabilities</b>	<u><u>\$ 15,601</u></u>

See Notes to Financial Statements.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### 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, 2017

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#### 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, 2017

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#### **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 measureable 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, 2017**

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#### **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 the Iowa Schools Joint Investment Trust (ISJIT) and The Education Liquidity Fund (TELF) which are 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, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2016.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### 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 and some inventories are reported as expenditures when purchased on the fund financial statements.

The Enterprise Fund inventories 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, 2017

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#### 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 2017, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2017.

#### 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, 2017. The full balance is shown as due within a year using first-in, first-out basis.

#### 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, 2017

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#### 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 related deferred outflows that qualifies for reporting in this category.

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2017**

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#### **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 grants. 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 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 \$689,907 for categorical funding, \$6,889,106 for school infrastructure, \$1,459,028 for management levy, \$2,130,990 for physical plant and equipment levy and \$331,927 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, 2017**

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#### **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 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, 2017

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#### 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, 2017, the District had the following investments:

Investment Type	Amortized Cost	Maturity (in Years) Less Than 1
ISJIT Diversified portfolio	\$ 16,634,470	\$ 16,634,470
TELF Diversified portfolio	3,729,938	3,729,938
	<u>\$ 20,364,408</u>	<u>\$ 20,364,408</u>

The District's investments are Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio (ISJIT) and The Education Liquidity Fund Institutional Money Market Fund (TELF) for Iowa school districts. Both funds are 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.

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

**Credit risk:** The investments in the Iowa Schools Joint Investment Trust were rated AAAM by Standard & Poor's Rating Service. The investments in The Education Liquidity Fund 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, 2017, 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.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### Note 4. Due from Other Governments

The detail of due from other governments for the year ended June 30, 2017 is as follows:

##### Governmental activities:

Local appropriation:

Tuition	\$ 537,217
Statewide sales, services and use tax	375,119
Other	24,833
<b>Total local appropriations</b>	<u>937,169</u>
State grants	32,601
Federal grants	149,156
<b>Total</b>	<u><u>\$ 1,118,926</u></u>

<b>Business-type activities, state grants</b>	<u><u>\$ 5,149</u></u>
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#### Note 5. Transfers

The detail of transfers for the year ended June 30, 2017 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Major fund, School Nutrition	\$ 51,717
Nonmajor Governmental Funds:	Major funds:	
Student Activity	General	\$ 25,000
Debt Service	Capital Projects	1,351,122
<b>Total</b>		<u><u>\$ 1,427,839</u></u>

The Capital Projects Fund transferred statewide sales, services and use tax to the Debt Service Fund for payment of principal and interest on the bonds.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2017

### 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	\$ 870,631	\$ -	\$ -	\$ 870,631
Construction in progress	209,424	3,094,468	2,915,466	388,426
<b>Total capital assets not being depreciated</b>	<b>1,080,055</b>	<b>3,094,468</b>	<b>2,915,466</b>	<b>1,259,057</b>
Capital assets being depreciated:				
Buildings	56,469,626	3,463,947	-	59,933,573
Land improvements	6,484,287	56,614	-	6,540,901
Machinery and equipment	6,205,169	595,336	202,362	6,598,143
<b>Total capital assets being depreciated</b>	<b>69,159,082</b>	<b>4,115,897</b>	<b>202,362</b>	<b>73,072,617</b>
Less accumulated depreciation for:				
Buildings	23,588,871	900,364	-	24,489,235
Land improvements	4,507,987	267,072	-	4,775,059
Machinery and equipment	4,129,232	463,833	202,362	4,390,703
<b>Total accumulated depreciation</b>	<b>32,226,090</b>	<b>1,631,269</b>	<b>202,362</b>	<b>33,654,997</b>
<b>Total capital assets being depreciated, net</b>	<b>36,932,992</b>	<b>2,484,628</b>	<b>-</b>	<b>39,417,620</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 38,013,047</b>	<b>\$ 5,579,096</b>	<b>\$ 2,915,466</b>	<b>\$ 40,676,677</b>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 39,250	\$ -	\$ 39,250
Capital assets being depreciated:				
Machinery and equipment	\$ 709,270	\$ 13,934	\$ -	\$ 723,204
Less accumulated depreciation	521,024	32,256	-	553,280
<b>Total capital assets being depreciated, net</b>	<b>\$ 188,246</b>	<b>\$ (18,322)</b>	<b>\$ -</b>	<b>\$ 169,924</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 188,246</b>	<b>\$ 20,928</b>	<b>\$ -</b>	<b>\$ 209,174</b>

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2017

### Note 6. Capital Assets (Continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$	718,274
Other		209,812

Support services:

Administration		93,071
Operation and maintenance of plant		304,031
Transportation		306,081

<b>Total governmental activities depreciation expense</b>	<b>\$</b>	<b>1,631,269</b>
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Business-type activities:

Food services		32,256
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<b>Total business-type activities depreciation expense</b>	<b>\$</b>	<b>32,256</b>
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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, 2017:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds, Series 2013	\$ 8,365,000	\$ -	\$ 560,000	\$ 7,805,000	\$ 565,000
Revenue bonds, Series 2014	6,190,000	-	410,000	5,780,000	415,000
Premium on revenue bonds	243,640	-	18,546	225,094	18,546
Early retirement	36,742	-	36,742	-	-
Net OPEB liability	1,634,942	128,562	-	1,763,504	-
Compensated absences	52,842	60,076	52,842	60,076	60,076
<b>Total</b>	<b>\$ 16,523,166</b>	<b>\$ 188,638</b>	<b>\$ 1,078,130</b>	<b>\$ 15,633,674</b>	<b>\$ 1,058,622</b>
Business-type activities:					
Net OPEB liability	\$ 47,095	\$ 3,595	\$ -	\$ 50,690	\$ -
Compensated absences	3,932	3,526	3,932	3,526	3,526
<b>Total</b>	<b>\$ 51,027</b>	<b>\$ 7,121</b>	<b>\$ 3,932</b>	<b>\$ 54,216</b>	<b>\$ 3,526</b>

Compensated absences are general liquidated by the General Fund. Net OPEB liability is generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities.



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### **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 \$7,805,000.
- 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 \$5,780,000.

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 46% 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 \$16,191,356. During the year ended June 30, 2017, principal of \$970,000 and interest of \$382,906 was paid on the bonds. Statewide sales, services and use tax revenues were \$2,945,799.

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, 2017, there was \$128,406 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, 2017, 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, 2017

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

Annual debt service requirement on the outstanding indebtedness as of June 30, 2017, are as follows:

#### Series 2013:

Year ending June 30:	Rate	Principal	Interest	Total
2018	2.00%	565,000	202,480	767,480
2019	2.00%	575,000	191,180	767,480
2020	2.00%	590,000	179,680	766,180
2021	2.00%	600,000	167,880	769,680
2022	2.00%	615,000	155,880	767,880
2023-2027	2.00-3.00%	3,355,000	538,005	3,893,005
2028-2029	3.00-3.20%	1,505,000	71,900	1,576,900
		<u>\$ 7,805,000</u>	<u>\$ 1,507,005</u>	<u>\$ 9,308,605</u>

#### Series 2014:

Year ending June 30:	Rate	Principal	Interest	Total
2018	2.00%	415,000	160,025	575,025
2019	3.00%	420,000	147,575	575,025
2020	3.00%	430,000	134,975	567,575
2021	3.00%	440,000	122,075	564,975
2022	3.00%	455,000	108,875	562,075
2023-2027	2.25-3%	2,490,000	365,488	2,855,488
2028-2029	2.75-3.125%	1,130,000	52,588	1,182,588
		<u>\$ 5,780,000</u>	<u>\$ 1,091,601</u>	<u>\$ 6,882,751</u>

The June 30, 2017 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 1,027,794,598</u>
Debt limit, 5% of total assessed valuation	\$ 51,389,730
Amount of debt applicable to debt limit, total general obligation bonded debt	<u>13,585,000</u>
<b>Excess of debt limit over bonded debt outstanding, legal debt margin</b>	<u><b>\$ 37,804,730</b></u>

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

**Early retirement:** The District offered a voluntary early retirement plan to selected employee classifications in 2014. 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 2015, 2016 and 2017. As of June 30, 2017, the District had no remaining obligations 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. Other Postemployment Benefits (OPEB)

**Plan description:** The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 340 active and 4 retired members in the plan. Participants must be age 55 or older at retirement. The District does not have a separate, audited GAAP-basis postemployment benefit plan report.

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

**Funding policy:** The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis. Liabilities of the District's OPEB are paid primarily from the General Fund.

**Annual OPEB cost and net OPEB obligation:** The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB costs for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 253,912
Interest on net OPEB obligation	42,051
Adjustment to annual required contribution	(135,282)
Annual OPEB cost	160,681
Contributions made	28,524
Increase in net OPEB obligation	132,157
Net OPEB obligation beginning of year	1,682,037
Net OPEB obligation end of year	\$ 1,814,194

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

For the year ended June 30, 2017, the District contributed \$28,524 to the medical plan. Plan members eligible for benefits contributed 100 percent of the premium costs.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2017 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 194,664	29.0%	\$ 1,558,996
June 30, 2016	169,041	27.2%	1,682,037
June 30, 2017	160,681	17.8%	1,814,194

**Funded status and funding progress:** As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability was \$1,554,598, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,554,598. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$20,384,011, and the ratio of the UAAL to covered payroll was 7.58 percent. As of June 30, 2017, there were no trust fund assets.

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

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

As of the July 1, 2015 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5 percent discount rate based on the District's funding policy with an inflation rate of 3 percent. The projected annual medical trend rate is 6 percent. The ultimate medical trend rate is 6 percent.

Mortality rates are from the 94 Group Annuity Mortality Table (projected to 2000), applied on a gender-specific basis. Annual retirement probabilities were developed based upon recent North Scott Community School District experience.

Termination probabilities were based upon national termination studies performed by the Society of Actuaries and were adjusted to reflect the recent lower termination rates experienced by North Scott Community School District. Projected claim costs of the medical plan are \$1,196 per month for family coverage or \$565 per month for single coverage for retirees. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### 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, 2017 and 2016 is as follows:

	2017	2016
Balance, beginning of year	\$ 522,000	\$ 552,500
Incurred claims and claim adjustments	4,190,707	3,981,406
Payment of claims	4,155,707	4,011,906
Balance, end of year	<u>\$ 557,000</u>	<u>\$ 522,000</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 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

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

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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#### **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 2017, pursuant to the required rate, Regular members contributed 5.95 percent of covered payroll and the District contributed 8.93 percent of covered payroll for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2017 were \$1,891,065.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the District reported a liability of \$17,875,601 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's proportion was .2840411 percent, which was an increase of .006206 from its proportion measured as of June 30, 2015.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2017

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

For the year ended June 30, 2017, the District recognized pension expense of \$2,186,482. At June 30, 2017, 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	\$ 157,984	\$ 213,338
Changes of assumptions	272,726	-
Net difference between projected and actual earnings on pension plan investments	2,546,708	-
Changes in proportion and differences between District contributions and proportionate share of contributions	695,793	261,787
District contributions subsequent to the measurement date	1,891,065	-
<b>Total</b>	<b>\$ 5,564,276</b>	<b>\$ 475,125</b>

Deferred outflows of resources of \$1,891,065 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, 2018. 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,	
2018	\$ 410,802
2019	410,802
2020	1,492,169
2021	868,349
2022	15,964
<b>Total</b>	<b>\$ 3,198,086</b>

There were no non-employer contributing entities to IPERS.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent average, including inflation Rates vary by membership group
Investment rate of return (effective June 30, 1996)	7.50 percent compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00 percent per annum, based on 3.00 percent inflation and 1.00 percent real wage inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	28%	1.90%
Domestic equity	24%	5.85%
International equity	16%	6.32%
Private equity/debt	11%	10.31%
Real estate	8%	3.87%
Credit opportunities	5%	4.48%
U.S. TIPS	5%	1.36%
Other real assets	2%	6.42%
Cash	1%	-0.26%
<b>Total</b>	<b>100%</b>	



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

Discount Rate – The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 28,920,303	\$ 17,875,601	\$ 8,553,728

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

Payables to the Pension Plan – At June 30, 2017, the District reported payables to the defined benefit pension plan of \$160,956 for legally required employer contributions and \$107,244 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 \$1,279,320 for the year ended June 30, 2017 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, 2017

#### Note 12. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2017 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 72,514
Early intervention	44,447
Teacher salary supplement	102,580
Professional development for model core curriculum	70,142
Professional development	82,252
Four-year old preschool	238,999
Successful progression for early readers	43,659
Home school assistance program	15,385
Teacher leadership	19,260
Other	669
<b>Total restricted for categorical funding</b>	<b>\$ 689,907</b>

#### Note 13. Commitments and Contingencies and Subsequent Events

The District has financial commitments relating to remodeling projects of approximately \$560,000 as of June 30, 2017 of which, approximately \$388,000 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, 2017 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	\$ 47,442
City of Eldridge, Iowa	Urban renewal and economic development projects	-
City of Davenport, Iowa	Urban renewal and economic development projects	351,825

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, 2017, this reimbursement amounted to \$191,089.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

The District adopted the following statements during the year ended June 30, 2017:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*: This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

GASB Statement No. 77, *Tax Abatement Disclosures*: This Statement is intended to provide additional information about tax abatements to the public to further the ability to assess how tax abatements affect the District's financial position and results of operations, including the District's ability to raise revenue sources in the futures. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions* to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provided defined benefit pensions to both employees of state and local governments and to employees who are not state or local governmental employees, and (3) has no predominate stator or local government employer.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*: This Statement amends the blending requirements for the for the financial statement presentation of component units of state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

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

As of June 30, 2017, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the District beginning with its year ending June 30, 2018. This Statement replaces the requirements of *Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, issued March 2016, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, issued March 2016, will be effective for the District beginning with its year ending June 30, 2018. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the District beginning with its fiscal year ending June 30, 2019. 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. 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. 85, *Omnibus 2017*, issued March 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)).

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2017

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

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for in substance defeasance by providing guidance in transactions in which cash and other monetary assets acquired with only existing resources, resources other than those from proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also provides guidance on prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. This Statement requires 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 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.

The District's management has determined the implementation of GASB Statement No. 75 will have a significant impact on the District's financial statements. The effect the other GASB Statements will have on the District's financial statements has not yet been determined.

## Required Supplementary Information

**North Scott Community School District**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in  
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds  
Required Supplementary Information  
Year Ended June 30, 2017**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 16,156,191	\$ 1,216,179
State sources	22,579,956	27,775
Federal sources	908,484	699,120
<b>Total revenues</b>	<b>39,644,631</b>	<b>1,943,074</b>
Expenditures/expenses:		
Instruction	22,312,383	3,478
Support services	11,728,092	159,176
Noninstructional programs	7,322	1,663,760
Other expenditures	7,053,636	-
<b>Total expenditures/expenses</b>	<b>41,101,433</b>	<b>1,826,414</b>
<b>(Deficiency) of revenues (under) expenditures/expenses</b>	<b>(1,456,802)</b>	<b>116,660</b>
Other financing sources (uses):		
Sale of capital assets	59,592	-
Interfund transfers in	1,427,839	-
Interfund transfers out	(1,376,122)	(51,717)
<b>Total other financing sources (uses)</b>	<b>111,309</b>	<b>(51,717)</b>
<b>Net change in fund balance/net position</b>	<b>(1,345,493)</b>	<b>64,943</b>
Balance, beginning of year	19,621,312	809,245
Balance, end of year	<b>\$ 18,275,819</b>	<b>\$ 874,188</b>

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 17,372,370	\$ 16,859,215	\$ 16,859,215	\$ 513,155
22,607,731	23,008,978	23,008,978	(401,247)
1,607,604	1,437,752	1,437,752	169,852
41,587,705	41,305,945	41,305,945	281,760
22,315,861	22,755,886	22,547,200	231,339
11,887,268	11,369,970	12,022,998	135,730
1,671,082	1,626,100	2,276,100	605,018
7,053,636	7,496,365	8,721,663	1,668,027
42,927,847	43,248,321	45,567,961	2,640,114
(1,340,142)	(1,942,376)	(4,262,016)	2,921,874
59,592	-	-	59,592
1,427,839	1,351,905	1,351,905	75,934
(1,427,839)	(1,351,905)	(1,351,905)	(75,934)
59,592	-	-	59,592
(1,280,550)	(1,942,376)	(4,262,016)	2,981,466
20,430,557	20,430,557	20,430,557	-
\$ 19,150,007	\$ 18,488,181	\$ 16,168,541	\$ 2,981,466



**North Scott Community School District**

**Required Supplementary Information**

**Schedule of Funding Progress for the Retiree Health Plan**

Year Ended June 30:	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded ALL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2013	7/1/2011	-	\$ 2,302,124	\$ 2,302,124	0.00%	\$ 17,325,506	13.29%
2014	7/1/2013	-	1,624,333	1,624,333	0.00%	17,906,895	9.07%
2015	7/1/2013	-	1,624,333	1,624,333	0.00%	17,906,895	9.07%
2016	7/1/2015	-	1,544,598	1,544,598	0.00%	19,030,701	8.12%
2017	7/1/2015	-	1,544,598	1,544,598	0.00%	20,384,011	7.58%

See Note 8 in the accompanying notes to financial statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

**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 Three Fiscal Years**

	2017*	2016*	2015*
District's proportion of the net pension liability	0.284000%	0.277835%	0.273656%
District's proportionate share of the net pension liability	\$ 17,875,601	\$ 13,726,395	\$ 10,852,948
District's covered-employee payroll	\$ 20,384,011	\$ 19,030,701	\$ 17,906,895
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.69%	72.13%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	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 1:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is 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**

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	2017		2016		2015		2014	
Statutorily required contribution	\$	1,891	\$	1,820	\$	1,710	\$	1,599
Contributions in relation to the statutorily required contribution	\$	(1,891)	\$	(1,820)	\$	(1,710)	\$	(1,599)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-
District's covered-employee payroll	\$	21,177	\$	20,384	\$	19,031	\$	17,907
Contributions as a percentage of covered-employee payroll		8.93%		8.93%		8.99%		8.93%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

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2013		2012		2011		2010		2009		2008	
\$	1,564	\$	1,398	\$	1,177	\$	1,148	\$	1,092	\$	969
\$	(1,564)	\$	(1,398)	\$	(1,177)	\$	(1,148)	\$	(1,092)	\$	(969)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<hr/>											
\$	17,326	\$	17,326	\$	17,303	\$	17,510	\$	17,447	\$	16,017
	9.03%		8.07%		6.80%		6.56%		6.26%		6.05%

## **North Scott Community School District**

### **Notes to Required Supplementary Information Year Ended June 30, 2017**

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#### **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 22, 2017, which increased budgeted expenditures \$2,319,640 in total.

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.

#### **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.

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

##### Changes of assumptions:

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.

## **North Scott Community School District**

### **Notes to Required Supplementary Information Year Ended June 30, 2017**

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

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.

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

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## Other Supplementary Information



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## Nonmajor Governmental Funds

**North Scott Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017**

	Special Revenue			
	Management	Student	Debt	Total
	Fund	Activity	Service	
<b>Assets</b>				
Cash and pooled investments	\$ 1,456,067	\$ 368,531	\$ 128,406	\$ 1,953,004
Receivables:				
Property tax:				
Delinquent	3,542	-	-	3,542
Succeeding year	484,679	-	-	484,679
Accounts	119	1,242	-	1,361
Due from other governments	29	-	-	29
Prepaid items	-	6,440	-	6,440
<b>Total assets</b>	<b>\$ 1,944,436</b>	<b>\$ 376,213</b>	<b>\$ 128,406</b>	<b>\$ 2,449,055</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 729	\$ 26,283	\$ -	\$ 27,012
Accrued expenses	-	11,563	-	11,563
<b>Total liabilities</b>	<b>729</b>	<b>37,846</b>	<b>-</b>	<b>38,575</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	484,679	-	-	484,679
<b>Fund balances</b>				
Nonspendable, prepaid items	-	6,440	-	6,440
Restricted for:				
Debt service	-	-	128,406	128,406
Management levy purposes	1,459,028	-	-	1,459,028
Student activities	-	331,927	-	331,927
<b>Total fund balances</b>	<b>1,459,028</b>	<b>338,367</b>	<b>128,406</b>	<b>1,925,801</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,944,436</b>	<b>\$ 376,213</b>	<b>\$ 128,406</b>	<b>\$ 2,449,055</b>

**North Scott Community School District**

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

**Nonmajor Governmental Funds**

**Year Ended June 30, 2017**

	Special Revenue			
	Management Fund	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$ 589,890	\$ -	\$ -	\$ 589,890
Other	40,552	817,208	8,357	866,117
State appropriation	19,008	-	-	19,008
<b>Total revenues</b>	<b>649,450</b>	<b>817,208</b>	<b>8,357</b>	<b>1,475,015</b>
Expenditures:				
Current:				
Instruction:				
Regular	177,669	-	-	177,669
Other	-	752,600	-	752,600
Support services:				
Student	10,110	-	-	10,110
Instructional staff	6,973	3,705	-	10,678
Administration	21,332	4,420	-	25,752
Operations and maintenance of plant	189,805	10,694	-	200,499
Transportation	33,688	58,919	-	92,607
Noninstructional programs	229	-	-	229
Debt service:				
Principal	-	-	970,000	970,000
Interest and fees	-	-	382,906	382,906
<b>Total expenditures</b>	<b>439,806</b>	<b>830,338</b>	<b>1,352,906</b>	<b>2,623,050</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>209,644</b>	<b>(13,130)</b>	<b>(1,344,549)</b>	<b>(1,148,035)</b>
Other financing sources, Transfers in	-	25,000	1,351,122	1,376,122
<b>Net change in fund balances</b>	<b>209,644</b>	<b>11,870</b>	<b>6,573</b>	<b>228,087</b>
Fund balances, beginning of year	1,249,384	326,497	121,833	1,697,714
Fund balances, end of year	\$ 1,459,028	\$ 338,367	\$ 128,406	\$ 1,925,801

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## Capital Projects Fund

**North Scott Community School District**

**Schedule of Combining Balance Sheet  
Capital Projects Fund - By Account  
June 30, 2017**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 6,912,384	\$ 2,392,904	\$ 9,305,288
Restricted cash and equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	-	7,306	7,306
Succeeding year	-	1,380,361	1,380,361
Accounts	2,449	1,300	3,749
Due from other governments	375,052	67	375,119
Prepaid items	-	6,126	6,126
<b>Total assets</b>	<b>\$ 8,672,334</b>	<b>\$ 3,788,064</b>	<b>\$ 12,460,398</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities, accounts payable	400,779	270,587	671,366
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	1,380,361	1,380,361
Statewide sales and services tax	130,000	-	130,000
<b>Total deferred inflows of resources</b>	<b>130,000</b>	<b>1,380,361</b>	<b>1,510,361</b>
Fund Balances:			
Nonspendable, prepaid items	-	6,126	6,126
Restricted for:			
School infrastructure	6,759,106	-	6,759,106
Debt service	1,382,449	-	1,382,449
Physical plant and equipment	-	2,130,990	2,130,990
<b>Total fund balances</b>	<b>8,141,555</b>	<b>2,137,116</b>	<b>10,278,671</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,672,334</b>	<b>\$ 3,788,064</b>	<b>\$ 12,460,398</b>

North Scott Community School District

Schedule of Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund - By Account  
Year Ended June 30, 2017

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 1,316,439	\$ 1,316,439
Other	42,218	37,722	79,940
State appropriations	2,945,799	39,212	2,985,011
<b>Total revenues</b>	<b>2,988,017</b>	<b>1,393,373</b>	<b>4,381,390</b>
Expenditures:			
Current:			
Instruction, other	-	5,116	5,116
Support services:			
Administration	149,700	240,231	389,931
Operation and maintenance of plant	-	32,166	32,166
Transportation	-	370,890	370,890
Other expenditures:			
Facilities acquisition	3,525,486	895,924	4,421,410
<b>Total expenditures</b>	<b>3,675,186</b>	<b>1,544,327</b>	<b>5,219,513</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(687,169)</b>	<b>(150,954)</b>	<b>(838,123)</b>
Other financing sources (uses):			
Transfers out	(1,351,122)	-	(1,351,122)
Proceeds from sale of capital assets	-	48,669	48,669
<b>Total other financing sources (uses)</b>	<b>(1,351,122)</b>	<b>48,669</b>	<b>(1,302,453)</b>
<b>Net change in fund balance</b>	<b>(2,038,291)</b>	<b>(102,285)</b>	<b>(2,140,576)</b>
Fund balance, beginning of year	10,179,846	2,239,401	12,419,247
Fund balance, end of year	\$ 8,141,555	\$ 2,137,116	\$ 10,278,671



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Agency Fund

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**North Scott Community School District**

**Statement of Changes in Assets and Liabilities**

**Agency Fund**

**Year Ended June 30, 2017**

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	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash and pooled investments	\$ 13,579	\$ 42,500	\$ 40,883	\$ 15,196
Other	419	405	824	-
Accounts receivable	-	405	-	405
<b>Total assets</b>	<u>\$ 13,998</u>	<u>\$ 43,310</u>	<u>\$ 41,707</u>	<u>\$ 15,601</u>
<b>Liabilities</b>				
Due to other groups	\$ 13,998	\$ 67,402	\$ 65,799	\$ 15,601
<b>Total liabilities</b>	<u>\$ 13,998</u>	<u>\$ 67,402</u>	<u>\$ 65,799</u>	<u>\$ 15,601</u>

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STATISTICAL SECTION



**North Scott**  
Community Schools

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## North Scott Community School District

### Statistical Section Contents

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

Contents	Page
<b>Financial Trends</b>	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.	
<b>Revenue Capacity</b>	83 - 87
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
<b>Debt Capacity</b>	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.	
<b>Demographic and Economic Information</b>	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	
<b>Operating Information</b>	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.	
<b>Miscellaneous Information</b>	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			
	2008	2009	2010	2011
Governmental activities:				
Net investment in				
capital assets	\$ 21,323,720	\$ 21,698,241	\$ 21,381,552	\$ 20,646,639
Restricted	4,426,103	5,091,379	5,632,202	6,435,472
Unrestricted	5,280,876	4,651,368	3,311,949	4,418,125
Business-type activities				
Net investment in				
capital assets	180,418	172,715	298,759	278,305
Unrestricted	742,578	684,130	533,078	625,563
<b>Total primary</b>				
<b>government net position</b>	<u>\$ 31,953,695</u>	<u>\$ 32,297,833</u>	<u>\$ 31,157,540</u>	<u>\$ 32,404,104</u>

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

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Fiscal Year					
2012	2013	2014	2015 *	2016	2017
\$ 19,839,922	\$ 21,204,665	\$ 23,850,888	\$ 23,061,587	\$ 24,761,641	\$ 26,866,583
8,665,073	9,471,712	8,408,872	11,189,617	13,484,499	13,011,813
5,665,890	5,615,466	6,859,375	(5,877,760)	(5,674,346)	(5,418,428)
253,472	242,862	218,572	207,054	188,246	209,174
806,348	791,139	835,464	534,134	620,999	665,014
\$ 35,230,705	\$ 37,325,844	\$ 40,173,171	\$ 29,114,632	\$ 33,381,039	\$ 35,334,156

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# North Scott Community School District

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

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
Regular instruction	\$ 10,697,340	\$ 11,620,059	\$ 11,921,193	\$ 11,333,300
Special instruction	3,710,766	4,195,848	3,769,151	3,427,940
Other instruction	3,011,542	3,370,952	3,812,434	3,800,547
Student services	1,143,007	1,215,673	1,201,957	1,256,107
Instructional staff services	967,017	1,048,118	1,039,929	922,396
Administration services	3,184,685	3,366,550	3,210,646	3,296,030
Operation and maintenance of plant services	3,388,922	3,862,589	3,744,279	3,839,322
Transportation services	1,101,054	1,107,742	1,059,243	1,080,198
Food service operations	11,788	226	8,546	-
Noninstructional	459	-	-	-
Interest on long-term debt	-	-	-	-
AEA flowthrough	995,597	1,046,272	1,139,829	1,172,973
Debt service	-	-	-	-
Depreciation (unallocated)	1,092,839	1,130,158	1,259,236	1,168,591
<b>Total governmental activities</b>	<b>29,305,016</b>	<b>31,964,187</b>	<b>32,166,443</b>	<b>31,297,404</b>
Business-type activities:				
Nutrition services	1,309,288	1,422,093	1,455,862	1,401,846
Child care services	288,282	252,096	292,580	290,628
<b>Total business-type activities</b>	<b>1,597,570</b>	<b>1,674,189</b>	<b>1,748,442</b>	<b>1,692,474</b>
<b>Total primary government expenses</b>	<b>30,902,586</b>	<b>33,638,376</b>	<b>33,914,885</b>	<b>32,989,878</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular instruction	812,765	905,111	808,902	810,688
Special instruction	310,133	311,204	249,992	285,627
Other instruction	657,460	773,922	690,228	778,201
Support services	2,854	3,698	4,682	4,701
Operating grants and contributions	3,691,583	4,349,626	5,832,697	4,159,219
Capital grants and contributions	4,380	67,500	-	-
<b>Total governmental activities</b>	<b>5,479,175</b>	<b>6,411,061</b>	<b>7,586,501</b>	<b>6,038,436</b>
Business-type activities:				
Charges for services:				
Nutrition	870,443	863,464	890,407	862,141
Child care	328,260	271,354	304,391	301,696
Operating grants and contributions	434,389	483,117	549,257	580,797
<b>Total business-type activities</b>	<b>1,633,092</b>	<b>1,617,935</b>	<b>1,744,055</b>	<b>1,744,634</b>
<b>Total primary government revenues</b>	<b>7,112,267</b>	<b>8,028,996</b>	<b>9,330,556</b>	<b>7,783,070</b>
Net (expense) revenues:				
Total governmental activities	(23,825,841)	(25,553,126)	(24,579,942)	(25,258,968)
Total business-type activities	35,522	(56,254)	(4,387)	52,160
<b>Total primary government revenues</b>	<b>\$ (23,790,319)</b>	<b>\$ (25,609,380)</b>	<b>\$ (24,584,329)</b>	<b>\$ (25,206,808)</b>

Source: District financial records

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 12,962,232	\$ 11,841,523	\$ 12,347,410	\$ 12,933,778	\$ 15,018,027	\$ 15,226,755	
2,752,196	3,275,964	3,355,562	3,319,612	5,117,267	3,722,635	
3,773,994	3,886,832	4,005,352	4,283,392	2,688,013	4,592,874	
1,245,261	1,246,859	1,365,477	1,392,966	1,490,651	1,557,232	
995,987	1,157,680	1,196,797	1,344,541	1,536,639	2,508,038	
3,323,786	3,366,816	3,306,897	3,536,908	3,570,064	3,537,991	
3,632,525	2,523,529	2,705,040	2,994,502	1,939,011	3,416,517	
1,033,272	1,007,972	1,332,620	1,634,400	1,492,815	1,681,881	
-	-	-	-	-	-	
-	-	5,172	5,674	14,158	7,322	
-	-	-	-	-	-	
1,070,395	1,100,135	1,155,323	1,193,582	1,247,226	1,279,320	
-	221,458	222,192	347,589	383,459	364,360	
1,176,212	1,704,026	896,676	-	-	-	
31,965,860	31,332,794	31,894,518	32,986,944	34,497,329	37,894,925	
1,395,843	1,444,983	1,462,230	1,433,211	1,565,582	1,545,279	
273,992	240,509	237,601	260,308	288,059	281,135	
1,669,835	1,685,492	1,699,831	1,693,519	1,853,641	1,826,414	
33,635,695	33,018,286	33,594,349	34,680,463	36,350,970	39,721,339	
823,426	790,471	790,699	888,593	1,019,052	1,154,046	
207,798	261,957	166,834	205,357	152,817	183,978	
324,945	357,427	352,856	394,751	343,472	437,055	
66,905	60,017	68,280	86,862	95,139	103,315	
5,279,988	4,743,405	4,854,185	5,290,274	6,541,950	5,461,241	
228,823	11,986	37,619	62,054	47,509	-	
6,931,885	6,225,263	6,270,473	6,927,891	8,199,939	7,339,635	
935,785	872,889	890,420	933,039	916,142	925,751	
285,813	213,717	249,991	289,785	292,231	257,394	
600,575	571,497	570,840	633,592	700,926	726,895	
1,822,173	1,658,103	1,711,251	1,856,416	1,909,299	1,910,040	
8,754,058	7,883,366	7,981,724	8,784,307	10,109,238	9,249,675	
(25,033,975)	(25,107,531)	(25,624,045)	(26,059,053)	(26,297,390)	(30,555,290)	
152,338	(27,389)	11,420	162,897	55,658	83,626	
\$ (24,881,637)	\$ (25,134,920)	\$ (25,612,625)	\$ (25,896,156)	\$ (26,241,732)	\$ (30,471,664)	

# North Scott Community School District

## General Revenues and Total Change in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general and other purposes*	9,703,082	10,197,282	10,396,804	10,834,882
Property taxes levied for capital projects	949,985	1,034,846	1,075,899	1,108,639
Unrestricted intergovernmental	132,922	168,821	168,421	153,782
Sales tax	2,805,605	2,676,227	2,145,184	2,375,804
Unrestricted grants and contributions	11,688,064	11,516,615	9,495,352	11,788,613
Miscellaneous	253,692	105,997	130,007	143,944
Investment earnings	442,867	241,577	29,932	40,891
Transfers	20,941	22,050	23,058	(13,054)
<b>Total governmental activities</b>	<b>25,997,158</b>	<b>25,963,415</b>	<b>23,464,657</b>	<b>26,433,501</b>
Business-type activities:				
Miscellaneous	-	-	-	4,307
Investment earnings	27,950	12,153	2,437	2,510
Transfers	(20,941)	(22,050)	(23,058)	13,054
<b>Total business-type activities</b>	<b>7,009</b>	<b>(9,897)</b>	<b>(20,621)</b>	<b>19,871</b>
<b>Total primary government</b>	<b>26,004,167</b>	<b>25,953,518</b>	<b>23,444,036</b>	<b>26,453,372</b>
Change in net position:				
Total governmental activities	444,032	1,383,473	(1,794,311)	1,399,526
Total business-type activities	(49,245)	(14,284)	31,539	172,209
<b>Total primary government</b>	<b>\$ 394,787</b>	<b>\$ 1,369,189</b>	<b>\$ (1,762,772)</b>	<b>\$ 1,571,735</b>

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

Source: District financial records

Fiscal Year					
2012	2013	2014	2015	2016	2017
11,091,158	11,342,208	11,423,988	11,606,668	11,695,160	11,831,951
1,152,677	1,152,677	1,181,288	1,239,110	1,292,849	1,316,439
165,387	175,898	190,686	205,240	309,807	627,197
2,997,352	2,220,523	2,597,792	2,802,179	2,903,548	3,150,169
12,157,291	12,214,669	12,944,956	13,035,041	14,076,931	15,188,270
108,858	85,078	84,731	44,617	128,211	135,763
32,014	32,187	27,896	83,046	89,234	141,958
(113)	5,248	-	-	-	51,717
27,704,624	27,228,488	28,451,337	29,015,901	30,495,740	32,443,464
1,629	5,023	5,834	9,627	10,528	28,120
1,872	1,795	2,781	1,040	1,871	4,914
113	(5,248)	-	-	-	(51,717)
3,614	1,570	8,615	10,667	12,399	(18,683)
27,708,238	27,230,058	28,459,952	29,026,568	30,508,139	32,424,781
2,597,093	1,604,443	2,392,284	2,718,511	4,198,350	1,888,174
(23,775)	12,990	171,512	66,325	68,057	64,943
\$ 2,573,318	\$ 1,617,433	\$ 2,563,796	\$ 2,784,836	\$ 4,266,407	\$ 1,953,117

**North Scott Community School District**

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2008	2009	2010	2011
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ 124,788
Restricted	-	-	-	353,255
Assigned	-	-	-	106,733
Unassigned	-	-	-	3,343,328
Reserved	204,353	221,275	301,975	-
Unreserved	3,359,636	3,686,423	2,820,900	-
<b>Total General Fund</b>	<b>3,563,989</b>	<b>3,907,698</b>	<b>3,122,875</b>	<b>3,928,104</b>
All other governmental funds:				
Nonspendable	-	-	-	13,428
Restricted for:				
Capital projects funds	-	-	-	5,336,481
Debt service	-	-	-	-
Special revenue funds	-	-	-	940,806
Reserved	250,000	250,960	1,522	-
Unreserved, reported in:				
Capital projects funds	2,217,166	2,638,503	3,094,362	-
Special revenue funds	1,878,877	2,086,400	2,518,877	-
<b>Total all other governmental funds</b>	<b>4,346,043</b>	<b>4,975,863</b>	<b>5,614,761</b>	<b>6,290,715</b>
<b>Total governmental funds</b>	<b>\$ 7,910,032</b>	<b>\$ 8,883,561</b>	<b>\$ 8,737,636</b>	<b>\$ 10,218,819</b>

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

Source: District financial records

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 117,332	\$ 107,467	\$ 145,574	\$ 177,995	\$ 172,358	\$ 178,036
389,986	420,529	334,255	466,930	635,402	689,907
115,597	123,083	160,043	188,588	188,588	292,056
4,357,182	4,459,089	5,039,443	4,810,427	4,508,003	4,911,348
-	-	-	-	-	-
-	-	-	-	-	-
4,980,097	5,110,168	5,679,315	5,643,940	5,504,351	6,071,347
19,222	6,412	13,877	4,550	630	12,566
6,698,709	16,631,098	9,888,243	10,811,564	11,036,798	8,890,096
-	64,163	854,725	1,499,510	1,504,282	1,510,855
1,055,156	1,055,183	1,116,659	1,197,185	1,575,251	1,790,955
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,773,087	17,756,856	11,873,504	13,512,809	14,116,961	12,204,472
\$ 12,753,184	\$ 22,867,024	\$ 17,552,819	\$ 19,156,749	\$ 19,621,312	\$ 18,275,819



**North Scott Community School District**

**Governmental Funds Revenues**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2008	2009	2010	2011
Local sources:				
Property taxes	\$ 10,653,067	\$ 11,232,128	\$ 11,472,703	\$ 11,943,521
Income surtax	132,922	150,476	150,847	153,136
Local option sales and services taxes	2,805,605	2,676,227	2,145,184	2,375,804
Interest income	442,867	105,997	29,932	40,891
Other revenues	2,226,444	2,430,793	2,248,226	2,296,268
<b>Total local sources</b>	<b>16,260,905</b>	<b>16,595,621</b>	<b>16,046,892</b>	<b>16,809,620</b>
Intermediate sources, other revenues	811	-	-	-
State sources:				
State education finance program	11,587,694	11,516,615	11,249,874	13,138,014
Statewide sales, services and use tax	-	-	-	-
Other state grants	2,808,961	2,998,035	1,317,854	1,352,764
<b>Total state sources</b>	<b>14,396,655</b>	<b>14,514,650</b>	<b>12,567,728</b>	<b>14,490,778</b>
Federal sources, federal grants	692,074	1,108,142	2,383,405	1,168,598
<b>Total revenues</b>	<b>\$ 31,350,445</b>	<b>\$ 32,218,413</b>	<b>\$ 30,998,025</b>	<b>\$ 32,468,996</b>

Source: District financial records

Fiscal Year					
2012	2013	2014	2015	2016	2107
\$ 12,016,744	\$ 12,312,301	\$ 12,605,276	\$ 12,430,224	\$ 12,988,009	\$ 13,148,390
163,183	165,864	188,005	183,609	203,230	199,503
2,495,351	2,592,523	-	-	-	-
32,014	32,187	23,690	72,733	76,503	119,134
2,675,815	2,308,130	2,011,333	2,433,296	2,047,102	2,689,164
17,383,107	17,411,005	14,828,304	15,119,862	15,314,844	16,156,191
-	-	-	-	-	-
11,955,282	12,164,429	12,944,956	13,024,392	14,076,931	15,188,270
-	-	2,591,792	2,802,180	2,903,548	3,150,169
3,509,495	3,449,914	3,524,985	4,023,817	4,830,872	4,241,517
15,464,777	15,614,343	19,061,733	19,850,389	21,811,351	22,579,956
1,166,881	870,266	784,160	926,775	1,491,761	908,484
\$ 34,014,765	\$ 33,895,614	\$ 34,674,197	\$ 35,897,026	\$ 38,617,956	\$ 39,644,631

**North Scott Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2008	2009	2010	2011
Regular instruction	\$ 10,598,784	\$ 11,208,853	\$ 11,563,369	\$ 11,474,729
Special instruction	3,647,700	3,971,755	3,643,387	3,529,914
Other instruction	2,992,708	3,377,600	3,785,481	3,817,797
Student services	1,129,497	1,167,667	1,175,015	1,256,477
Instructional staff services	948,964	993,594	1,003,039	960,571
Administration services	3,104,724	3,092,005	3,061,198	3,181,411
Operation and maintenance of plant	2,285,424	2,400,995	2,338,122	2,580,887
Transportation services	1,399,385	1,341,413	1,280,324	1,344,075
Noninstructional programs	41	226	2,966	10,871
Capital outlay, facilities acquisition	1,176,980	2,432,222	1,821,779	1,683,577
AEA flowthrough	995,597	1,046,272	1,139,829	1,172,973
Debt service:				
Principal	5,930,000	350,000	365,000	-
Interest and fiscal charges	1,000	-	-	-
Issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 34,210,804</b>	<b>\$ 31,382,602</b>	<b>\$ 31,179,509</b>	<b>\$ 31,013,282</b>
Debt service as a percentage of noncapital expenditures	17.69%	1.17%	1.20%	0.00%

Source: District financial records

Fiscal Year											
2012		2013		2014		2015		2016		2017	
\$	13,000,074	\$	12,624,134	\$	12,495,422	\$	13,006,232	\$	14,810,509	\$	14,242,364
	2,823,007		3,437,643		3,399,108		3,459,513		5,220,416		3,706,249
	3,843,811		4,067,536		4,045,107		4,249,107		2,531,419		4,363,770
	1,278,688		1,320,096		1,380,733		1,444,916		1,514,943		1,534,895
	1,013,092		1,225,679		1,210,167		1,394,685		1,561,680		2,484,224
	3,168,979		3,420,065		3,251,108		3,608,066		3,566,564		3,392,127
	2,646,448		2,518,287		2,565,999		2,626,922		2,830,472		2,955,046
	1,023,349		1,317,422		1,327,172		1,401,920		1,219,237		1,361,800
	781		276		5,172		5,674		14,158		7,322
	1,625,806		2,673,326		8,417,223		7,758,237		2,356,208		4,421,410
	1,070,395		1,100,135		1,155,323		1,193,582		1,247,226		1,279,320
	-		-		540,000		950,000		955,000		970,000
	-		-		230,704		363,628		402,005		382,906
	-		221,458		-		-		-		-
\$	31,494,430	\$	33,926,057	\$	40,023,238	\$	41,462,482	\$	38,229,837	\$	41,101,433
0.00%		76.00%		2.44%		3.88%		3.91%		3.68%	

**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			
	2008	2009	2010	2011
Excess (deficiency) of revenues over (under) expenditures	\$ (2,860,359)	\$ 835,811	\$ (181,484)	\$ 1,455,714
Other financing sources (uses):				
Sale of capital assets	-	-	8,721	7,524
Insurance proceeds	104,947	115,668	3,780	7,825
Issuance of bonds	-	-	-	-
Premium on issuance	-	-	-	-
Transfers in	6,138,648	454,898	420,199	32,328
Transfers out	(6,117,707)	(432,848)	(397,141)	(22,208)
<b>Total other financing sources         (uses)</b>	<b>125,888</b>	<b>137,718</b>	<b>35,559</b>	<b>25,469</b>
<b>Net change in fund balances</b>	<b>\$ (2,734,471)</b>	<b>\$ 973,529</b>	<b>\$ (145,925)</b>	<b>\$ 1,481,183</b>

Source: District financial records

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ (30,443)	\$ (5,349,041)	\$ (5,349,041)	\$ 388,119	\$ 388,119	\$ (1,456,802)
14,143	2,838	34,836	18,846	76,444	59,592
-	-	-	-	-	-
-	10,000,000	-	7,000,000	-	-
-	136,197	-	150,540	-	-
15,183	79,116	770,840	1,360,580	1,355,663	1,427,839
(15,296)	(73,868)	(770,840)	(1,360,580)	(1,355,663)	(1,376,122)
14,030	10,144,283	34,836	7,169,386	76,444	111,309
\$ (16,413)	\$ 4,795,242	\$ (5,314,205)	\$ 7,557,505	\$ 464,563	\$ (1,345,493)

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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			
2008	318,991,324	223,452,153	146,622,429	1,601,976	687,463,930	15.12311
2009	349,808,854	254,925,672	138,682,265	1,635,312	741,781,479	14.76476
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	860,062,983	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

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
2008	\$ 13.58231	\$ 1.30000	\$ -	\$ 14.88231	\$ 5.54040	\$ 0.60785	\$ 12.95000
2009	13.46476	1.30000	-	14.76476	5.33791	0.60635	12.85000
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

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.

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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
\$ 15.24000	\$ 8.10000	\$ 5.42517	\$ 6.64795	\$ 8.10000	\$ 5.16097	\$ 8.10000	\$ 9.02314
15.57584	8.10000	5.96370	6.64880	9.76863	5.16100	8.10000	8.94763
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

# North Scott Community School District

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

Name of Taxpayer	2017			2008		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
John Deere Construction Co.	28,834,568	1	3.08447%			
ARCP JDDPTIA01 LLC	18,547,299	2	1.98403%			
Petersen Properties LC	12,336,894	3	1.31969%	12,112,100	4	1.76185%
Alliance Pipeline	10,294,179	4	1.10118%	17,787,826	3	2.58746%
Mid American Energy	8,885,886	5	0.95053%	10,425,674	5	1.51654%
Murray Enterprises	7,647,633	6	0.81808%	5,860,400	9	0.85247%
Northern Border Pipeline	7,256,375	7	0.77622%	9,390,595	6	1.36598%
ILPT Trails Road LLC	6,291,351	8	0.67299%			
ONEOK North Systems Group LTD	6,070,761	9	0.64940%			
Callahan Construction Inc	5,154,940	10	0.55143%			
Deere & Company Inc				22,375,800	1	3.25483%
Davenport-Durler Family Trust				20,554,200	2	2.98986%
Blue Dog LLC				7,228,490	7	1.05147%
The Bawden Corp.				6,786,570	8	0.98719%
Central Scott Telephone Co				5,426,265	10	0.78932%
Total	<u>111,319,886</u>		<u>11.90803%</u>	<u>117,947,920</u>		<u>12.61704%</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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	10,657,685	10,651,152	99.94%	6,533	10,657,685	100.00%
2009	11,239,357	11,231,395	99.93%	7,962	11,239,357	100.00%
2010	11,520,353	11,472,412	99.58%	7,559	11,472,412	99.58%
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	12,603,378	100.02%	3,990	12,607,368	100.06%
2015	12,672,844	12,876,536	101.61%	2,853	12,876,536	101.61%
2016	13,356,867	13,216,966	98.95%	N/A	13,216,966	98.95%
2017	13,727,323	13,776,119	100.36%	N/A	13,776,119	100.36%

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*
2008	\$ -	\$ 715,000	\$ 715,000	1.91%	\$ 53
2009	-	365,000	365,000	N/A	27
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

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*
2008-09	\$ 757,042,952	\$ 868,749	\$ 715,000	\$ 250,000	0.09%	\$ 53
2009-10	795,215,860	746,264	365,000	250,000	0.05	27
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	-	-

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
2008	5,930,000	173,647	6,103,647	25,178,119	24.24
2009	350,000	25,213	375,213	26,847,088	1.40
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	-

Source: District financial records.



**North Scott Community School District**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

**(Unaudited)**

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	2008	2009	2010	2011
Debt limit	\$ 36,577,179	\$ 39,760,793	\$ 41,551,216	\$ 42,635,610
Total net debt applicable to limit	715,000	365,000	-	-
Legal debt margin	\$ 35,862,179	\$ 39,395,793	\$ 41,551,216	\$ 42,635,610
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	1.95%	0.92%	0.00%	0.00%

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

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	<u>\$ 1,027,794,598</u>
Debt limit (5% of assessed value)	\$ 51,389,730
Debt applicable to limit	<u>13,585,000</u>
Legal debt margin	<u>\$ 37,804,730</u>

2012	2013	2014	2015	2016	2016
\$ 44,559,210	\$ 46,282,177	\$ 47,526,964	\$ 47,705,276	\$ 48,772,876	\$ 51,389,730
-	10,000,000	9,460,000	15,510,000	14,555,000	13,585,000
<u>\$ 44,559,210</u>	<u>\$ 36,282,177</u>	<u>\$ 38,066,964</u>	<u>\$ 32,195,276</u>	<u>\$ 34,217,876</u>	<u>\$ 37,804,730</u>
0.00%	21.61%	19.90%	32.51%	29.84%	26.44%

## North Scott Community School District

### Direct and Overlapping Governmental Activities Debt

As of June 30, 2017

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 29,500,000	12.24%	3,610,387
Eastern Iowa Community College	46,185,000	7.23%	3,339,364
City of Bettendorf	128,410,000	0.19%	246,243
City of Davenport	219,760,000	3.58%	7,867,502
City of Eldridge	2,500,000	100.00%	2,500,000
City of Princeton	620,000	100.00%	620,000
City of Donahue	140,000	100.00%	140,000
City of Long Grove	676,000	100.00%	676,000
City of Maysville	-	0.00%	-
City of McCausland	-	0.00%	-
<b>Subtotal, overlapping debt</b>			<u>18,999,496</u>
District direct debt			<u>13,810,094</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 32,809,590</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; 2016 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	
2008	2,805,605	335,000	40,625	7.47
2009	2,676,227	350,000	25,213	7.13
2010	2,145,184	365,000	8,669	5.74
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

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) *
2008	13,372	\$ 374,350,241	\$ 27,995	4.0%
2009	13,372	375,188,378	28,058	7.3
2010	13,372	361,712,600	27,050	7.5
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	N/A	N/A	4.7
2017	15,203	N/A	N/A	N/A

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	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Deere & Company *	7,625	1	3.32 %	6,300	2	3.71 %
Rock Island Arsenal *	5,602	2	2.44	7,270	1	4.28
Unity Point *	4,468	3	1.95			
Genesis Health System	2,978	4	1.30	4,900	3	2.89
Davenport CSD	2,560	5	1.12			
Tyson Fresh Meats *	2,400	6	1.05	2,400	5	1.41
Alcoa	2,195	7	0.96	2,250	6	1.33
HyVee	2,025	8	0.88			
John Deere Davenport Works	2,000	9	0.87			
Trinity Regional Health System				2,900	4	1.71
Kraft Foods/Oscar Mayer	1,600	10	0.70	1,650	7	0.97
Xpac (Export Packaging, Inc.) *				1,195	8	0.70
Isle of Capri				1,050	9	0.62
Mid American Energy				1,025	10	0.60
<b>Total</b>	<b>33,453</b>		<b>14.59 %</b>	<b>30,940</b>		<b>18.22 %</b>
<b>Total Regional Employees</b>	<b>229,331</b>			<b>169,776</b>		

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			
	2008	2009	2010	2011
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Principals	7.0	7.0	7.0	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
<b>Total supervisory</b>	<b>11.3</b>	<b>11.3</b>	<b>11.3</b>	<b>13.2</b>
Instruction:				
Classroom teachers	150.4	150.3	151.5	147.3
Special education teachers	32.0	30.8	29.8	28.0
Special programs	2.8	14.4	15.9	16.4
Vocational teachers	10.0	10.9	10.2	10.8
Teacher aides	67.6	69.0	70.4	64.8
Instructional technology technicians	3.0	3.0	2.5	3.0
Other instruction programs*	11.1	1.0	1.4	1.5
<b>Total instruction</b>	<b>276.9</b>	<b>279.4</b>	<b>281.7</b>	<b>271.8</b>
Student services:				
Social workers	-	1.0	1.0	1.0
Counselors	10.0	11.0	10.0	10.0
Library/media specialists	4.3	4.3	4.3	5.1
Nurses	5.3	5.6	5.5	5.5
<b>Total student services</b>	<b>19.6</b>	<b>21.9</b>	<b>20.8</b>	<b>21.6</b>
Support and administration:				
Other support services	2.0	1.0	1.0	2.2
Office/clerical personnel	26.2	26.6	25.5	22.7
Other professional employees	-	-	-	-
Technology specialist	1.0	1.0	1.0	1.0
Other technical personnel	3.5	2.5	3.0	2.0
Crafts and trades personnel	5.5	5.5	6.5	5.5
Laborers	3.0	3.0	3.0	3.0
Service workers	55.3	56.3	56.6	53.9
Operative personnel	16.5	17.2	16.5	15.5
<b>Total support and administration</b>	<b>113.0</b>	<b>113.1</b>	<b>113.1</b>	<b>105.8</b>
<b>Total</b>	<b>420.8</b>	<b>425.7</b>	<b>426.9</b>	<b>412.4</b>

Source: District financial records

### Notes:

\* In 2009, there was a change in the way the District allocated FTE areas due to account code changes required by the Iowa Department of Education.

Full-Time Equivalent Employees as of June 30						Percentage Change 2008 - 2017
2012	2013	2014	2015	2016	2017	
1.0	1.0	1.0	1.0	1.0	1.0	- %
6.9	6.9	6.9	6.9	6.9	6.8	(2.86)
2.0	2.0	1.0	3.0	3.0	2.6	30.00
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	2.0	2.0	1.0	1.5	100.00
13.2	13.2	12.2	14.2	13.2	13.2	16.81
149.6	151.6	153.6	157.9	172.0	170.0	13.03
26.0	24.0	24.6	24.5	24.8	25.8	(19.38)
15.8	14.9	14.9	14.5	13.5	17.2	514.29
11.3	11.2	9.8	12.8	11.8	11.0	10.00
61.2	57.9	59.4	60.8	65.3	66.7	(1.33)
3.0	3.0	5.0	4.4	3.0	3.0	-
1.5	2.9	4.0	3.7	3.0	8.4	(24.32)
268.5	265.4	271.3	278.6	293.4	302.1	9.10
1.0	1.0	1.0	1.0	1.0	1.0	100.00
10.0	10.0	10.0	10.5	10.5	10.5	5.00
4.8	5.1	4.5	4.5	5.8	4.9	13.95
5.5	5.3	5.5	6.6	5.8	6.0	13.21
21.2	21.4	21.0	22.6	23.1	22.4	14.29
1.2	1.2	1.8	1.2	1.2	1.2	(40.00)
24.4	25.3	27.8	23.7	23.5	22.3	(14.89)
-	-	-	-	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	(42.86)
6.5	5.5	4.5	4.5	6.5	5.5	-
3.0	3.0	28.8	31.6	3.0	3.0	-
54.8	54.7	28.7	31.4	56.5	55.8	0.90
15.5	13.2	13.0	12.8	13.8	13.0	(21.21)
108.3	105.9	105.6	106.2	108.5	104.8	(7.26)
411.1	405.9	410.1	421.5	438.2	442.5	5.16 %



**North Scott Community School District**

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

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Fiscal Year	Daily Average Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change
2008	2,912	\$ 25,178,119	\$ 8,646	(8.89)
2009	2,941	26,847,088	9,129	(5.58)
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

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

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

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	Governmental Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
\$	34,210,804	\$ 11,748	30.37	220.6	13.20
	31,964,187	10,868	(7.49)	222.6	13.21
	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
	41,101,433	12,966	(0.37)	240.3	13.19

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**North Scott Community School District**

**Free and Reduced Students**

**Last Ten Fiscal Years**

**(Unaudited)**

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Fiscal Year	Reduced Students	Reduced Percentage	Free Students	Free Percentage	Total Free and Reduced Students	Total Free and Reduced Percentage
2008	189	6.24	476	15.72	665	21.96
2009	212	6.93	531	17.35	743	24.28
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

Source: District financial records.

# North Scott Community School District

## School Building Information

### Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2008	2009	2010	2011
Armstrong				
Square feet	41,095	41,095	41,095	41,095
Capacity*	720	720	720	720
Enrollment	299	325	343	329
Playgrounds	2	2	2	2
Glenn				
Square feet	26,297	26,297	26,297	26,297
Capacity*	480	480	480	480
Enrollment	259	234	248	277
Playgrounds	2	2	2	2
Grissom				
Square feet	29,209	29,209	29,209	29,209
Capacity*	480	480	480	480
Enrollment	252	229	222	222
Playgrounds	2	2	2	2
Shepard				
Square feet	39,609	39,609	39,609	39,609
Capacity*	720	720	720	720
Enrollment	305	306	326	338
Playgrounds	2	2	2	2
White				
Square feet	42,546	42,546	42,546	42,546
Capacity*	780	780	780	780
Enrollment	456	486	490	498
Playgrounds	2	2	2	2
Jr. High				
Square feet	104,270	104,270	105,714	105,714
Capacity*	960	960	960	960
Enrollment	442	445	472	484
Playgrounds	-	-	-	-
High School				
Square feet	199,143	199,143	199,143	199,143
Capacity*	1,740	1,740	1,740	1,740
Enrollment	1,049	990	985	940
Playgrounds	-	-	-	-

Source: District records.

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
41,095	41,095	41,095	41,095	41,095	41,095
720	720	720	720	720	720
326	316	314	329	351	370
2	2	2	2	2	2
26,297	26,297	26,297	26,297	30,177	30,177
480	480	480	480	528	528
256	239	271	253	249	258
2	2	2	2	2	2
29,209	29,209	29,209	29,209	29,209	29,209
480	480	480	480	480	480
207	194	186	187	194	185
2	2	2	2	2	2
39,609	39,609	46,900	46,900	46,900	46,900
720	720	720	870	870	870
355	366	357	412	422	422
2	2	2	2	2	2
42,546	42,546	42,546	67,546	67,546	67,546
780	780	780	990	990	990
446	452	463	476	588	561
2	2	2	2	2	2
105,714	105,714	105,714	105,714	105,714	105,714
960	960	960	960	960	960
475	478	478	480	489	483
-	-	-	-	-	-
199,143	199,143	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
971	942	942	973	962	956
-	-	-	-	-	-

# North Scott Community School District

## Capital Asset Information

### Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2008	2009	2010	2011
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	1,571	1,580	1,627	1,664
Playgrounds	10	10	10	10
Junior High				
Buildings	1	1	1	1
Square feet	104,270	104,270	105,714	105,714
Capacity	960	960	960	960
Enrollment	442	445	472	484
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	1,049	990	985	940
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					
2012	2013	2014	2015	2016	2017
5	5	5	5	5	5
178,756	178,756	186,047	211,047	245,104	245,104
3,180	3,180	3,180	3,540	3,588	2,588
1,753	1,759	1,759	1,759	1,887	1,885
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
469	478	480	489	483	483
2	2	2	2	2	2
199,143	199,143	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
962	942	973	962	956	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
-	-	-	-	-	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.

<b>SCHOOLS</b>	<b>16-17</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>	<b>09-10</b>	<b>08-09</b>	<b>07-08</b>
Alan Shepard Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-7	K-8	K-9	K-10
Alan Shepard Elem.	PS	PS	PS	PS	PS	PS	PS			
Edward White Elem.	K-6	K-6	K-6	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Edward White Elem.								PS	PS	PS
John Glenn Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	K-6	K-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		
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	*6-8	*6-8	*6-8	*6-8	*6-8	*7-8	7-8
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.

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 add a SAFE room that also holds two classrooms for the building.

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 14.00 FTE administrators, 246.37 FTE certified staff and 182.13 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 hosted an accreditation team from the Iowa Department of Education for a three-day site visit in January 2013.
- The District completed the CASA document to report on 2016-17 school year and document plans for the upcoming year in implementing the Iowa Common Core.
- The District received the Teacher Leadership Compensation funding for 2015-16. The first year of teacher leadership ended in May, 2016. In our second year we had one 7-12 TLC Coordinator, ten instructional coaches for K-12, and thirty classroom teacher leaders.
- 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.
- 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 2015-16, an emphasis was placed on Professional Learning Communities, Partnership in Comprehensive Literacy and MTSS. Training was provided by AEA consultants and teacher coaches within the District.
- The District has been involved with staff development on the Next Generation Science Standards.
- A full-time technology director and three 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. This 1:1 will extend into the 6<sup>th</sup> grade in the 2017-18 school year. The District maintains a web page.
- The District utilizes interactive white boards into elementary, junior high and high school classrooms.
- 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 15,203. The enrollment in October 2017 was 3,332 students – 985 senior high students, 487 junior high students, 1,860 elementary students, 162 4-year-olds. These numbers include students who are open-enrolled or tuitioned into the District.

A fleet of 38 buses is owned by the District to serve its transportation needs. A total of 24 regular bus routes operate daily, with 3 activity routes operating in the evening. The District also has 3 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 66,730 breakfasts and 353,136 lunches annually.

The North Scott Board of Education 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
- 1<sup>st</sup> place in the state for Sr. Division National History Day, 2014
- 2013 National Merit Finalist/Recipient
- Teacher of the Year Finalist, 2012
- Teacher National Board Certification, 2012
- State of Iowa Governor's Volunteer Award for Individual Volunteerism
- Big Brothers/Big Sisters of America Big Impact Award Winner
- Teacher National Board Certification, 2012
- National Merit Finalist/Recipient, 2013
- Member of MBAEA and School Administrators of Iowa's Professional Development Committee, 2013-15
- Member of SAI Elementary Principal of the Year Selection Committee, 2013-14
- Serve on SAI Fall Conference Planning Committee, 2012-13
- Edward White Elementary Model PCL School, 2013-14, 2014-15, 2015-16
- Member of North Scott Rotary
- Member of State's C4K Committee
- Iowa State Representative
- Iowa State Senator
- Committee member, Leadership Committee, IASBO
- AEA IX Elementary Principal of the Year, 2008/09
- "Teacher of the Year – Senior Division" award from Iowa History Day, 2009
- Presenter – State School Board Conference 2007 – Board Leadership
- Presenter – School Administrators of Iowa 2007 Fall Activity Fund Workshop
- Presenter – School Administrators of Iowa 2009 Fall Activity Fund Workshop
- Presenter – School Administrators of Iowa 2011 Fall Activity Fund Workshop
- Presenter – Iowa Association of School Business Officials Fall 2007 Conference
- Iowa State Distribution Advisory Council

- Presenter at Middle Level Education Southeast Sectional Conference
- Iowa Association of School Business Officials 2008 Professional Leadership Award
- National PBS Teacher of Merit Award, 2009
- Instructor – Iowa Superintendent and Leadership Consortium 2009 – Facility Construction: Planning to Finish
- 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

#### 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
- John Glenn Elementary 2007 No Child Left Behind Blue Ribbon School

#### Grounds Awards

- Presenter at Northern Illinois Turf Manager’s Association, 2007
- Presenter at Iowa Buildings and Grounds Association, 2007
- Presenter at Sports Manager’s Regional Conference, 2009
- Presenter at National Sports Turf Manager’s Conference, 2009 and 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, \$12,437 North Scott CSD – Swivl Robots for videotaping
- Scott County Regional Authority Grant, \$8,160 Elementary Schools – Microscopes for Science
- Scott County Regional Authority Grant, \$6,955 Junior High – Therapy Dog
- Scott County Regional Authority Grant, \$6,147 – iPads with Communication Apps for Special Needs Students

## 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)

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Year	Insured Property Values	Expenditures for Construction	Bank Deposit*
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
2008-09	85,451,876	2,432,222	2,043,635
2007-08	71,744,554	1,176,980	2,316,991

\* 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	2016-17	2015-16	2014-15	2013-14
Enrollment by Grade				
Kindergarten	266.0	278.0	285.0	247.0
1	236.0	237.0	217.0	205.0
2	241.0	227.0	228.0	219.0
3	228.0	231.0	229.0	237.0
4	229.0	238.0	237.0	213.0
5	245.0	247.0	227.0	224.0
6	253.0	228.0	235.0	222.0
7	235.0	244.0	237.0	237.0
8	243.0	240.0	239.0	237.0
9	235.0	241.0	236.0	227.0
10	238.0	243.0	225.0	230.0
11	238.0	229.0	229.0	256.0
12	240.0	242.0	272.0	222.0
	3,127.0	3,125.0	3,096.0	2,976.0
Certified enrollment	3,062.1	3,078.2	3,046.3	2,948.9

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

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2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
237.0	236.0	265.0	231.0	239.0	231.0
218.0	240.0	210.0	214.0	205.0	220.0
234.0	211.0	216.0	209.0	230.0	225.0
206.0	218.0	217.0	230.0	228.0	195.0
224.0	225.0	231.0	230.0	206.0	227.0
226.0	238.0	233.0	213.0	232.0	235.0
237.0	238.0	219.0	235.0	233.0	221.0
245.0	228.0	235.0	245.0	221.0	224.0
226.0	236.0	245.0	227.0	224.0	222.0
238.0	267.0	236.0	242.0	220.0	245.0
260.0	228.0	239.0	223.0	244.0	269.0
215.0	236.0	212.0	234.0	267.0	250.0
248.0	221.0	245.0	286.0	251.0	278.0
3,014.0	3,022.0	3,003.0	3,019.0	3,000.0	3,042.0
2,978.5	2,986.6	2,964.5	2,978.0	2,968.0	3,000.0

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**North Scott Community School District****Schedule of Insurance Coverage****July 1, 2016 - June 30, 2017****(Unaudited)**

Detail of Coverage	Number	From	To
<b>PROPERTY</b>			
Coverage A - Buildings	5A1-37-59-17	7/1/2016	7/1/2017
Coverage B - Personal property			
Coverage C - Extra expense			
<b>LIABILITY</b>			
Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefits, additional insured.	75D1-37-59-18	7/1/2016	7/1/2017
<b>FLEET</b>			
Bodily injury, property damage, medical uninsured motorist, comprehensive, collision. Includes non-owned.	5E1-37-59-17	7/1/2016	7/1/2017
<b>WORKERS' COMPENSATION</b>	180-000-6224	7/1/2016	7/1/2017
<b>INLAND MARINE</b>			
All risk coverage based on statement of values.	5C1-37-59-17	7/1/2016	7/1/2017
<b>COMMERCIAL UMBRELLA (EXCESS LIABILITY)</b>	5J1-37-59-17	7/1/2016	7/1/2017
<b>SCHOOL DISTRICT LEGAL LIABILITY</b>			
Includes prior acts, 36-month discovery period extension, teacher negotiation-covers school board and all employees.	5K1-37-59-17	7/1/2016	7/1/2017
<b>PUBLIC SCHOOL EMPLOYEES BLANKET BOND</b>	5F1-37-59-17	7/1/2016	7/1/2017
<b>POLLUTION</b>	5P1-37-59-17	7/1/2016	7/1/2017
<b>GROUP EXCESS LIABILITY</b>	5Y1-37-59-17	7/1/2016	7/1/2017
<b>DATA COMPROMISE</b>	5Q1-37-59-17	7/1/2016	7/1/2017

Source: School District insurance records.

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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.	\$ 101,014
\$2,000,000 bodily injury and property damage each occurrence, \$4,000,000 aggregate.	16,657
\$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	33,958
Statutory.	186,513
As per schedule.	258
\$9,000,000 occurrence and aggregate.	11,233
\$2,000 deductible, \$2,000,000 each loss, \$2,000,000 aggregate.	11,044
Blanket coverage \$1,000,000 all employees w/ \$10,000 deductible	3,488
\$1,000,000 each incident, \$1,000,000 aggregate	125
\$15,000,000 occurrence limit and \$15,000,000 aggregate limit	5,457
As per schedule.	569

## 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**
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%
2009	12,933,164	12,424,224	508,940	3.94%
2008	12,578,595	12,489,454	89,141	0.71%
Average	\$ 15,504,672	\$ 15,077,243	\$ 427,429	2.76%

\* 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)
2016-17	3,078.2	3.32%	2.76%	1.79%	3.33%	240.30
2015-16	3,046.3	4.60%	2.76%	1.87%	3.15%	240.48
2014-15	2,948.9	2.97%	3.51%	3.00%	3.65%	226.42
2013-14	2,978.5	1.72%	3.86%	2.42%	3.70%	218.48
2012-13	2,986.6	1.70%	3.86%	1.28%	3.70%	219.60
2011-12	2,964.5	1.30%	3.76%	0.13%	3.70%	216.68
2010-11	2,977.5	-0.40%	3.60%	-0.60%	3.33%	223.46
2009-10	2,967.5	2.34%	3.80%	1.38%	2.84%	218.69
2008-09	2,999.7	2.89%	4.69%	3.23%	2.19%	222.44
2007-08	3,002.1	3.91%	4.77%	2.77%	4.50%	220.33

Ten-year average

Percent variance (B-A)/B	37.68%	(D-C)/C	104.61%
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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			
	2008	2009	2010	2011
<b>BA</b>				
Total FTE	54.85	61.00	62.69	59.75
Average salary	31,062.15	32,464.02	33,827.71	34,792.46
<b>BA + 15</b>				
Total FTE	22.41	16.96	21.94	27.34
Average salary	39,772.78	42,031.11	40,838.74	39,644.48
<b>BA + 30</b>				
Total FTE	37.57	37.50	31.50	32.50
Average salary	44,354.51	45,646.35	46,324.83	46,096.71
<b>MA</b>				
Total FTE	48.50	53.00	54.00	51.00
Average salary	42,654.80	43,351.94	44,548.39	45,159.83
<b>MA + 15</b>				
Total FTE	22.00	21.00	22.00	21.00
Average salary	47,330.64	49,191.67	49,541.36	48,823.05
<b>MA + 30</b>				
Total FTE	35.00	33.00	28.00	26.00
Average salary	54,214.46	55,641.73	56,087.14	55,181.70
<b>Grand total FTE</b>	220.33	222.46	220.13	217.59
<b>Total average salary</b>	42,068.73	43,026.91	43,346.46	43,310.96

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.

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Fiscal Year					
2012	2013	2014	2015	2016	2017
55.96 37,148.84	55.63 36,955.78	60.00 37,731.38	66.50 38,755.05	67.98 39,488.71	59.60 40,397.58
26.40 41,056.06	25.40 42,295.08	22.69 44,143.98	21.44 44,872.77	23.50 45,889.45	22.06 45,935.03
24.00 62,422.63	24.00 48,339.25	25.00 48,766.80	22.00 49,253.55	19.50 51,200.49	21.63 51,875.36
56.66 40,648.62	61.07 47,017.08	60.29 48,716.42	62.98 48,786.39	64.00 50,090.38	64.01 50,838.55
22.00 46,603.82	22.00 50,887.18	21.50 51,992.14	20.50 54,365.80	25.50 55,701.45	30.50 56,109.54
31.00 46,281.42	32.00 56,768.81	29.00 59,249.59	33.00 60,275.91	40.00 60,837.10	42.50 61,585.58
216.02 43,625.73	220.10 45,877.97	218.48 46,951.03	226.42 47,606.36	240.48 49,155.48	240.30 51,514.43



**North Scott Community School District**

**Total Package Settlement**

**Last Ten Fiscal Years**

**(Unaudited)**

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	Fiscal Year			
	2017-18	2016-17	2015-16	2014-15
Certified	3.45%	2.76%	3.51%	3.86%
Classified	1.65%	2.75%	3.35%	3.86%
Bus drivers	1.00%	2.76%	3.35%	3.86%
Administrators	2.20%	2.76%	3.00%	3.25%
Midmanagement	2.50%	2.76%	3.00%	3.86%
Print shop	2.50%	2.76%	3.00%	3.86%
Exempt	2.50%	2.76%	3.00%	3.86%

Source: District records.

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Fiscal Year						10-Year Average
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	
3.85%	3.76%	3.60%	3.80%	4.69%	4.77%	3.81%
3.06%	3.38%	3.60%	3.85%	3.26%	4.30%	3.31%
3.12%	3.52%	2.50%	1.60%	3.60%	3.91%	2.92%
3.78%	3.38%	3.30%	1.80%	3.00%	3.50%	3.00%
3.00%	3.38%	3.60%	3.80%	3.25%	4.30%	3.35%
3.00%	3.38%	3.60%	3.88%	4.10%	4.30%	3.44%
3.00%	3.38%	3.60%	3.88%	3.25%	4.30%	3.35%

## North Scott Community School District

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

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Fiscal Year	General Fund Balance	Actual Revenues	Financial Solvency Ratio
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%
2009	3,629,572	27,190,797	13.35%
2008	3,359,636	26,153,153	12.85%

Source: District financial records.

2008-2010 financial solvency = 
$$\frac{\text{unreserved undesignated general fund balance}}{\text{actual revenues}}$$

2011-2017 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, 2017**

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 Programs:				
School Breakfast Program	10.553	FY17 4552	\$ -	\$ 83,370
National School Lunch Program	10.555	FY17 4553	-	146,209
Commodities -DOD (Noncash)	10.555	FY17 4951	-	59,997
Commodities (Noncash)	10.555	FY17 4951	-	407,373
Child Nutrition Cluster Program Total			-	696,949
Child and Adult Food Care Program	10.558	FY 17 4554	-	2,171
<b>Total U.S. Department of Agriculture</b>			-	699,120
U.S. Department of Education:				
Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY17 4501	-	235,219
Title IIA Federal Teacher Quality Program	84.367	FY17 4643	-	77,495
Grants for State Assessments and Related Activities Title VI	84.369	FY17 4648	-	6,250
Mississippi Bend Area Education Agency:				
Special Education - Grants to States IDEA, Part B	84.027	FY17 4521	-	135,567
Career and Technical Education - Basic Grants to States	84.048	FY17 4531	-	6,603
<b>Total U.S. Department of Education</b>			-	461,134
U.S. Department of Health and Human Services:				
Iowa Department of Education:				
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems (Aids Education)	93.938	FY17 4577	-	384
U.S. Department of Homeland Security:				
Iowa Homeland Security and Emergency Management				
Hazard Mitigation Grant	97.039	DR-4119-0007-01	-	171
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 1,160,809

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, 2017**

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#### **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, 2017. 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, 2017**

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Finding	Status	Corrective Action or Other Explanation
<b>Other Findings Related to Required Statutory Reporting</b>		
<b>IV-G-16:</b> One variance regarding certified enrollment was identified.	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, 2017, 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 17, 2017.

**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, 2017 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 17, 2017



**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, 2017. 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, 2017.

## 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a significant deficiency.

North Scott Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 17, 2017

**North Scott Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

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

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

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

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

**Identification of major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

(Continued)

**North Scott Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

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**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:

**2017-001**

**U.S. Department of Agriculture  
Pass-Through Iowa Department of Education  
Child Nutrition Cluster  
School Breakfast Program (CFDA 10.553)  
National School Lunch Program (CFDA 10.555)  
Federal Award Year: 2017**

Finding: The District does not have a sufficient process in place to comply with the procurement and suspension and debarment requirements of the Office of Management and Budget.

Criteria: The following criteria apply to the District's Child Nutrition Program:

- The Office of Management and Budget 2017 Compliance Supplement requires a system of internal control that complies with 2 CFR section 200.62. A system of internal control is expected to provide a non-Federal entity with reasonable assurance that these objectives relating to compliance with Federal statutes, regulations, and the terms and conditions of Federal awards will be achieved.
- The Iowa Department of Education and the District's Procurement Plan require expenditures between \$3,500 and \$25,000 to use the informal procurement method. The informal procurement method requires obtaining a minimum of three price quotes and documenting the reason the successful quote was selected.

Condition: The District had three procurement events with the same vendor. Each procurement event exceeded \$3,500. The District did not obtain the required three minimum price quotes for the procurement events.

Context: The District expended in aggregate approximately \$26,000 with one vendor in the fiscal year for three procurement events that were quoted for \$6,037, \$8,068, and \$8,738.

Effect: The requirements of 2 CFR section 200.62 and the Iowa Department of Education are not being met. The District may not be obtaining the most competitive pricing.

## North Scott Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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Cause: The Iowa Department of Education procurement requirements are new in the current year.

Identification as a repeat finding: This is not a repeat finding.

Recommendation: We recommend the District establish a process that identifies all procurement events that exceed \$3,500 and complete the 3 Bids & Buy form provided by the Iowa Department of Education prior to the work being performed. In addition, we recommend the Director of Nutrition Services monthly obtain a report of total expenditures by vendor and review for vendors that in aggregate are near the \$3,500 threshold to monitor for proper documentation requirements with the next procurement event that may occur.

Response and corrective action plan: The District will implement the requirements of the informal procurement method of the Iowa Department of Education for the Child Nutrition Program.

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

##### IV-A-17

Certified Budget: Expenditures for the year ended June 30, 2017 did not exceed the certified budget amounts.

##### IV-B-17

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-17

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-17

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	\$ 90,902

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

##### IV-E-17

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-17

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

##### IV-G-17

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



## North Scott Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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#### IV-H-17

##### Supplementary Weighting:

Finding - Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

Recommendation – We recommend the District review current processes to ensure data is accurate.

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

Conclusion – Response accepted.

#### IV-I-17

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-17

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

#### IV-K-17

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

#### IV-L-17

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, 2017, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	10,179,846
Revenue / transfers in:			
Statewide sales and services tax revenue	2,945,799		
Other	42,218		2,988,017
Expenditures/transfers out:			
Administration	149,700		
School infrastructure:			
Buildings and improvements	3,525,486		
Transfers out	1,351,122		5,026,308
Ending balance		\$	8,141,555

For the year ended June 30, 2017, the District reduced the tax levy by not having a debt service levy of \$2.87 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**

**Corrective Action Plan**

**Year Ended June 30, 2017**

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Findings	Corrective Action Plan	Anticipated Date of Completion
<b>Findings Related to Federal Awards:</b>		
<b>Significant Deficiency:</b>		
<b>2017-001:</b> The District does not have a sufficient process in place to ensure compliance with procurement and suspension and debarment requirements.	See response at 2017-001	Fiscal Year 2018 Jill Van Roekel
<b>Other Findings Related to Required Statutory Reporting:</b>		
<b>IV-H-17:</b> Variances regarding supplementary weighting were identified.	See response at IV-H-17	Fiscal Year 2018 Jill Van Roekel