

**NORTH SCOTT  
COMMUNITY  
SCHOOL DISTRICT**

Eldridge, Iowa



**Annual Comprehensive  
Financial Report  
For The Fiscal Year  
Ended June 30, 2022**



Annual Comprehensive Financial Report of the

North Scott Community School District  
Eldridge, Iowa

For the Fiscal Year Ended June 30, 2022

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:

*Erin Paysen, Equity Coordinator*

*308 North Main Street  
Donahue, Iowa 52746*

*563-282-9627*



INTRODUCTORY SECTION



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

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**INTRODUCTORY SECTION (Unaudited)**

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. . . . a commitment to the community.

December 20, 2022

Mr. Mark Pratt, 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 Annual Comprehensive Financial Report, (ACFR) of the North Scott Community School District, (the "District") for the year ending June 30, 2022. 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 Annual Comprehensive 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 ACFR and should be read in conjunction with it.

#### Management Responsibility

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

#### Basis of Accounting and Accounting System

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

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

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

### Profile of the Government

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

The combined financial statements include all funds, organizations, account groups, agencies, boards, commissions and other authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The criteria considered in determining financial accountability include appointing a voting majority of an organization's governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District.

The District provides a full range of educational services for residents of the North Scott Community School District appropriate to students in early childhood and grades kindergarten through twelve. The District serves approximately 3,400 students. These services include basic, regular and enriched academic education, specialized education for handicapped children, vocational education and many individualized programs such as specialized instruction for students at-risk.

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

### Debt Administration

As of June 30, 2022 the District had \$8,612,364 of debt applicable to its legal debt margin. This amount is well below the District's bonding capacity of \$68,793,318.

### Financial Policies

The District invests in only those securities allowed by the Code of Iowa, Chapter 12C. Because of the timing of the state aid payments, a portion of the available cash must be kept in very liquid accounts. To maximize investment return, the District invests in a bank Sweep Account with rates ranging from .48% to 1.27%, a Savings Account with rate of .80%. Interest revenue of \$127,230 was earned on all cash and investments for the fiscal year ending June 30, 2022. This represents an increase of \$16,503 or 15%. The increase in revenue can be attributed to a rise in interest rates near year-end.

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

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

### Budgeting

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

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

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

### Enrollment Projections

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

A new law effective for the 2021-2022 school year prevents school Districts from using a voluntary diversity plan as a barrier to prevent families from enrolling into another District. Currently, this has resulted in a net open enrollment increase of approximately 100 students.

### Long-term Financial Planning

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

### Age of School Buildings

The District was incorporated in 1956. A high school was completed in 1958, followed by the construction of five elementary buildings and a Jr. High building between 1967 and 1976. Major building additions were completed on all seven educational buildings between 1998 and 2000. Major building additions and improvements took place during 2013-2017 at Edward White, Alan Shepard Elementary, John Glenn Elementary, the Jr. High and High School. In 2018-2019 the Lancer Athletic Building was completed, the High School kitchen, cafeteria and auditorium were remodeled. In 2019, a transportation facility was purchased. In 2020, a new indoor practice facility was completed. In 2021, the District began construction on the North Scott Community YMCA in conjunction with the City of Eldridge with completion in December 2022.

### Major Initiatives and Achievements

North Scott Community Schools experienced a successful 2021-22 school year. We maintained high expectations for our students and staff despite some challenges, which included the teacher, staff and substitute shortage. As we worked to recover learning loss due to the 2020 spring school closure and the perpetuating circumstances created by the Covid-19 pandemic, we saw some great success. The following information highlights some of the accomplishments or major initiatives we are proud of.

- Professional development focused on the following areas:
  - Early literacy instructional routines and procedures (phonics, phonemic awareness, etc.)
  - Continued refinement of our guaranteed and viable curriculum in all areas
  - Vertical alignment in the areas of math, art, and SEL K-12. Through this process, teachers created proficiency scales for essential standards and engaged in grade level band conversations.
  - Grading practices at the secondary level
  - Assessment design at the secondary level
  - Differentiated learning based on grade level and department
- Professional Learning Communities have been established district-wide and continued to be a focus for our staff to support student learning.
- We had several teachers participate in year 2 of a grading practices pilot at the 7-12th grade level. The work of the pilot group is focused on utilizing evidenced-based grading practices. The goal is to ensure grading reflects students' learning of standards, is accurate, and consistent.
- The district began our work with the vertical alignment of our curriculum. We started in the areas of math, art, and counseling. During this process, proficiency scales are being developed. The proficiency scales have had an impact on assessment and instruction within the classroom as well.
- We trained one instructional coach and one administrator in Cognitive Coaching.
- We worked to build leadership capacity throughout our district by providing support to all teachers in leadership positions through our Teacher Leadership and Compensation system.
- Special education teachers and reading interventionists received ongoing training in the area of literacy instruction. We partnered with the Mississippi Bend AEA for this work.

- We have a Challenging Behavior Team that engaged in professional development of their own. We partnered with the Mississippi Bend AEA for the training. The team also made site visits to buildings when needed to assist in the development of behavior plans for students throughout the district. Team members serve as vital resources for MTSS within their respective schools.
- We continued to emphasize the development and implementation of our Talented and Gifted/Extended Learning Programming. Emphasis was placed on the consultation and collaboration role of our ELP/TAG teachers as well as the development of our guaranteed and viable curriculum. We selected our essential standards and are in the process of creating a scope and sequence for grades in which students are identified.
- We are proud of the expansive opportunities available to students within our CTE course offerings. We have been able to expand our career pathways in the past couple of years. We currently have pathways in the following areas: associate in arts degree, agriculture, automotive, construction, education, health occupations, nursing, and welding. We are in the process of adding an additional seven pathways over the course of the next few years.
- During the 2021-22 school year we started a New Teacher Network (NTN) to provide an extra layer of support for our 1<sup>st</sup> and 2<sup>nd</sup> year teachers. We met with our new teachers monthly and covered a variety of topics.

As evidenced above, District efforts are focused on supporting and increasing student learning. Listed below is information on student achievement for the 2020-21 school year. The percentages below reflect the number of students who were proficient in the spring of 2022.

- ISASP ELA Results:

3 <sup>rd</sup> grade – 81%	4 <sup>th</sup> grade – 84%	5 <sup>th</sup> grade – 79%
6 <sup>th</sup> grade – 80%	7 <sup>th</sup> grade – 85%	8 <sup>th</sup> grade – 84%
9 <sup>th</sup> grade – 85%	10 <sup>th</sup> grade – 81%	11 <sup>th</sup> grade – 75%

- ISASP Math Results:

3 <sup>rd</sup> grade – 81%	4 <sup>th</sup> grade – 78%	5 <sup>th</sup> grade – 76%
6 <sup>th</sup> grade – 82%	7 <sup>th</sup> grade – 76%	8 <sup>th</sup> grade – 78%
9 <sup>th</sup> grade – 72%	10 <sup>th</sup> grade – 74%	11 <sup>th</sup> grade – 73%

- The dropout rate of students in grades 9-12 in 2021 was 1.01% (latest data available).
- The 2021 graduation rate for the North Scott Community School District was 89.58% for four year graduates. This is the latest data available.
- The 2020 graduation rate for the North Scott Community School District was 98.68% for 5 year graduates. This is the latest data available.
- 84% of 2021 graduating seniors indicated they intended to pursue post-secondary education or training.

### Economic Condition and Outlook

The District's General Fund Balance decreased by \$193,742, and the Unassigned Fund Balance decreased by \$427,132. The overall General Fund Balance decrease is due to the timing of when funds are spent and spending down funds on hand. The District's General Fund Unspent Authorized Budget (UAB) increased \$615,723 and the UAB percentage of maximum authorized budget is 16%.

The District's solvency ratio for 2021-2022 is 19.85%, compared to 21.95%, in 2020-2021. It is recommended the District have a solvency ratio of no more than 25%.

Due to the coronavirus pandemic, the District is operating in a new era filled with uncertainty. Some financial shortfalls for the 2020-2021 through 2023-2024 fiscal years will be supplemented through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, other state funding sources and District savings. Rising costs of supplies, material and labor as well as a labor shortage will have an impact on the District in future years.

The 2019 Legislative Session extended the SAVE (Secure Advanced Vision for Education) fund until January 1<sup>st</sup>, 2051. In 2020, the Board and community passed a voter-approved Public Education and Recreation Levy in support of a community YMCA. In 2021, the Board and community approved an extended Revenue Purpose Statement. In 2022, the District extended its Instructional Support Levy for an additional 5 years. In 2023 The Board approved the issuance of approximately \$20,000,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds, Series 2023 and the voters approved the future issuance of up to \$25,000,000 General Obligation Bonds. These bonds will be used to build a Regional Innovation Center and softball complex as well as additions to the High School, Junior High, Neil Armstrong Elementary, Alan Shepard Elementary and improvements to Lancer Stadium.

The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Enrollment increased 1.4% from 3,070.99 in 2021-2022 to 3,112.52 in 2022-2023. The October 2022 certified count decreased slightly to 3,097.63. The cost per pupil for 2021-22 is \$7,227 and the cost per pupil for 2022-23 is \$7,413. The cost per pupil for 2023-24 is currently unknown.

During the 2022 Legislative session, Supplemental State Aid was set at 2.50 percent for 2022-2023. Continued low Supplemental State Aid makes balancing the budget challenging.

#### Independent Audit

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials of the United States and Canada (ASBO) awarded a Certificate of Excellence in Financial Reporting to the North Scott Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The North Scott Community School District received these awards for the first time for its fiscal year 1983 ASBO Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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

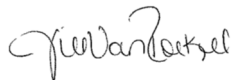
Also included in this report is a statistical section that will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

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 Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**President**

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

**David J. Lewis**  
**Executive Director**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Scott Community School District  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

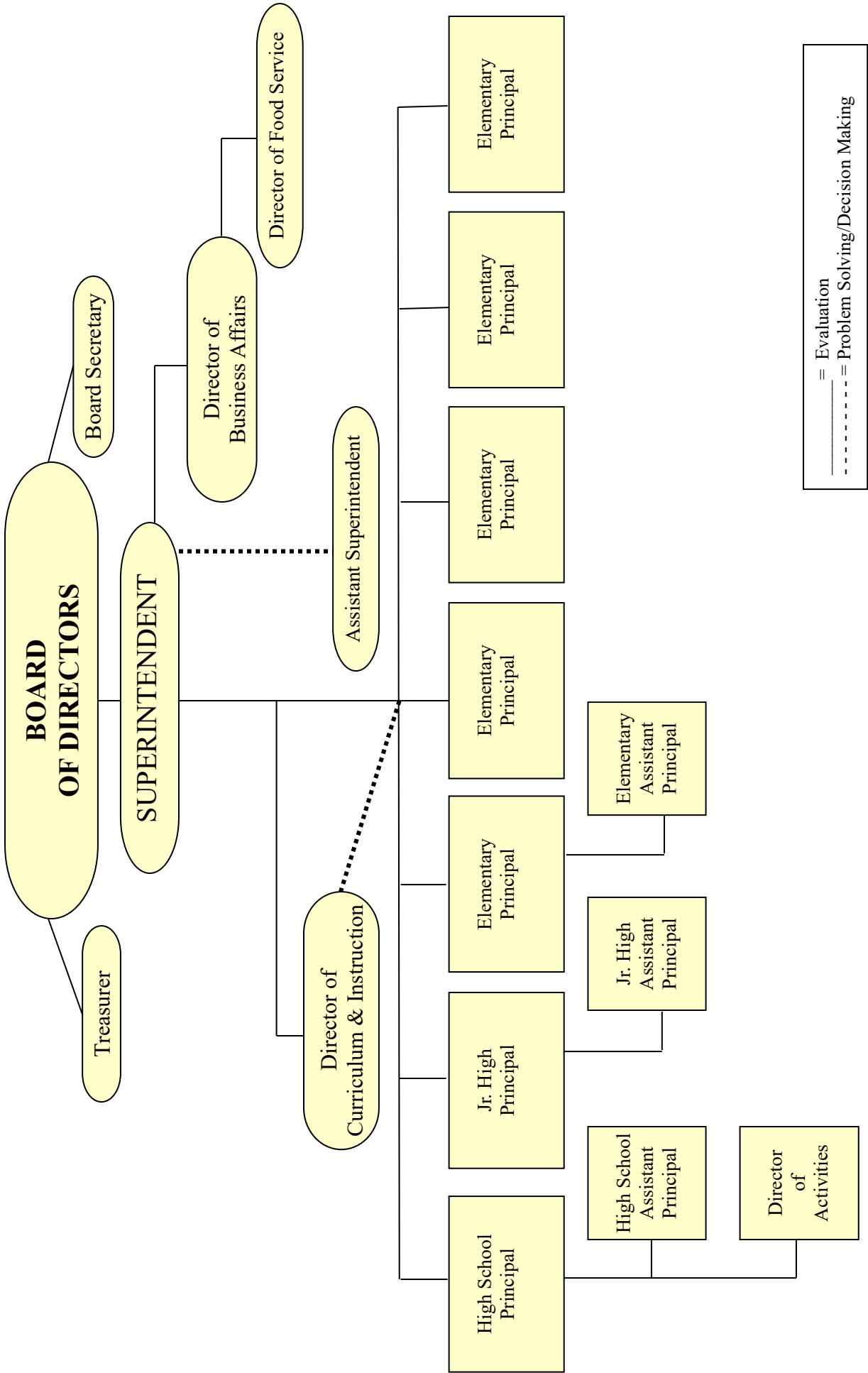
June 30, 2021

*Christopher P. Morill*

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, 2022

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Board of Education		
Prior November 2022	Title	Term Expires
Joni Dittmer	President	2023
Tracy Lindaman	Vice President	2025
Molly Bergfeld	Director	2023
Glen Keppy	Director	2023
John Maxwell	Director	2023
Mark Pratt	Director	2025
Frank Wood	Director	2025

After November 2022	Title	Term Expires
Mark Pratt	President	2025
Tracy Lindaman	Vice President	2025
Molly Bergfeld	Director	2023
Joni Dittmer	Director	2023
Glen Keppy	Director	2023
John Maxwell	Director	2023
Frank Wood	Director	2025

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School District Administration	
Joe Stutting	Superintendent
Terina Bruns	Board Secretary
Steven Fahrenkrog	Treasurer
Jill Van Roekel	Director of Business Affairs
Bernadette Brustkern	Director of Curriculum & Instruction
Heather Shults-Hendricks	Director of Student Services
Amy Guerrero	Director of Food Service
Shane Knoche	Principal
John Hawley	Principal
Tim Green	Principal
Kyle Harris	Principal
Carmen Lane	Principal
Erin Paysen	Principal
Chad Ruth	Principal
Dan Marceau	Associate Principal
Jason Schroeder	Associate Principal
Aaron Schwartz	Associate Principal
Stephanie Fahrenkrog	Associate Principal
Tim Riley	Associate Principal

## **North Scott Community School District**

### **Consultants and Advisors**

**Year Ended June 30, 2022**

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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**

TrueNorth Companies  
500 1st Street SE  
Cedar Rapids, Iowa 52401

#### **Official Depositories**

First Central State Bank  
PO Box 119  
DeWitt, Iowa 52742

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



## **Independent Auditor's Report**

To the Board of Education  
North Scott Community School District  
Eldridge, Iowa  
**Report on the Audit of the Financial Statements**

### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Scott Community School District, Iowa as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, Iowa, as of June 30, 2022, 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.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Scott Community School District, Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Scott Community School District, Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the district's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–15 and 56-65 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Scott Community School District's basic financial statements. The supplementary information, as listed in the table of contents and the Schedule of Expenditures of Federal Awards as required by Title 2, *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the North Scott Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Scott Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Scott Community School District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
December 20, 2022

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## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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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, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

#### **2022 FINANCIAL HIGHLIGHTS**

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$7,735,787 during the year ended June 30, 2022.
- Total revenues for the fiscal year ended June 30, 2022 and 2021 of \$47,551,572 and \$45,365,127 were comprised of general revenues in the amount of \$34,052,279 and \$34,360,111 and program revenues totaling \$13,499,293 and \$11,005,016, respectively.
- The District's General Fund balance decreased by \$193,742, the unassigned fund balance decreased by \$427,134 and the nonspendable/restricted/assigned fund balance increased by \$233,392.
- In fiscal year 2022 the District decreased long-term debt by \$1,070,000 and paid interest on long term debt of \$265,955.

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

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

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

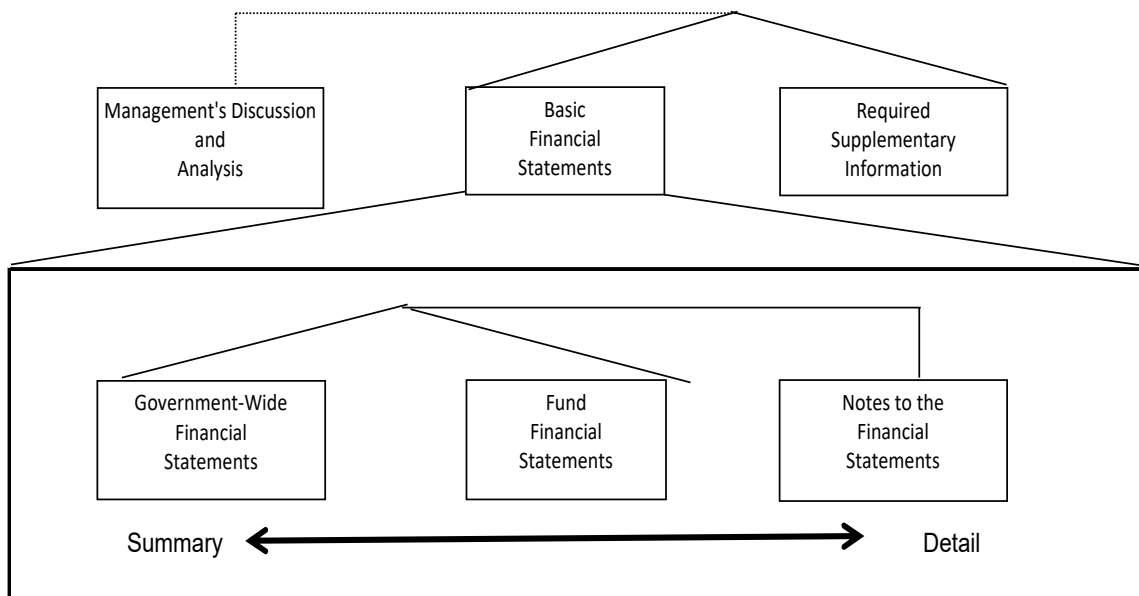
**North Scott Community School District**

**Management's Discussion and Analysis  
Year Ended June 30, 2022**

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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, 2022

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, 2022

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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, child care, and student construction programs are included here.

### Fund Financial Statements

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

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

The District has three kinds of funds:

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

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

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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 Activity Fund, Public Education and Recreation Levy Fund, and Debt Service Fund.

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

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

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

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

*Custodial 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.

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, 2022

#### 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, 2022 compared to June 30, 2021.

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

	Governmental Activities		Business-Type Activities		Total District		Total
							Percentage
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	Change 2021-22
Current and other assets	\$ 44,484,465	\$ 46,098,434	\$ 2,794,684	\$ 2,029,074	\$ 47,279,149	\$ 48,127,508	-1.8%
Capital assets	52,735,737	48,390,068	567,572	616,780	53,303,309	49,006,848	8.8%
<b>Total assets</b>	<b>97,220,202</b>	<b>94,488,502</b>	<b>3,362,256</b>	<b>2,645,854</b>	<b>100,582,458</b>	<b>97,134,356</b>	<b>3.5%</b>
Deferred outflows of resources	2,874,907	4,358,912	85,047	180,200	2,959,954	4,539,112	-34.8%
Long-term liabilities	10,803,971	30,155,368	(261,140)	729,655	10,542,831	30,885,023	-65.9%
Other liabilities	5,775,737	5,863,323	104,486	155,828	5,880,223	6,019,151	-2.3%
<b>Total liabilities</b>	<b>16,579,708</b>	<b>36,018,691</b>	<b>(156,654)</b>	<b>885,483</b>	<b>16,423,054</b>	<b>36,904,174</b>	<b>-55.5%</b>
Deferred inflows of resources	29,672,394	15,768,869	743,810	33,058	30,416,204	15,801,927	92.5%
Net position:							
Net investment in capital assets	44,123,373	38,689,158	567,572	616,780	44,690,945	39,305,938	13.7%
Restricted	11,091,389	12,800,339	-	-	11,091,389	12,800,339	-13.4%
Unrestricted	(1,371,755)	(4,429,643)	2,292,575	1,290,733	920,820	(3,138,910)	129.3%
<b>Total net position</b>	<b>\$ 53,843,007</b>	<b>\$ 47,059,854</b>	<b>\$ 2,860,147</b>	<b>\$ 1,907,513</b>	<b>\$ 56,703,154</b>	<b>\$ 48,967,367</b>	<b>15.8%</b>

The District's combined net position increased by 15.8 percent or \$7,735,787 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$5,385,007 or 13.7 percent. The District's capital assets increased by \$4,296,461. The District's capital related debt decreased \$1,070,000 from principal payments and \$18,546 from amortization of the premium on the revenue bonds.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased \$1,708,950 from the prior year, primarily from an decrease in restrictions for categorical funding and the physical plant and equipment levy.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of \$3,138,910 to \$920,820. The increase is due to the net pension liability and related deferral of inflows and deferral of outflows of resources experiencing improved investment earnings on an actuarial basis and reducing the District's net liabilities.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

Figure A-4 shows the changes in net position for the year ended June 30, 2022 compared to June 30, 2021.

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

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	Percentage Change 2021-22
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,999,338	\$ 1,954,950	\$ 587,193	\$ 406,477	\$ 3,586,531	\$ 2,361,427	51.9%
Operating grants and contributions and restricted interest	7,107,322	6,212,149	2,595,776	2,065,336	9,703,098	8,277,485	17.2%
Capital grants	209,664	366,104	-	-	209,664	366,104	0.0%
General revenues:							
Local tax	19,193,080	19,160,072	-	-	19,193,080	19,160,072	0.2%
Unrestricted state and federal revenues	14,718,228	14,915,773	-	-	14,718,228	14,915,773	-1.3%
Other	128,209	103,963	12,762	180,303	140,971	284,266	-50.4%
<b>Total revenues</b>	<b>44,355,841</b>	<b>42,713,011</b>	<b>3,195,731</b>	<b>2,652,116</b>	<b>47,551,572</b>	<b>45,365,127</b>	<b>4.8%</b>
<b>Program expenses:</b>							
Governmental activities:							
Instruction	23,611,323	25,314,545	-	-	23,611,323	25,314,545	-6.7%
Support services	12,321,064	13,043,994	-	-	12,321,064	13,043,994	-5.5%
Noninstructional	8,654	16,154	-	-	8,654	16,154	-46.4%
Other expenditures	1,678,612	1,641,620	-	-	1,678,612	1,641,620	2.3%
Nutrition services	-	-	1,898,398	1,771,980	1,898,398	1,771,980	7.1%
Child care services	-	-	297,504	319,441	297,504	319,441	-6.9%
Student construction	-	-	230	1,175	230	1,175	100.0%
<b>Total expenses</b>	<b>37,619,653</b>	<b>40,016,313</b>	<b>2,196,132</b>	<b>2,092,596</b>	<b>39,815,785</b>	<b>42,108,909</b>	<b>-5.4%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>6,736,188</b>	<b>2,696,698</b>	<b>999,599</b>	<b>559,520</b>	<b>7,735,787</b>	<b>3,256,218</b>	<b>137.6%</b>
Transfers	46,965	54,285	(46,965)	(54,285)	-	-	0.0%
<b>Change in net position</b>	<b>6,783,153</b>	<b>2,750,983</b>	<b>952,634</b>	<b>505,235</b>	<b>7,735,787</b>	<b>3,256,218</b>	<b>137.6%</b>
Beginning net position	47,059,854	44,308,871	1,907,513	1,402,278	48,967,367	45,711,149	7.1%
Ending net position	\$ 53,843,007	\$ 47,059,854	\$ 2,860,147	\$ 1,907,513	\$ 56,703,154	\$ 48,967,367	15.8%

#### Governmental activities:

Local tax and unrestricted state grants account for 76.5 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 95.5 percent of the total governmental activities expenses.

The increase in total revenue is primarily due to the increase in charges for services, and the federal funds received due to COVID-19.

Total expenses for governmental activities decreased by \$2,396,660. The decrease is primarily reflected in instruction and support services due to decreases expenses related to pension and other postemployment benefits.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

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

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

	Total Cost of Services			Net Cost of Services		
			Percentage			Percentage
	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Instruction	\$ 23,611,323	\$ 25,314,545	-7.21%	\$ 16,148,601	\$ 18,379,723	-12.1%
Support services	12,321,064	13,043,994	-5.87%	10,900,930	12,816,724	-14.9%
Noninstructional	8,654	16,154	-86.67%	8,654	16,154	-46.4%
Other expenses	1,678,612	1,641,620	2.20%	245,144	270,509	-9.4%
<b>Total</b>	<b>\$ 37,619,653</b>	<b>\$ 40,016,313</b>	<b>-6.37%</b>	<b>\$ 27,303,329</b>	<b>\$ 31,483,110</b>	<b>-13.3%</b>

The cost financed by users of the District's programs for the year ended June 30, 2022 was \$2,999,338 compared to year ended June 30, 2021 \$1,954,950.

Federal and state governments subsidized certain programs with grants and contributions totaling \$7,316,986 for the year ended June 30, 2022 compared to year ended June 30, 2021 \$6,212,149.

The net cost of governmental activities was financed respectively for the years ended June 30, 2022 and 2021 with \$19,193,080 and \$19,160,072 in property tax, income surtax and statewide sales, services and other taxes, \$14,718,228 and \$14,915,773 in unrestricted state and federal revenue, \$128,209 and \$103,963 in unrestricted investment earnings and other general revenues.

### Business-Type Activities

Revenues of the District's business-type activities were \$3,195,731 and expenses were \$2,196,132. The District's business-type activities include the School Nutrition Fund, the nonmajor Child Care Fund, and the nonmajor Student Construction Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

The School Nutrition Fund revenues increased due to an increase in federal programs for the nutrition program. Operating expenses reflected an increase of \$103,536 over 2021. After nonoperating revenues and expenses, which include federal nutrition grants and a transfer to the General Fund, the School Nutrition Fund increased net position by \$925,441.



## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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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 is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$18,070,310; a decrease of \$2,482,358 from last year's ending fund balances of \$20,552,668. The decrease is primarily due to the Capital Projects Fund and planned spending for capital related projects. The District spent \$5,607,118 for facilities acquisition in 2022 compared to \$2,099,588 in 2021.

#### **Governmental Fund Highlights**

The District's General Fund financial position decreased by \$193,742. The District's General Fund revenues of \$36,986,529 reflect a \$1,691,541 increase from prior year revenue of \$35,294,988. The increase is primarily due to an increase in state funding. Expenditures reflected an increase from \$35,149,950 in 2021 to \$37,169,574 in 2022. The increase in expenditures is primarily due to general wage increases and the timing of purchases due to supply coupled with increased costs.

The General Fund balance decreased from \$9,060,522 to \$8,866,780.

The Capital Projects Fund balance decreased from \$7,564,461 in fiscal year 2021 to \$5,030,836 in fiscal year 2022. The District expended \$5,607,118 for facilities purchases and improvements in 2022 compared to \$2,099,588 in 2021 as explained above. In addition, the Capital Projects Fund transferred \$1,334,573 to the Debt Service Fund for payment of principal and interest on the District's revenue bonds.

#### **Proprietary Fund Highlights**

Enterprise funds net position increased from \$1,907,513 in 2021 to \$2,860,147 in 2022. The School Nutrition Fund net position increased from \$1,392,311 in 2021 to \$2,317,752 in fiscal 2022. This is primarily due to increased federal funding of the school nutrition program.

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

#### 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 custodial 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 11, 2022, which increased overall expenditures by \$5,468,000.

The District's total actual revenues were \$2,441,204 more than the total budgeted revenues due to receiving more in federal funding, a variance of 5.4%.

Total expenditures were less than budgeted by \$4,431,028, primarily in the non-instructional function which related primarily to timing of capital projects.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2022, the District had invested \$53,303,309, 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 \$4,296,461 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$1,984,726.

The original cost of the District's capital assets was \$95,458,117. Governmental funds account for \$94,145,019 with the remainder of \$1,313,098 the proprietary school nutrition fund.

Figure A-6 Capital Assets (Net of Depreciation)

							Total
							Percentage
	Governmental Activities		Business-Type Activities		Total District		Change
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	2021-22
Land and construction in progress	\$ 7,506,815	\$ 2,796,541	\$ -	\$ -	\$ 7,506,815	\$ 2,796,541	168.4%
Buildings	39,956,750	40,532,782	-	-	39,956,750	40,532,782	-1.4%
Land improvements	2,114,420	2,151,380	-	-	2,114,420	2,151,380	-1.7%
Machinery and equipment	3,157,752	2,909,365	567,572	616,780	3,725,324	3,526,145	5.6%
<b>Total</b>	<b>\$ 52,735,737</b>	<b>\$ 48,390,068</b>	<b>\$ 567,572</b>	<b>\$ 616,780</b>	<b>\$ 53,303,309</b>	<b>\$ 49,006,848</b>	<b>8.8%</b>

## North Scott Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

#### Long-Term Debt

As of June 30, 2022, the District had \$10,542,831 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, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	2021-22
Revenue bonds	\$ 8,612,364	\$ 9,700,910	\$ -	\$ -	\$ 8,612,364	\$ 9,700,910	-12.6%
Early retirement	98,272	196,544	-	-	98,272	196,544	-100.0%
Compensated absences	74,108	114,460	10,351	6,652	84,459	121,112	-30.3%
Net OPEB liability	1,328,227	1,481,292	38,202	42,936	1,366,429	1,524,228	-10.4%
Net pension liability	691,000	18,662,162	(309,693)	680,067	381,307	19,342,229	-98.0%
<b>Total</b>	<b>\$ 10,803,971</b>	<b>\$ 30,155,368</b>	<b>\$ (261,140)</b>	<b>\$ 729,655</b>	<b>\$ 10,542,831</b>	<b>\$ 30,885,023</b>	<b>-65.9%</b>

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

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

The District also had compensated absences payable of \$84,459 as of June 30, 2022, which will be paid primarily out of the General Fund.

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

The economic condition and outlook of the District have remained consistent during the last 10 years. Certified enrollment has ranged from 2,948.9 to 3,112.5 and the District's taxable valuation has increased on average just over 4% per year. The Iowa Legislature set the funding growth rate for 2022-2023 at 2.5% and the funding growth rate for 2023-2024 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. Certified enrollment increased 1.4% from 3,070.99 in 2021-2022 to 3,112.52 in 2022-2023. The October 2022 certified count decreased slightly to 3,097.63. The cost per pupil for 2021-22 is \$7,227 and the cost per pupil for 2022-23 is \$7,413. The cost per pupil for 2023-24 is currently unknown.

A new law effective for the 2021-2022 school year prevents school Districts from using a voluntary diversity plan as a barrier to prevent families from enrolling into another District. Currently, this has resulted in a net open enrollment increase of approximately 100 students.

Due to the coronavirus pandemic, the District is operating in a new era filled with uncertainty. Some financial shortfalls for the 2020-2021 through 2023-2024 fiscal years will be supplemented through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, other state funding sources and District savings. Rising costs of supplies, material and labor as well as a labor shortage will have an impact on the District in future years.

## **North Scott Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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The 2019 Legislative Session extended the SAVE (Secure Advanced Vision for Education) fund until January 1<sup>st</sup>, 2051. In 2020, the Board and community passed a voter-approved Public Education and Recreation Levy in support of a community YMCA. In 2021, the Board and community approved an extended Revenue Purpose Statement. In 2022, the District extended its Instructional Support Levy for an additional 5 years. In 2023 The Board approved the issuance of approximately \$20,000,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds, Series 2023 and the voters approved the future issuance of up to \$25,000,000 General Obligation Bonds. These bonds will be used to build a Regional Innovation Center and softball complex as well as additions to the High School, Junior High, Neil Armstrong Elementary, Alan Shepard Elementary and improvements to Lancer Stadium.

#### **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, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 24,988,550	\$ 2,639,861	\$ 27,628,411
Restricted cash equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	90,899	-	90,899
Succeeding year	15,347,500	-	15,347,500
Income surtax	223,973	-	223,973
Accounts	30,817	34,164	64,981
Due from other governments	2,278,323	-	2,278,323
Inventories	84,504	48,540	133,044
Prepaid expenses	57,450	1,332	58,782
Assets held for resale	-	70,787	70,787
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	7,506,815	-	7,506,815
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	39,956,750	-	39,956,750
Land improvements	2,114,420	-	2,114,420
Machinery and equipment	3,157,752	567,572	3,725,324
<b>Total capital assets</b>	<b>52,735,737</b>	<b>567,572</b>	<b>53,303,309</b>
<b>Total assets</b>	<b>97,220,202</b>	<b>3,362,256</b>	<b>100,582,458</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	204,735	7,842	212,577
Pension related deferred outflows	2,670,172	77,205	2,747,377
<b>Total deferred outflows of resources</b>	<b>2,874,907</b>	<b>85,047</b>	<b>2,959,954</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	1,814,649	14,425	1,829,074
Salaries and benefits payable	3,585,290	12,620	3,597,910
Claims payable	356,000	-	356,000
Accrued interest	19,798	-	19,798
Deposits	-	77,441	77,441
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	74,108	10,351	84,459
Early retirement	98,272	-	98,272
Revenue bonds	1,095,000	-	1,095,000
Portion due after one year:			
Revenue bonds	7,517,364	-	7,517,364
Net OPEB liability	1,328,227	38,202	1,366,429
Net pension liability	691,000	(309,693)	381,307
<b>Total liabilities</b>	<b>16,579,708</b>	<b>(156,654)</b>	<b>16,423,054</b>
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	15,347,500	-	15,347,500
OPEB related deferred inflows	427,099	13,087	440,186
Pension related deferred inflows	13,897,795	730,723	14,628,518
<b>Total deferred inflows of resources</b>	<b>29,672,394</b>	<b>743,810</b>	<b>30,416,204</b>
<b>Net Position:</b>			
Net investment in capital assets	44,123,373	567,572	44,690,945
Restricted for:			
Categorical funding	1,398,582	-	1,398,582
Debt service	1,557,859	-	1,557,859
School infrastructure	1,724,297	-	1,724,297
Management levy	3,146,390	-	3,146,390
Physical plant and equipment levy	2,415,287	-	2,415,287
Public education and recreation	345,710	-	345,710
Student activities	503,264	-	503,264
Unrestricted	(1,371,755)	2,292,575	920,820
<b>Total net position</b>	<b>\$ 53,843,007</b>	<b>\$ 2,860,147</b>	<b>\$ 56,703,154</b>

**North Scott Community School District**

**Statement of Activities**

**Year Ended June 30, 2022**

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 14,526,074
Special	5,462,605
Other	3,622,644
	<u>23,611,323</u>
Support services:	
Student	1,528,067
Instructional staff	2,391,876
Administration	3,514,627
Operation of plant	2,917,670
Transportation	1,968,824
	<u>12,321,064</u>
Noninstructional programs	<u>8,654</u>
Other:	
AEA flowthrough	1,433,468
Interest	245,144
	<u>1,678,612</u>
<b>Total governmental activities</b>	<u><b>37,619,653</b></u>
Business-type activities:	
Nutrition services	1,898,398
Child care services	297,504
Student construction	230
<b>Total business-type activities</b>	<u><b>2,196,132</b></u>
<b>Total</b>	<u><b>\$ 39,815,785</b></u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Utility replacement tax	
Other taxes	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state and federal grants	
Unrestricted investment earnings	
Gain on sale of capital assets	
Transfers	
<b>Total general revenues and transfers</b>	
<b>Change in net position</b>	
Net position, beginning of year	
Net position, end of year	

See Notes to Basic Financial Statements.



Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,144,105	\$ 4,533,149	\$ -	\$ (8,848,820)	\$ -	\$ (8,848,820)
558,310	1,042,148	-	(3,862,147)	-	(3,862,147)
36,546	48,464	100,000	(3,437,634)	-	(3,437,634)
1,738,961	5,623,761	100,000	(16,148,601)	-	(16,148,601)
973,459	39,841	-	(514,767)	-	(514,767)
226,030	-	-	(2,165,846)	-	(2,165,846)
45,361	-	-	(3,469,266)	-	(3,469,266)
-	-	-	(2,917,670)	-	(2,917,670)
15,527	10,252	109,664	(1,833,381)	-	(1,833,381)
1,260,377	50,093	109,664	(10,900,930)	-	(10,900,930)
-	-	-	(8,654)	-	(8,654)
-	1,433,468	-	-	-	-
-	-	-	(245,144)	-	(245,144)
-	1,433,468	-	(245,144)	-	(245,144)
2,999,338	7,107,322	209,664	(27,303,329)	-	(27,303,329)
299,865	2,565,427	-	-	966,894	966,894
267,328	30,349	-	-	173	173
20,000	-	-	-	19,770	19,770
587,193	2,595,776	-	-	986,837	986,837
\$ 3,586,531	\$ 9,703,098	\$ 209,664	(27,303,329)	986,837	(26,316,492)

12,105,245	-	12,105,245
1,763,576	-	1,763,576
656,838	-	656,838
224,167	-	224,167
230,127	-	230,127
3,773,089	-	3,773,089
440,038	-	440,038
14,718,228	-	14,718,228
114,468	12,762	127,230
13,741	-	13,741
46,965	(46,965)	-
34,086,482	(34,203)	34,052,279
6,783,153	952,634	7,735,787
47,059,854	1,907,513	48,967,367
\$ 53,843,007	\$ 2,860,147	\$ 56,703,154

**North Scott Community School District**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	General	Capital Projects	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and pooled investments	\$ 11,323,085	\$ 4,481,811	\$ 4,256,727	\$ 20,061,623
Restricted cash equivalents	-	1,382,449	-	1,382,449
Receivables:				
Property tax:				
Delinquent	76,419	10,291	4,189	90,899
Succeeding year	12,695,033	1,875,578	776,889	15,347,500
Income surtax	223,973	-	-	223,973
Accounts	30,057	-	760	30,817
Due from other governments	1,502,433	775,872	18	2,278,323
Inventories	84,504	-	-	84,504
Prepaid items	29,464	25,013	1,920	56,397
<b>Total assets</b>	<b>\$ 25,964,968</b>	<b>\$ 8,551,014</b>	<b>\$ 5,040,503</b>	<b>\$ 39,556,485</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 603,607	\$ 1,128,390	\$ 79,995	\$ 1,811,992
Accrued liabilities	3,574,365	-	10,925	3,585,290
<b>Total liabilities</b>	<b>4,177,972</b>	<b>1,128,390</b>	<b>90,920</b>	<b>5,397,282</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	12,695,033	1,875,578	776,889	15,347,500
Income surtax	223,973	-	-	223,973
Statewide sales and services tax	-	516,210	-	516,210
Grants	1,210	-	-	1,210
<b>Total deferred inflows of resources</b>	<b>12,920,216</b>	<b>2,391,788</b>	<b>776,889</b>	<b>16,088,893</b>
Fund balances:				
Nonspendable:				
Inventories	84,504	-	-	84,504
Prepaid items	29,464	25,013	1,920	56,397
Restricted for:				
Categorical funding	1,398,582	-	-	1,398,582
Debt service	-	1,382,449	175,410	1,557,859
Management levy purposes	-	-	3,146,390	3,146,390
Student activities	-	-	503,264	503,264
School infrastructure	-	1,208,087	-	1,208,087
Physical plant and equipment levy	-	2,415,287	-	2,415,287
Public education and recreation	-	-	345,710	345,710
Assigned for special purposes	544,786	-	-	544,786
Unassigned	6,809,444	-	-	6,809,444
<b>Total fund balances</b>	<b>8,866,780</b>	<b>5,030,836</b>	<b>4,172,694</b>	<b>18,070,310</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 25,964,968</b>	<b>\$ 8,551,014</b>	<b>\$ 5,040,503</b>	<b>\$ 39,556,485</b>

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Reconciliation of Total Governmental Fund Balances to Net Position of  
Governmental Activities**

**June 30, 2022**

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Total fund balances of governmental funds	\$ 18,070,310
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.	52,735,737
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	4,569,323
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	741,393
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
OPEB related deferred outflows of resources	204,735
OPEB related deferred inflows of resources	(427,099)
Pension related deferred outflows of resources	2,670,172
Pension related deferred inflows of resources	(13,897,795)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Revenue bonds, current	(1,095,000)
Revenue bonds, noncurrent	(7,385,000)
Premium on revenue bonds	(132,364)
Accrued interest	(19,798)
Early retirement	(98,272)
Compensated absences, current	(74,108)
Net OPEB liability	(1,328,227)
Net pension liability	(691,000)
<b>Net position of governmental activities</b>	<b>\$ 53,843,007</b>

See Notes to Basic Financial Statements.

**North Scott Community School District**

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

**Governmental Funds**

**Year Ended June 30, 2022**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Local tax	\$ 12,536,747	\$ 1,789,573	\$ 667,610	\$ 14,993,930
Tuition	1,838,960	-	-	1,838,960
Other	415,909	130,394	804,282	1,350,585
State appropriations	20,552,194	3,850,833	20,351	24,423,378
Federal appropriations	1,642,719	-	-	1,642,719
<b>Total revenues</b>	<b>36,986,529</b>	<b>5,770,800</b>	<b>1,492,243</b>	<b>44,249,572</b>
Expenditures:				
Current:				
Instruction:				
Regular	16,191,080	5,100	116,223	16,312,403
Special	5,517,771	-	-	5,517,771
Other	2,565,060	-	724,051	3,289,111
	<b>24,273,911</b>	<b>5,100</b>	<b>840,274</b>	<b>25,119,285</b>
Support services:				
Student	1,697,162	-	15,282	1,712,444
Instructional staff	2,219,382	366,300	29,556	2,615,238
Administration	3,457,124	345,495	66,861	3,869,480
Operation and maintenance of plant	3,062,914	109,699	256,280	3,428,893
Transportation	1,020,341	582,543	59,217	1,662,101
	<b>11,456,923</b>	<b>1,404,037</b>	<b>427,196</b>	<b>13,288,156</b>
Noninstructional programs	5,272	-	3,382	8,654
Other expenditures:				
Capital outlay facilities acquisition	-	5,607,118	-	5,607,118
Current, AEA flowthrough	1,433,468	-	-	1,433,468
Debt service:				
Principal	-	-	1,070,000	1,070,000
Interest and fiscal fees	-	-	265,955	265,955
	<b>1,433,468</b>	<b>5,607,118</b>	<b>1,335,955</b>	<b>8,376,541</b>
<b>Total expenditures</b>	<b>37,169,574</b>	<b>7,016,255</b>	<b>2,606,807</b>	<b>46,792,636</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(183,045)</b>	<b>(1,245,455)</b>	<b>(1,114,564)</b>	<b>(2,543,064)</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	3,111	10,630	-	13,741
Transfers in	61,400	35,773	1,359,573	1,456,746
Transfers (out)	(75,208)	(1,334,573)	-	(1,409,781)
<b>Total other financing sources (uses)</b>	<b>(10,697)</b>	<b>(1,288,170)</b>	<b>1,359,573</b>	<b>60,706</b>
<b>Net change in fund balances</b>	<b>(193,742)</b>	<b>(2,533,625)</b>	<b>245,009</b>	<b>(2,482,358)</b>
Fund balances, beginning of year	9,060,522	7,564,461	3,927,685	20,552,668
Fund balances, end of year	\$ 8,866,780	\$ 5,030,836	\$ 4,172,694	\$ 18,070,310

See Notes to Basic Financial Statements.

# North Scott Community School District

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June, 30 2022

Net change in fund balances - total governmental funds \$ (2,482,358)

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	\$ 6,252,075	
Depreciation expense	(1,906,406)	4,345,669
Proceeds from sale of capital assets	(13,741)	
Gain on sale of capital assets	13,741	-

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities. 288,050

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 68,267

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

Payment of principal on revenue bonds	1,070,000
Amortization of premium on issuance of revenue bonds	18,546
Interest expense	2,265

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	98,272
Compensated absences	40,352
Net OPEB liability	(136,819)
Pension expense	3,470,909

**Change in net position of governmental activities \$ 6,783,153**

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 2,058,125	\$ 581,736	\$ 2,639,861	\$ 4,926,927
Receivables, accounts	16,292	17,872	34,164	-
Inventories	48,540	-	48,540	-
Prepaid expenses	692	640	1,332	1,053
Assets held for resale	-	70,787	70,787	-
<b>Total current assets</b>	<b>2,123,649</b>	<b>671,035</b>	<b>2,794,684</b>	<b>4,927,980</b>
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	567,572	-	567,572	-
<b>Total noncurrent assets</b>	<b>567,572</b>	<b>-</b>	<b>567,572</b>	<b>-</b>
<b>Total assets</b>	<b>2,691,221</b>	<b>671,035</b>	<b>3,362,256</b>	<b>4,927,980</b>
<b>Deferred Outflows of Resources:</b>				
OPEB related deferred outflows	5,661	2,181	7,842	-
Pension related deferred outflows	53,222	23,983	77,205	-
<b>Total deferred outflows of resources</b>	<b>58,883</b>	<b>26,164</b>	<b>85,047</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	8,626	5,799	14,425	2,657
Salaries and benefits payable	3,514	9,106	12,620	-
Claims payable	-	-	-	356,000
Deposits	77,441	-	77,441	-
Compensated absences	5,023	5,328	10,351	-
<b>Total current liabilities</b>	<b>94,604</b>	<b>20,233</b>	<b>114,837</b>	<b>358,657</b>
Noncurrent liabilities:				
Net OPEB liability	33,839	4,363	38,202	-
Net pension liability (asset)	(219,233)	(90,460)	(309,693)	-
<b>Total noncurrent liabilities</b>	<b>(185,394)</b>	<b>(86,097)</b>	<b>(271,491)</b>	<b>-</b>
<b>Total liabilities</b>	<b>(90,790)</b>	<b>(65,864)</b>	<b>(156,654)</b>	<b>358,657</b>
<b>Deferred Inflows of Resources:</b>				
OPEB related deferred inflows	9,082	4,005	13,087	-
Pension related deferred inflows	514,060	216,663	730,723	-
<b>Total deferred inflows of resources</b>	<b>523,142</b>	<b>220,668</b>	<b>743,810</b>	<b>-</b>
<b>Net Position</b>				
Investment in capital assets	567,572	-	567,572	-
Unrestricted	1,750,180	542,395	2,292,575	4,569,323
<b>Total net position</b>	<b>\$ 2,317,752</b>	<b>\$ 542,395</b>	<b>\$ 2,860,147</b>	<b>\$ 4,569,323</b>

See Notes to Basic Financial Statements.

**North Scott Community School District**

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

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Operating revenues:				
Local sources:				
Charges for service	\$ 292,972	\$ 267,318	\$ 560,290	\$ 4,975,343
Miscellaneous	6,893	20,010	26,903	-
<b>Total operating revenues</b>	<b>299,865</b>	<b>287,328</b>	<b>587,193</b>	<b>4,975,343</b>
Operating expenses:				
Support services:				
Administration:				
Salaries	103,187	-	103,187	-
Benefits	38,109	-	38,109	-
Services	2,750	-	2,750	4,711,554
Other	12,630	-	12,630	-
Transportation:				
Salaries	-	971	971	-
Benefits	-	166	166	-
Noninstructional programs:				
Salaries	487,191	249,921	737,112	-
Benefits	16,880	1,385	18,265	-
Services	1,982	1,330	3,312	-
Supplies	1,140,511	37,453	1,177,964	-
Other	12,630	6,508	19,138	-
Depreciation	78,320	-	78,320	-
<b>Total operating expenses</b>	<b>1,894,190</b>	<b>297,734</b>	<b>2,191,924</b>	<b>4,711,554</b>
<b>Operating income (loss)</b>	<b>(1,594,325)</b>	<b>(10,406)</b>	<b>(1,604,731)</b>	<b>263,789</b>
Nonoperating revenues (expenses):				
State sources	13,894	-	13,894	-
Federal sources	2,551,533	30,349	2,581,882	-
Interest on investments	9,031	3,731	12,762	24,261
Loss on disposal of capital asset	(4,208)	-	(4,208)	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,570,250</b>	<b>34,080</b>	<b>2,604,330</b>	<b>24,261</b>
<b>Income before transfers</b>	<b>975,925</b>	<b>23,674</b>	<b>999,599</b>	<b>288,050</b>
Transfer in	10,916	3,519	14,435	-
Transfers (out)	(61,400)	-	(61,400)	-
<b>Change in net position</b>	<b>925,441</b>	<b>27,193</b>	<b>952,634</b>	<b>288,050</b>
Net position, beginning of year	1,392,311	515,202	1,907,513	4,281,273
Net position, end of year	<b>\$ 2,317,752</b>	<b>\$ 542,395</b>	<b>\$ 2,860,147</b>	<b>\$ 4,569,323</b>

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Fund			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 395,951	\$ 254,689	\$ 650,640	\$ -
Miscellaneous services	6,893	10	6,903	5,030,859
Proceeds from sale of student construction home	-	20,000	20,000	-
Cash payments to:				
Employees for services	(777,801)	(306,868)	(1,084,669)	-
Suppliers for goods and services	(1,018,306)	(116,019)	(1,134,325)	(4,930,973)
<b>Net cash provided by     (used in) operating activities</b>	<b>(1,393,263)</b>	<b>(148,188)</b>	<b>(1,541,451)</b>	<b>99,886</b>
Cash flows from noncapital financing activities:				
Transfers to other funds	(61,400)	-	(61,400)	-
Transfers from other funds	10,916	3,519	14,435	-
State grants received	13,894	-	13,894	-
Federal grants received	2,351,150	30,349	2,381,499	-
<b>Net cash provided by     noncapital financing     activities</b>	<b>2,314,560</b>	<b>33,868</b>	<b>2,348,428</b>	<b>-</b>
Cash flows from capital financing activities and related activities, Acquisition of capital assets	(33,320)	-	(33,320)	-
Cash flows from investing activities, interest on investments	9,031	3,731	12,762	24,261
<b>Net increase (decrease) in     cash and cash equivalents</b>	<b>897,008</b>	<b>(110,589)</b>	<b>786,419</b>	<b>124,147</b>
Cash and cash equivalents:				
Beginning of year	1,161,117	692,325	1,853,442	4,802,780
End of year	\$ 2,058,125	\$ 581,736	\$ 2,639,861	\$ 4,926,927

(Continued)



**North Scott Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor		Activities,
	Nutrition	Enterprise	Total	Internal
		Funds		Service Fund
Reconciliation of operating income				
(loss) to net cash provided by				
(used in) operating activities:				
Operating income (loss)	\$ (1,594,325)	\$ (10,406)	\$ (1,604,731)	\$ 263,789
Adjustments to reconcile operating				
income (loss) to net cash provided				
by (used in) operating activities:				
Commodities consumed	200,383	-	200,383	-
Depreciation	78,320	-	78,320	-
(Increase) decrease in:				
Inventories	(12,320)	-	(12,320)	-
Accounts receivable	116,661	(12,629)	104,032	55,516
Prepaid expenses	(117)	(1)	(118)	(76)
Assets held for resale	-	(70,787)	(70,787)	-
Increase (decrease) in:				
Accounts payable	(35,749)	60	(35,689)	(219,343)
Salaries and benefits payable	(3,612)	1,641	(1,971)	-
Net OPEB benefits	1,715	858	2,573	-
Net pension liability	(134,032)	(57,128)	(191,160)	-
Compensated absences payable	3,495	204	3,699	-
Deposits	(13,682)	-	(13,682)	-
<b>Net cash provided by</b>				
<b>(used in) operating</b>				
<b>activities</b>	<b>\$ (1,393,263)</b>	<b>\$ (148,188)</b>	<b>\$ (1,541,451)</b>	<b>\$ 99,886</b>
Noncash investing, capital and				
financing activities:				
Federal commodities	\$ 200,383	\$ -	\$ 200,383	\$ -

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Fund**

**June 30, 2022**

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	<u>Custodial Fund</u>
<b>Assets</b>	
Cash and pooled investments	\$ 41,602
Accounts receivable	405
<b>Total assets</b>	<u><u>\$ 42,007</u></u>
<b>Net position</b>	<u><u>\$ 42,007</u></u>

See Notes to Basic Financial Statements.

**North Scott Community School District**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Fund**

**Year Ended June 30, 2022**

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	<u>Custodial Fund</u>
<b>Additions</b>	
Contributions	\$ 118,682
Other	<u>1,140</u>
<b>Total additions</b>	<u>119,822</u>
<b>Deductions</b>	
Program supplies	<u>104,750</u>
<b>Total deductions</b>	<u>104,750</u>
<b>Change in net position</b>	15,072
Net position, beginning of year	<u>26,935</u>
Net position, end of year	<u><u>\$ 42,007</u></u>

See Notes to Basic Financial Statements.

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## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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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, 2022

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

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

The District reports the following major and nonmajor proprietary funds:

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

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

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

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

## **North Scott Community School District**

### **Notes to Financial Statements Year Ended June 30, 2022**

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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 Custodial 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.

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

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

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

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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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 Iowa School Joint Investment Trust (ISJIT) which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

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

#### **Pensions:**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Property taxes:**

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

Property tax revenue recognized in these funds became 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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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.

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

##### Prepaid items:

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

##### Capital assets:

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

Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs to place the assets in service. Subsequently, the leased assets are amortized on a straight-line basis over the shorter of the life of the lease or estimated useful life of the asset.

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, 2022

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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 2022, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2022.

#### Deposits:

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

#### Compensated absences:

District employees accumulate a limited amount of earned but unused vacation benefits payable to employees that are generally liquidated within one year as employees are only allowed to carry over five days which must be used in the next fiscal year. Vacation pay is payable to employees upon retirement or termination. Sick leave does not vest. Compensated absences are reported in governmental funds only if they have matured. The cost of vacation payments expected to be liquidated currently is recorded as a long-term liability on the statement of net position and will be paid in the future primarily from the General Fund. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2022. The full balance is due within a year.

#### Cash flows:

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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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 net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension and other post-employment benefit related deferred outflows that qualify for reporting in this category.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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

#### Net Position:

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

Net position restricted through enabling legislation consists of \$1,398,582 for categorical funding, \$1,557,859 for debt service, \$1,724,297 for school infrastructure, \$3,146,390 for management levy, \$2,415,287 for physical plant and equipment levy, \$345,710 for public education and recreation and \$503,264 for student activities.

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

Interfund transactions: Transactions among District funds would be treated as revenues and expenditures or expenses if they involved organizations external to the District and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expected, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding are reported in the government-wide financial statements as "internal balances".

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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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 District did not exceed budgeted expenditures.

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

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

#### 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, 2022, the District had the following investments:

Investment Type	Amortized Cost	Maturity (in Years) Less Than 1
Iowa Schools Joint Investment Trust	\$ 9,586,292	\$ 9,586,292

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 3. Deposits and Pooled Investments (Continued)

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

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

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

**Custodial credit risk:** The risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2022, none of the District's investments were exposed to custodial credit risk and deposits in banks were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is not subject to foreign-currency risk.

#### Note 4. Transfers

The detail of transfers for the year ended June 30, 2022 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Major fund, School Nutrition	\$ 61,400
Major fund, Capital Projects	Major fund, General	35,773
Nonmajor Governmental Funds:		
Debt Service	Major fund, Capital Projects	1,334,573
Student activity	Major fund, General	25,000
Major Enterprise Fund, Nutrition	Major fund, General	10,916
Nonmajor Enterprise Fund, Child Care	Major fund, General	3,519
<b>Total</b>		<b>\$ 1,471,181</b>

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 4. Transfers (Continued)

The Capital Projects Fund transferred statewide sales, services and use tax revenue to the Debt Service Fund for payment of principal and interest on the bonds. The School Nutrition Fund transfer is for program support.

The Student Activity Fund transfer is for a safety equipment purchase.

The General Fund transferred to the Capital Projects Fund for ESSER II capital expenditures and network improvements.

### Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 1,778,920	\$ -	\$ -	\$ 1,778,920
Construction in progress	1,017,621	4,727,047	16,773	5,727,895
<b>Total capital assets not being depreciated</b>	<b>2,796,541</b>	<b>4,727,047</b>	<b>16,773</b>	<b>7,506,815</b>
Capital assets being depreciated:				
Buildings	69,239,245	548,247	-	69,787,492
Land improvements	7,776,057	163,116	-	7,939,173
Machinery and equipment	8,122,874	830,438	41,773	8,911,539
<b>Total capital assets being depreciated</b>	<b>85,138,176</b>	<b>1,541,801</b>	<b>41,773</b>	<b>86,638,204</b>
Less accumulated depreciation for:				
Buildings	28,706,463	1,124,279	-	29,830,742
Land improvements	5,624,677	200,076	-	5,824,753
Machinery and equipment	5,213,509	582,051	41,773	5,753,787
<b>Total accumulated depreciation</b>	<b>39,544,649</b>	<b>1,906,406</b>	<b>41,773</b>	<b>41,409,282</b>
<b>Total capital assets being depreciated, net</b>	<b>45,593,527</b>	<b>(364,605)</b>	<b>-</b>	<b>45,228,922</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 48,390,068</b>	<b>\$ 4,362,442</b>	<b>\$ 16,773</b>	<b>\$ 52,735,737</b>

North Scott Community School District

Notes to Financial Statements  
Year Ended June 30, 2022

Note 5. Capital Assets (Continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 1,323,390	\$ 33,320	\$ 43,612	\$ 1,313,098
Less accumulated depreciation	706,610	78,320	39,404	745,526
<b>Total capital assets being depreciated, net</b>	<b>616,780</b>	<b>(45,000)</b>	<b>4,208</b>	<b>567,572</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 616,780</b>	<b>\$ (45,000)</b>	<b>\$ 4,208</b>	<b>\$ 567,572</b>

Depreciation and amortization expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 703,718
Other	366,417
Support services:	
Administration	67,297
Operation and maintenance of plant	359,766
Transportation	409,208
<b>Total governmental activities depreciation expense</b>	<b>\$ 1,906,406</b>
Business-type activities:	
Food services	78,320
<b>Total business-type activities depreciation expense</b>	<b>\$ 78,320</b>



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

#### Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2022:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds, Series 2013	\$ 5,475,000	\$ -	\$ 615,000	\$ 4,860,000	\$ 630,000
Revenue bonds, Series 2014	4,075,000	-	455,000	3,620,000	465,000
Premium on revenue bonds	150,910	-	18,546	132,364	-
Early retirement	196,544	-	98,272	98,272	98,272
Compensated absences	114,460	74,108	114,460	74,108	74,108
Net OPEB liability	1,481,292	-	153,065	1,328,227	-
Net pension liability	18,662,162	-	17,971,162	691,000	-
<b>Total</b>	<b>\$ 30,155,368</b>	<b>\$ 74,108</b>	<b>\$ 19,425,505</b>	<b>\$ 10,803,971</b>	<b>\$ 1,267,380</b>
Business-type activities:					
Compensated absences	\$ 6,652	\$ 10,351	\$ 6,652	\$ 10,351	\$ 10,351
Net OPEB liability	42,936	-	4,734	38,202	-
Net pension liability (asset)	680,067	-	989,760	(309,693)	-
<b>Total</b>	<b>\$ 729,655</b>	<b>\$ 10,351</b>	<b>\$ 1,001,146</b>	<b>\$ (261,140)</b>	<b>\$ 10,351</b>

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

#### 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 \$4,860,000.
- 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 \$3,620,000.

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

The total principal and interest remaining to be paid on the bonds is \$9,507,980. During the year ended June 30, 2022, principal of \$1,070,000 and interest of \$265,955 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,692,055.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 6. General Long-Term Debt (Continued)

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, 2022, there was \$111,438 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, 2022, there was \$1,382,449 deposited in the reserve account.
- If monies in the sinking fund exceed the required amount, the excess shall be transferred to the revenue account.

Annual debt service requirement on the outstanding indebtedness as of June 30, 2022, are as follows:

#### Series 2013:

Year ending June 30:	Rate	Principal	Interest	Total
2023	2.35%	\$ 630,000	\$ 142,350	\$ 772,350
2024	2.75%	650,000	127,545	777,545
2025	3.00%	670,000	109,670	779,670
2026	3.00%	690,000	89,570	779,570
2027	3.00%	715,000	68,870	783,870
2028-2029	3.10-3.20%	1,505,000	71,900	1,576,900
<b>Total</b>		<b>\$ 4,860,000</b>	<b>\$ 609,905</b>	<b>\$ 5,469,905</b>

#### Series 2014:

Year ending June 30:	Rate	Principal	Interest	Total
2023	2.25%	\$ 465,000	\$ 95,225	\$ 560,225
2024	2.25%	480,000	84,762	564,762
2025	2.38%	495,000	73,962	568,962
2026	2.50%	515,000	62,207	577,207
2027	2.75%	535,000	49,332	584,332
2028-2029	2.75-3.125%	1,130,000	52,587	1,182,587
<b>Total</b>		<b>\$ 3,620,000</b>	<b>\$ 418,075</b>	<b>\$ 4,038,075</b>

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 6. General Long-Term Debt (Continued)

The June 30, 2022 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 1,375,866,355
Debt limit, 5% of total assessed valuation	\$ 68,793,318
Amount of debt applicable to debt limit:	
Debt applicable to limit	8,612,364
<b>Excess of debt limit over bonded debt outstanding, legal debt margin</b>	<b>\$ 60,180,954</b>

**Early retirement:** The District offered a voluntary early retirement plan to selected employee classifications in 2020. Eligible employees had to be at least age 55 and have completed at least 15 years of consecutive service to the District. Employees were required to complete an application which was approved by the Board of Education. The retirement benefit was 40 percent of the retiree's base wage at the time of their retirement. This amount was deposited into a Health Reimbursement Account and was intended to be used on a pretax basis for the retired employee's eligible medical expenses and/or health insurance premiums. The benefit to the Premium Plan was to be paid in three equal installments in January following the year of retirement. As of June 30, 2022, the District had 16 participants in the 2020 plan and outstanding obligations of \$98,272 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 7. Postemployment Benefits Other Than Pensions (OPEB)

##### General Information about the OPEB Plan

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

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of September 1, 2021 for each plan are as shown below:

Rate Tier	Medical
Single	\$ 647
Family	1,345

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	350
	<u>367</u>

Total OPEB Liability: The District's total OPEB liability of \$1,366,429 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021 for a reporting date of June 30, 2022.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.25% per annum
Salary increases	3.25% per annum
Discount rate	1.92% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.7% gradually decreasing over several decades to and ultimate rate of 3.7% in FY2075 and later.

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

### Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$ 1,524,228	\$ -	\$ 1,524,228
Changes for the year:			
Service cost	127,760	-	127,760
Interest	39,500	-	39,500
Changes of benefit terms	-	-	-
Differences between expected and actual experier	(125,760)	-	(125,760)
Changes in assumptions or other inputs	(119,785)	-	(119,785)
Benefit payments	(79,514)	-	(79,514)
Net changes	(157,799)	-	(157,799)
Balance at June 30, 2022	\$ 1,366,429	\$ -	\$ 1,366,429

Changes of assumptions or other inputs reflect a change in the discount rate from 2.45% per annum in 2021 to 1.92% per annum in 2022.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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

	1% Decrease	Discount Rate	1% Increase
	0.92%	1.92%	2.92%
Total OPEB liability	\$ 1,471,704	\$ 1,366,429	\$ 1,266,183

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	5.70%	6.70%	7.70%
Total OPEB liability	\$ 1,203,924	\$ 1,366,429	\$ 1,559,897

For the year ended June 30, 2022, the District recognized OPEB expense of \$139,391. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 150,046	\$ (113,598)
Changes of assumptions or other inputs	62,531	(326,588)
Net difference between projected and actual investments	-	-
Contributions between measurement date and reporting date	-	-
<b>Total</b>	<b>\$ 212,577</b>	<b>\$ (440,186)</b>

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

Year ended June 30:

2023	\$ (27,869)
2024	(27,869)
2025	(27,869)
2026	(27,869)
2027	(26,297)
Thereafter	(89,836)
	<b>\$ (227,609)</b>

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 8. 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, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning of year	\$ 578,000	\$ 501,000
Incurred claims and claim adjustments	2,772,955	3,228,761
Payment of claims	2,994,955	3,151,761
Balance, end of year	<u>\$ 356,000</u>	<u>\$ 578,000</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 9. Pension and Retirement Benefits

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

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

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

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 9. 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 2022, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2022 were \$2,207,848.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$381,307 its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's proportion was -0.110451 percent, which was a decrease of 0.385796 from its proportion measured as of June 30, 2020.

# North Scott Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 9. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$1,450,763). At June 30, 2022, 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	\$ 290,122	\$ 291,299
Changes of assumptions	249,407	-
Net difference between projected and actual earnings on pension plan investments	-	13,815,384
Changes in proportion and differences between District contributions and proportionate share of contributions	-	521,835
District contributions subsequent to the measurement date	2,207,848	-
<b>Total</b>	<b>\$ 2,747,377</b>	<b>\$ 14,628,518</b>

Deferred outflows of resources of \$2,207,848 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, 2023. 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,	
2023	\$ (3,511,609)
2024	(3,526,374)
2025	(3,239,382)
2026	(3,812,291)
2027	667
<b>Total</b>	<b>\$ (14,088,989)</b>

There were no non-employer contributing entities to IPERS.



## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

#### Note 9. Pension and Retirement Benefits (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
<b>Total</b>	<b>100%</b>	

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 9. Pension and Retirement Benefits (Continued)

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability (asset)	\$ 13,495,715	\$ 381,307	\$ (10,609,399)

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, 2022, the District reported payables to the defined benefit pension plan of \$175,131 for legally required employer contributions and \$116,692 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### Note 10. 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 \$1,433,468 for the year ended June 30, 2022 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, 2022

#### Note 11. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2022 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 149,797
Early intervention	60,211
Teacher salary supplement	137,904
Professional development	277,955
Four-year old preschool	352,872
Successful progression for early readers	1,708
Home school assistance program	61,443
Teacher leadership	203,139
STEM	397
At risk	102,655
Other	50,501
<b>Total restricted for categorical funding</b>	<b>\$ 1,398,582</b>

#### Note 12. Commitments and Contingencies

The District has financial commitments primarily relating to the YMCA and other remodeling projects of approximately \$8,537,153 as of June 30, 2022 of which, approximately \$5,354,500 of costs have been incurred. Sales tax proceeds will fund the majority of these commitments.

#### Note 13. 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, 2022 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Eldridge, Iowa	Urban renewal and economic development projects	\$ 410,871
City of Davenport, Iowa	Urban renewal and economic development projects	471,779

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, 2022, this reimbursement amounted to \$513,111.

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 14. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2022:

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

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

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 14. New Governmental Accounting Standards Board (GASB) Statements (Continued)

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

The implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2022, 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. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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

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

## North Scott Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### **Note 14. New Governmental Accounting Standards Board (GASB) Statements (Continued)**

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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

#### **Note 15. Subsequent Event**

On July 12, 2022, the Board of Education approved a resolution ordering an election on the issuance of \$25,000,000 general obligation school bonds. The election was held on September 13, 2022, and the proposition for the debt issuance was approved.

On November 14, 2022, the Board of Education approved a resolution to issue approximately \$20,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds for various capital projects including constructing a Regional Innovation Center, welding/metal lab in the high school, a music wing and an addition to the junior high, additions to two elementary buildings, energy savings projects at District facilities, construction of a softball field complex and wrestling facility.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**North Scott Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in  
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds  
Year Ended June 30, 2022**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 18,183,475	\$ 599,955
State sources	24,423,378	13,894
Federal sources	1,642,719	2,581,882
<b>Total revenues</b>	<b>44,249,572</b>	<b>3,195,731</b>
Expenditures/expenses:		
Instruction	25,119,285	-
Support services	13,288,156	157,813
Noninstructional programs	8,654	2,034,111
Other expenditures	8,376,541	4,208
<b>Total expenditures/expenses</b>	<b>46,792,636</b>	<b>2,196,132</b>
<b>Excess of revenues over (under) expenditures/expenses</b>	<b>(2,543,064)</b>	<b>999,599</b>
Other financing sources (uses):		
Proceeds from sale of capital assets	13,741	-
Interfund transfers in	1,456,746	14,435
Interfund transfers (out)	(1,409,781)	(61,400)
<b>Total other financing sources (uses)</b>	<b>60,706</b>	<b>(46,965)</b>
<b>Net change in fund balance/net position</b>	<b>(2,482,358)</b>	<b>952,634</b>
Fund balance/net position, beginning of year	20,552,668	1,907,513
Fund balance/net position, end of year	<b>\$ 18,070,310</b>	<b>\$ 2,860,147</b>

See Notes to Required Supplementary Information.



Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	18,783,430	\$ 18,934,932	\$ 18,934,932	\$ (151,502)
	24,437,272	24,304,917	24,304,917	132,355
	4,224,601	1,764,250	1,764,250	2,460,351
	47,445,303	45,004,099	45,004,099	2,441,204
	25,119,285	24,581,634	26,311,634	1,192,349
	13,445,969	12,861,664	14,111,664	665,695
	2,042,765	1,771,880	4,259,880	2,217,115
	8,380,749	8,736,618	8,736,618	355,869
	48,988,768	47,951,796	53,419,796	4,431,028
	(1,543,465)	(2,947,697)	(8,415,697)	6,872,232
	13,741	2,500	2,500	11,241
	1,471,181	1,385,955	1,385,955	85,226
	(1,471,181)	(1,360,955)	(1,360,955)	(110,226)
	13,741	27,500	27,500	(13,759)
	(1,529,724)	\$ (2,920,197)	\$ (8,388,197)	\$ 6,858,473
	22,460,181			
\$	20,930,457			

**North Scott Community School District**

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

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	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 127,760	\$ 108,938
Interest	39,500	45,126
Changes of benefit terms	-	-
Differences between expected and actual experience	(125,760)	-
Changes in assumptions or other inputs	(119,785)	78,403
Benefit payments	(79,514)	(82,061)
Net changes in total OPEB liability	(157,799)	150,406
Total OPEB liability - beginning	1,524,228	1,373,822
Total OPEB liability - ending	<u>\$ 1,366,429</u>	<u>\$ 1,524,228</u>
Covered employee payroll	\$ 19,423,846	\$ 18,435,919
Total OPEB liability as a percentage of covered employee payroll	7.03%	8.27%

**Notes to Schedule:**

Changes of benefit terms:

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

Changes of assumption:

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

1.92%	2.45%
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No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

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

			2020	2019	2018
\$	110,958	\$	106,135	\$	111,509
	50,871		47,012		37,740
	-		-		-
	215,473		-		-
	(263,432)		(6,347)		(63,968)
	(68,737)		(65,092)		(38,523)
	45,133		81,708		46,758
	1,328,689		1,246,981		1,200,223
\$	1,373,822	\$	1,328,689	\$	1,246,981
\$	18,435,919	\$	17,695,558	\$	17,601,302
	7.45%		7.51%		7.08%
	3.13%		3.62%		3.56%

**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 Eight Fiscal Years**

	2022*	2021*	2020*
District's proportion of the net pension liability	-0.110451%	0.275345%	0.280581%
District's proportionate share of the net pension liability	\$ 381,307	\$ 19,342,229	\$ 16,247,482
District's covered payroll	\$ 22,082,016	\$ 21,851,887	\$ 21,353,267
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.73%	88.52%	76.09%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%	85.45%

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

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

See Notes to Required Supplementary Information.

2019*					2018*					2017*					2016*					2015*				
0.285766%					0.283696%					0.284000%					0.277835%					0.273656%				
\$	18,083,956				\$	18,897,741				\$	17,875,601				\$	13,726,395				\$	10,852,948			
\$	21,480,034				\$	21,176,537				\$	20,384,011				\$	19,030,701				\$	17,906,895			
84.19%					89.24%					87.69%					72.13%					60.61%				
83.62%					82.21%					85.19%					85.19%					87.61%				

**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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	2022	2021	2020	2019
Statutorily required contribution	\$ 2,208	\$ 2,084	\$ 2,062	\$ 2,015
Contributions in relation to the statutorily required contribution	\$ (2,208)	\$ (2,084)	\$ (2,062)	\$ (2,015)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 23,385	\$ 22,082	\$ 21,852	\$ 21,353
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

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2018	2017	2016	2015	2014	2013
\$ 1,918	\$ 1,891	\$ 1,820	\$ 1,710	\$ 1,599	\$ 1,564
\$ (1,918)	\$ (1,891)	\$ (1,820)	\$ (1,710)	\$ (1,599)	\$ (1,564)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 21,480	\$ 21,177	\$ 20,384	\$ 19,031	\$ 17,907	\$ 17,326
8.93%	8.93%	8.93%	8.99%	8.93%	9.03%

## North Scott Community School District

### Notes to Required Supplementary Information Year Ended June 30, 2022

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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 custodial 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 11, 2022, which increased total expenditures \$5,468,000.

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

The District did not exceed budgeted expenditures.

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

##### Changes of benefit terms:

There are no significant changes in benefit terms.

##### Changes of assumptions:

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

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



**North Scott Community School District**

**Notes to Required Supplementary Information  
Year Ended June 30, 2022**

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

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

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

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

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

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## Other Supplementary Information

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COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS

**North Scott Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

	Special Revenue				
	Management	Student	Public Education	Debt	
	Fund	Activity	and Recreation	Service	Total
			Levy		
<b>Assets</b>					
Cash and pooled investments	\$ 3,150,429	\$ 586,233	\$ 344,655	\$ 175,410	\$ 4,256,727
Receivables:					
Property tax:					
Delinquent	3,139	-	1,050	-	4,189
Succeeding year	599,996	-	176,893	-	776,889
Accounts	-	760	-	-	760
Due from other governments	13	-	5	-	18
Prepaid items	-	1,920	-	-	1,920
<b>Total assets</b>	<b>\$ 3,753,577</b>	<b>\$ 588,913</b>	<b>\$ 522,603</b>	<b>\$ 175,410</b>	<b>\$ 5,040,503</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 7,191	\$ 72,804	\$ -	\$ -	\$ 79,995
Accrued liabilities	-	10,925	-	-	10,925
<b>Total liabilities</b>	<b>7,191</b>	<b>83,729</b>	<b>-</b>	<b>-</b>	<b>90,920</b>
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	599,996	-	176,893	-	776,889
<b>Fund balances</b>					
Nonspendable, prepaid items	-	1,920	-	-	1,920
Restricted for:					
Debt service	-	-	-	175,410	175,410
Management levy purposes	3,146,390	-	-	-	3,146,390
Student activities	-	503,264	-	-	503,264
Public education and recreation	-	-	345,710	-	345,710
<b>Total fund balances</b>	<b>3,146,390</b>	<b>505,184</b>	<b>345,710</b>	<b>175,410</b>	<b>4,172,694</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,753,577</b>	<b>\$ 588,913</b>	<b>\$ 522,603</b>	<b>\$ 175,410</b>	<b>\$ 5,040,503</b>

North Scott Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue				
	Management	Student	Public Education	Debt	
	Fund	Activity	and Recreation	Service	Total
			Levy		
Revenues:					
Local sources:					
Local tax	\$ 500,298	\$ -	\$ 167,312	\$ -	\$ 667,610
Other	14,232	783,880	2,104	4,066	804,282
State appropriation	15,251	-	5,100	-	20,351
<b>Total revenues</b>	<b>529,781</b>	<b>783,880</b>	<b>174,516</b>	<b>4,066</b>	<b>1,492,243</b>
Expenditures:					
Current:					
Instruction:					
Regular	116,223	-	-	-	116,223
Other	-	724,051	-	-	724,051
Support services:					
Student	11,768	3,514	-	-	15,282
Instructional staff	28,933	623	-	-	29,556
Administration	61,617	5,244	-	-	66,861
Operation and maintenance					
of plant	241,663	14,617	-	-	256,280
Transportation	42,866	16,351	-	-	59,217
Noninstructional programs	3,382	-	-	-	3,382
Debt service:					
Principal	-	-	-	1,070,000	1,070,000
Interest and fees	-	-	-	265,955	265,955
<b>Total expenditures</b>	<b>506,452</b>	<b>764,400</b>	<b>-</b>	<b>1,335,955</b>	<b>2,606,807</b>
<b>Excess (deficiency) of</b>					
<b>revenues over (under)</b>					
<b>expenditures before</b>					
<b>transfers</b>	<b>23,329</b>	<b>19,480</b>	<b>174,516</b>	<b>(1,331,889)</b>	<b>(1,114,564)</b>
Transfers in	-	25,000	-	1,334,573	1,359,573
<b>Net change in fund</b>					
<b>balances</b>	<b>23,329</b>	<b>44,480</b>	<b>174,516</b>	<b>2,684</b>	<b>245,009</b>
Fund balances, beginning of year	3,123,061	460,704	171,194	172,726	3,927,685
Fund balances, end of year	\$ 3,146,390	\$ 505,184	\$ 345,710	\$ 175,410	\$ 4,172,694

**North Scott Community School District**

**Schedule of Combining Balance Sheet  
Capital Projects Fund - By Account  
June 30, 2022**

	Capital Projects Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 1,797,782	\$ 2,684,029	\$ 4,481,811
Restricted cash and equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	-	10,291	10,291
Succeeding year	-	1,875,578	1,875,578
Due from other governments	775,829	43	775,872
Prepaid items	-	25,013	25,013
<b>Total assets</b>	<b>\$ 3,956,060</b>	<b>\$ 4,594,954</b>	<b>\$ 8,551,014</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities, accounts payable	\$ 849,314	\$ 279,076	\$ 1,128,390
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	1,875,578	1,875,578
Statewide sales and services tax	516,210	-	516,210
<b>Total deferred inflows of resources</b>	<b>516,210</b>	<b>1,875,578</b>	<b>2,391,788</b>
Fund Balances:			
Nonspendable, prepaid items	-	25,013	25,013
Restricted for:			
School infrastructure	1,208,087	-	1,208,087
Debt service	1,382,449	-	1,382,449
Physical plant and equipment	-	2,415,287	2,415,287
<b>Total fund balances</b>	<b>2,590,536</b>	<b>2,440,300</b>	<b>5,030,836</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,956,060</b>	<b>\$ 4,594,954</b>	<b>\$ 8,551,014</b>



**North Scott Community School District**

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

**Capital Projects Fund - By Account**

**Year Ended June 30, 2022**

	Capital Projects Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 1,789,573	\$ 1,789,573
Other	14,675	115,719	130,394
State appropriations	3,692,055	158,778	3,850,833
<b>Total revenues</b>	<b>3,706,730</b>	<b>2,064,070</b>	<b>5,770,800</b>
Expenditures:			
Current:			
Instruction:			
Regular	-	5,100	5,100
Support services:			
Instructional staff	211,470	154,830	366,300
Administration	-	345,495	345,495
Operation and maintenance of plant	-	109,699	109,699
Transportation	-	582,543	582,543
Other expenditures:			
Facilities acquisition	4,457,273	1,149,845	5,607,118
<b>Total expenditures</b>	<b>4,668,743</b>	<b>2,347,512</b>	<b>7,016,255</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(962,013)</b>	<b>(283,442)</b>	<b>(1,245,455)</b>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	10,630	10,630
Transfers in	-	35,773	35,773
Transfers (out)	(1,334,573)	-	(1,334,573)
<b>Total other financing sources (uses)</b>	<b>(1,334,573)</b>	<b>46,403</b>	<b>(1,288,170)</b>
<b>Net change in fund balance</b>	<b>(2,296,586)</b>	<b>(237,039)</b>	<b>(2,533,625)</b>
Fund balance, beginning of year	4,887,122	2,677,339	7,564,461
Fund balance, end of year	\$ 2,590,536	\$ 2,440,300	\$ 5,030,836

**North Scott Community School District**

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

**June 30, 2022**

	Child Care	Student Construction	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 245,129	\$ 336,607	\$ 581,736
Receivables, accounts	17,872	-	17,872
Prepaid expenses	640	-	640
Assets held for resale	-	70,787	70,787
<b>Total assets</b>	<b>263,641</b>	<b>407,394</b>	<b>671,035</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	2,181	-	2,181
Pension related deferred outflows	23,983	-	23,983
<b>Total deferred outflows of resources</b>	<b>26,164</b>	<b>-</b>	<b>26,164</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	3,257	2,542	5,799
Salaries and benefits payable	9,106	-	9,106
Compensated absences	5,328	-	5,328
<b>Total current liabilities</b>	<b>17,691</b>	<b>2,542</b>	<b>20,233</b>
Noncurrent liabilities:			
Net OPEB liability Net	4,363	-	4,363
pension liability (asset)	(90,460)	-	(90,460)
<b>Total noncurrent liabilities</b>	<b>(86,097)</b>	<b>-</b>	<b>(86,097)</b>
<b>Total liabilities</b>	<b>(68,406)</b>	<b>2,542</b>	<b>(65,864)</b>
<b>Deferred Inflows of Resources:</b>			
OPEB related deferred inflows	4,005	-	4,005
Pension related deferred inflows	216,663	-	216,663
<b>Total deferred inflows of resources</b>	<b>220,668</b>	<b>-</b>	<b>220,668</b>
<b>Net Position</b>			
Unrestricted	137,543	404,852	542,395
<b>Total net position</b>	<b>\$ 137,543</b>	<b>\$ 404,852</b>	<b>\$ 542,395</b>

**North Scott Community School District**

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

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2022**

	Child Care	Student Construction	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 267,318	\$ -	\$ 267,318
Miscellaneous	10	20,000	20,010
<b>Total operating revenues</b>	<b>267,328</b>	<b>20,000</b>	<b>287,328</b>
Operating expenses:			
Support services:			
Transportation:			
Salaries	971	-	971
Benefits	166	-	166
Noninstructional programs:			
Salaries	249,921	-	249,921
Benefits	1,385	-	1,385
Purchased services	1,330	-	1,330
Supplies	37,223	230	37,453
Other	6,508	-	6,508
<b>Total operating expenses</b>	<b>297,504</b>	<b>230</b>	<b>297,734</b>
<b>Operating income (loss)</b>	<b>(30,176)</b>	<b>19,770</b>	<b>(10,406)</b>
Nonoperating revenues:			
Federal sources	30,349	-	30,349
Interest on investments	1,070	2,661	3,731
<b>Total nonoperating revenues</b>	<b>31,419</b>	<b>2,661</b>	<b>34,080</b>
<b>Income before transfers</b>	<b>1,243</b>	<b>22,431</b>	<b>23,674</b>
Transfer in	3,519	-	3,519
<b>Change in net position</b>	<b>4,762</b>	<b>22,431</b>	<b>27,193</b>
Net position, beginning of year	132,781	382,421	515,202
Net position, end of year	<u>\$ 137,543</u>	<u>\$ 404,852</u>	<u>\$ 542,395</u>

**North Scott Community School District**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2022**

	Child Care	Student Construction	Total
Cash flows from operating activities:			
Cash received from:			
Charges for services	\$ 254,689	\$ -	\$ 254,689
Miscellaneous services	10	-	10
Proceeds from sale of student construction home	-	20,000	20,000
Cash payments to:			
Employees for services	(306,868)	-	(306,868)
Suppliers for goods and services	(47,544)	(68,475)	(116,019)
<b>Net cash (used in) operating activities</b>	<b>(99,713)</b>	<b>(48,475)</b>	<b>(148,188)</b>
Cash flows from noncapital financing activities:			
Transfers	3,519	-	3,519
Federal grants received	30,349	-	30,349
<b>Net cash provided by noncapital financing activities</b>	<b>33,868</b>	<b>-</b>	<b>33,868</b>
Cash flows from investing activities, interest on investments	1,070	2,661	3,731
<b>Net (decrease) in cash and cash equivalents</b>	<b>(64,775)</b>	<b>(45,814)</b>	<b>(110,589)</b>
Cash and cash equivalents:			
Beginning of year	309,904	382,421	692,325
End of year	\$ 245,129	\$ 336,607	\$ 581,736

(Continued)

**North Scott Community School District**

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

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2022**

	Child Care	Student Construction	Total
Reconciliation of operating income			
(loss) to net cash (used in) operating activities:			
Operating income (loss)	\$ (30,176)	\$ 19,770	\$ (10,406)
Adjustments to reconcile operating income			
(loss) to net cash (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	(12,629)	-	(12,629)
Prepaid expenses	(1)	-	(1)
Assets held for sale	-	(70,787)	(70,787)
Increase (decrease) in:			
Accounts payable	(2,482)	2,542	60
Salaries and benefits payable	1,641	-	1,641
Net OPEB benefits	858	-	858
Net pension liability	(57,128)	-	(57,128)
Compensated absences payable	204	-	204
Net cash (used in) operating activities	\$ (99,713)	\$ (48,475)	\$ (148,188)

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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 annual comprehensive 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>	75-88
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>	89-93
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>	94-100
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>	101-102
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>	103-111
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>	112-129
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			
	2013	2014	2015 *	2016
Governmental activities:				
Net investment in				
capital assets	\$ 21,204,665	\$ 23,850,888	\$ 23,061,587	\$ 24,761,641
Restricted	9,471,712	8,408,872	11,189,617	13,484,499
Unrestricted	5,615,466	6,859,375	(5,877,760)	(5,674,346)
Business-type activities				
Net investment in				
capital assets	242,862	218,572	207,054	188,246
Unrestricted	791,139	835,464	534,134	620,999
<b>Total primary</b>				
<b>government net position</b>	<b>\$ 37,325,844</b>	<b>\$ 40,173,171</b>	<b>\$ 29,114,632</b>	<b>\$ 33,381,039</b>

\* Implemented GASB Statement No. 68

Source: District financial records

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Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 26,866,583	\$ 31,471,058	\$ 34,773,981	\$ 37,521,436	\$ 36,689,158	\$ <b>44,123,373</b>
13,011,813	10,693,400	10,530,257	10,709,426	12,800,339	<b>11,091,389</b>
(5,418,428)	(4,389,974)	(3,711,989)	(3,921,991)	(4,429,643)	<b>(1,371,755)</b>
209,174	760,303	685,021	664,836	616,780	<b>567,572</b>
665,014	165,430	288,565	737,442	1,290,733	<b>2,292,575</b>
\$ 35,334,156	\$ 38,700,217	\$ 42,565,835	\$ 45,711,149	\$ 46,967,367	\$ <b>56,703,154</b>

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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			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Regular instruction	\$ 11,841,523	\$ 12,347,410	\$ 12,933,778	\$ 15,018,027
Special instruction	3,275,964	3,355,562	3,319,612	5,117,267
Other instruction	3,886,832	4,005,352	4,283,392	2,688,013
Student services	1,246,859	1,365,477	1,392,966	1,490,651
Instructional staff services	1,157,680	1,196,797	1,344,541	1,536,639
Administration services	3,366,816	3,306,897	3,536,908	3,570,064
Operation and maintenance of plant services	2,523,529	2,705,040	2,994,502	1,939,011
Transportation services	1,007,972	1,332,620	1,634,400	1,492,815
Food service operations	-	-	-	-
Noninstructional	-	5,172	5,674	14,158
Interest on long-term debt	-	-	-	-
AEA flowthrough	1,100,135	1,155,323	1,193,582	1,247,226
Debt service	221,458	222,192	347,589	383,459
Depreciation (unallocated)	1,704,026	896,676	-	-
<b>Total governmental activities</b>	<b>31,332,794</b>	<b>31,894,518</b>	<b>32,986,944</b>	<b>34,497,329</b>
Business-type activities:				
Nutrition services	1,444,983	1,462,230	1,433,211	1,565,582
Child care services	240,509	237,601	260,308	288,059
Student construction	-	-	-	-
<b>Total business-type activities</b>	<b>1,685,492</b>	<b>1,699,831</b>	<b>1,693,519</b>	<b>1,853,641</b>
<b>Total primary government expenses</b>	<b>33,018,286</b>	<b>33,594,349</b>	<b>34,680,463</b>	<b>36,350,970</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular instruction	790,471	790,699	888,593	1,019,052
Special instruction	261,957	166,834	205,357	152,817
Other instruction	357,427	352,856	394,751	343,472
Support services	60,017	68,280	86,862	95,139
Operating grants and contributions	4,743,405	4,854,185	5,290,274	6,541,950
Capital grants and contributions	11,986	37,619	62,054	47,509
<b>Total governmental activities</b>	<b>6,225,263</b>	<b>6,270,473</b>	<b>6,927,891</b>	<b>8,199,939</b>
Business-type activities:				
Charges for services:				
Nutrition	872,889	890,420	933,039	916,142
Child care	213,717	249,991	289,785	292,231
Student construction	-	-	-	-
Operating grants and contributions	571,497	570,840	633,592	700,926
<b>Total business-type activities</b>	<b>1,658,103</b>	<b>1,711,251</b>	<b>1,856,416</b>	<b>1,909,299</b>
<b>Total primary government revenues</b>	<b>7,883,366</b>	<b>7,981,724</b>	<b>8,784,307</b>	<b>10,109,238</b>
Net (expense) revenues:				
Total governmental activities	(25,107,531)	(25,624,045)	(26,059,053)	(26,297,390)
Total business-type activities	(27,389)	11,420	162,897	55,658
<b>Total primary government revenues</b>	<b>\$ (25,134,920)</b>	<b>\$ (25,612,625)</b>	<b>\$ (25,896,156)</b>	<b>\$ (26,241,732)</b>

Source: District financial records

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 15,226,755	\$ 15,208,231	\$ 15,928,205	\$ 15,700,559	\$ 16,512,955	\$ 14,526,074	
3,722,635	3,997,791	5,294,084	4,143,677	3,949,960	5,462,605	
4,592,874	4,682,336	3,214,355	4,755,060	4,851,630	3,622,644	
1,557,232	1,574,595	1,605,249	1,597,632	1,663,594	1,528,067	
2,508,038	2,441,964	2,087,919	2,440,185	2,730,931	2,391,876	
3,537,991	3,790,929	3,993,048	3,760,468	3,804,089	3,514,627	
3,416,517	2,609,387	2,803,533	2,352,668	3,416,075	2,917,670	
1,681,881	1,647,218	1,730,198	2,234,326	1,429,305	1,968,824	
-	-	-	-	-	-	
7,322	7,253	20,911	15,033	16,154	8,654	
-	-	-	-	-	-	
1,279,320	1,318,145	1,319,381	1,370,500	1,371,111	1,433,468	
364,360	344,959	321,309	321,972	270,509	245,144	
-	-	-	-	-	-	
37,894,925	37,622,808	38,318,192	38,692,080	40,016,313	37,619,653	
1,545,279	1,614,897	1,609,856	1,713,827	1,771,980	1,898,398	
281,135	321,698	337,322	339,628	319,441	297,504	
-	-	-	5,315	1,175	230	
1,826,414	1,936,595	1,947,178	2,058,770	2,092,596	2,196,132	
39,721,339	39,559,403	40,265,370	40,750,850	42,108,909	39,815,785	
1,154,046	1,172,062	1,098,188	1,258,950	1,237,441	1,144,105	
183,978	262,594	222,318	276,187	324,702	558,310	
437,055	418,657	313,200	422,090	211,592	36,546	
103,315	84,213	75,683	60,042	181,215	1,260,377	
5,461,241	5,466,292	5,573,722	5,268,541	6,212,149	7,107,322	
-	114,209	370,066	257,012	366,104	209,664	
7,339,635	7,518,027	7,653,177	7,542,822	8,533,203	10,316,324	
925,751	975,751	953,765	740,710	230,382	299,865	
257,394	316,811	358,267	274,612	176,095	267,328	
-	-	-	-	-	20,000	
726,895	692,284	698,264	1,243,865	2,065,336	2,595,776	
1,910,040	1,984,846	2,010,296	2,259,187	2,471,813	3,182,969	
9,249,675	9,502,873	9,663,473	9,802,009	11,005,016	13,499,293	
(30,555,290)	(30,104,781)	(30,665,015)	(31,149,258)	(31,483,110)	(27,303,329)	
83,626	48,251	63,118	200,417	379,217	986,837	
\$ (30,471,664)	\$ (30,056,530)	\$ (30,601,897)	\$ (30,948,841)	\$ (31,103,893)	\$ (26,316,492)	

**North Scott Community School District**

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

	Fiscal Year			
	2013	2014	2015	2016
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general and other purposes*	\$ 11,342,208	\$ 11,423,988	\$ 11,606,668	\$ 11,695,160
Property taxes levied for capital projects and other	1,152,677	1,181,288	1,239,110	1,292,849
Unrestricted intergovernmental	175,898	190,686	205,240	309,807
Sales tax	2,220,523	2,597,792	2,802,179	2,903,548
Unrestricted grants and contributions	12,214,669	12,944,956	13,035,041	14,076,931
Miscellaneous	85,078	84,731	44,617	128,211
Investment earnings	32,187	27,896	83,046	89,234
Transfers	5,248	-	-	-
<b>Total governmental activities</b>	<b>27,228,488</b>	<b>28,451,337</b>	<b>29,015,901</b>	<b>30,495,740</b>
Business-type activities:				
Miscellaneous	5,023	5,834	9,627	10,528
Investment earnings	1,795	2,781	1,040	1,871
Transfers	(5,248)	-	-	-
<b>Total business-type activities</b>	<b>1,570</b>	<b>8,615</b>	<b>10,667</b>	<b>12,399</b>
<b>Total primary government</b>	<b>27,230,058</b>	<b>28,459,952</b>	<b>29,026,568</b>	<b>30,508,139</b>
Change in net position:				
Total governmental activities	1,604,443	2,392,284	2,718,511	4,198,350
Total business-type activities	12,990	171,512	66,325	68,057
<b>Total primary government</b>	<b>\$ 1,617,433</b>	<b>\$ 2,563,796</b>	<b>\$ 2,784,836</b>	<b>\$ 4,266,407</b>

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

Source: District financial records

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 11,831,951	\$ 12,562,452	\$ 13,702,458	\$ 12,864,339	\$ 13,132,806	\$ 12,105,245	
1,316,439	1,381,514	1,475,020	1,627,608	1,718,719	2,420,414	
627,197	411,621	904,097	977,008	1,282,353	894,332	
3,150,169	2,840,343	3,114,143	3,187,492	3,026,194	3,773,089	
15,188,270	15,196,967	14,515,809	14,954,654	14,915,773	14,718,228	
135,763	79,524	116,852	4,582	-	13,741	
141,958	302,943	602,218	446,073	103,963	114,468	
51,717	47,117	52,183	(195,876)	54,285	46,965	
32,443,464	32,822,481	34,482,780	33,865,880	34,234,093	34,086,482	
28,120	22,681	19,340	14,268	173,539	-	
4,914	10,575	17,578	18,131	6,764	12,762	
(51,717)	(47,117)	(52,183)	195,876	(54,285)	(46,965)	
(18,683)	(13,861)	(15,265)	228,275	126,018	(34,203)	
32,424,781	32,808,620	34,467,515	34,094,155	34,360,111	34,052,279	
2,338,683	2,717,700	3,817,765	2,716,622	2,750,983	6,783,153	
29,568	34,390	47,853	428,692	505,235	952,634	
\$ 2,368,251	\$ 2,752,090	\$ 3,865,618	\$ 3,145,314	\$ 3,256,218	\$ 7,735,787	

**North Scott Community School District**

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 107,467	\$ 145,574	\$ 177,995	\$ 172,358
Restricted	420,529	334,255	466,930	635,402
Assigned	123,083	160,043	188,588	188,588
Unassigned	4,459,089	5,039,443	4,810,427	4,508,003
<b>Total General Fund</b>	<b>5,110,168</b>	<b>5,679,315</b>	<b>5,643,940</b>	<b>5,504,351</b>
All other governmental funds:				
Nonspendable	6,412	13,877	4,550	630
Restricted for:				
Capital projects funds	16,631,098	9,888,243	10,811,564	11,036,798
Debt service	64,163	854,725	1,499,510	1,504,282
Special revenue funds	1,055,183	1,116,659	1,197,185	1,575,251
<b>Total all other governmental funds</b>	<b>17,756,856</b>	<b>11,873,504</b>	<b>13,512,809</b>	<b>14,116,961</b>
<b>Total governmental funds</b>	<b>\$ 22,867,024</b>	<b>\$ 17,552,819</b>	<b>\$ 19,156,749</b>	<b>\$ 19,621,312</b>

Source: District financial records



Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 178,036	\$ 117,281	\$ 126,526	\$ 108,296	\$ 111,033	\$ 113,968
689,907	757,288	797,644	920,481	1,202,986	1,398,582
292,056	292,056	506,288	574,714	509,925	544,786
4,911,348	5,799,491	6,824,523	7,299,371	7,236,578	6,809,444
6,071,347	6,966,116	8,254,981	8,902,862	9,060,522	8,866,780
12,566	54,592	38,006	316,164	329,969	26,933
8,890,096	6,327,715	6,862,001	5,040,967	6,140,543	3,623,374
1,510,855	1,522,845	157,369	1,551,625	1,555,175	1,557,859
1,790,955	1,968,552	2,597,243	2,761,189	3,466,459	3,995,364
12,204,472	9,873,704	9,654,619	9,669,945	11,492,146	9,203,530
\$ 18,275,819	\$ 16,839,820	\$ 17,909,600	\$ 18,572,807	\$ 20,552,668	\$ 18,070,310

**North Scott Community School District**

**Governmental Funds Revenues**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Local sources:				
Property taxes	\$ 12,312,301	\$ 12,605,276	\$ 12,430,224	\$ 12,988,009
Income surtax	165,864	188,005	183,609	203,230
Local option sales and services taxes	2,592,523	-	-	-
Interest income	32,187	23,690	72,733	76,503
Other revenues	2,308,130	2,011,333	2,433,296	2,047,102
<b>Total local sources</b>	<b>17,411,005</b>	<b>14,828,304</b>	<b>15,119,862</b>	<b>15,314,844</b>
State sources:				
State education finance program	12,164,429	12,944,956	13,024,392	14,076,931
Statewide sales, services and use tax	-	2,591,792	2,802,180	2,903,548
Other state grants	3,449,914	3,524,985	4,023,817	4,830,872
<b>Total state sources</b>	<b>15,614,343</b>	<b>19,061,733</b>	<b>19,850,389</b>	<b>21,811,351</b>
Federal sources, federal grants	870,266	784,160	926,775	1,491,761
<b>Total revenues</b>	<b>\$ 33,895,614</b>	<b>\$ 34,674,197</b>	<b>\$ 35,897,026</b>	<b>\$ 38,617,956</b>

Source: District financial records

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 13,148,390	\$ 13,943,966	\$ 15,177,478	\$ 14,491,947	\$ 14,851,525	\$ 14,525,659
199,503	204,267	223,421	236,688	224,316	235,350
-	-	-	-	-	-
119,134	302,943	602,218	446,073	80,053	90,207
2,689,164	2,301,756	2,999,091	2,588,510	2,898,726	3,332,259
16,156,191	16,752,932	19,002,208	17,763,218	18,054,620	18,183,475
15,196,967	15,196,967	17,052,679	17,121,938	17,562,872	16,348,360
2,840,343	2,840,343	3,114,143	3,187,492	3,026,194	3,773,089
4,542,646	4,517,277	1,943,840	2,606,473	5,137,962	4,382,963
22,579,956	22,554,587	22,110,662	22,915,903	22,700,834	24,504,412
908,484	931,759	834,152	790,805	1,627,663	1,642,719
\$ 39,644,631	\$ 40,239,278	\$ 41,947,022	\$ 41,469,926	\$ 42,383,117	\$ 44,330,606

**North Scott Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Regular instruction	\$ 12,624,134	\$ 12,495,422	\$ 13,006,232	\$ 14,810,509
Special instruction	3,437,643	3,399,108	3,459,513	5,220,416
Other instruction	4,067,536	4,045,107	4,249,107	2,531,419
Student services	1,320,096	1,380,733	1,444,916	1,514,943
Instructional staff services	1,225,679	1,210,167	1,394,685	1,561,680
Administration services	3,420,065	3,251,108	3,608,066	3,566,564
Operation and maintenance of plant	2,518,287	2,565,999	2,626,922	2,830,472
Transportation services	1,317,422	1,327,172	1,401,920	1,219,237
Noninstructional programs	276	5,172	5,674	14,158
Capital outlay, facilities acquisition	2,673,326	8,417,223	7,758,237	2,356,208
AEA flowthrough	1,100,135	1,155,323	1,193,582	1,247,226
Debt service:				
Principal	-	540,000	950,000	955,000
Interest and fiscal charges	-	230,704	363,628	402,005
Issuance costs	221,458	-	-	-
<b>Total expenditures</b>	<b>\$ 33,926,057</b>	<b>\$ 40,023,238</b>	<b>\$ 41,462,482</b>	<b>\$ 38,229,837</b>
Debt service as a percentage of noncapital expenditures	0.76%	2.44%	3.88%	3.91%

Source: District financial records

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 14,242,364	\$ 14,068,181	\$ 14,777,803	\$ 14,338,674	\$ 15,247,481	\$ 16,312,403	
3,706,249	4,025,833	5,281,294	4,165,387	3,976,949	5,517,771	
4,363,770	4,435,216	2,874,529	4,412,317	4,509,983	3,289,111	
1,534,895	1,554,900	1,568,666	1,558,246	1,622,555	1,712,444	
2,484,224	2,416,569	2,038,398	2,400,794	2,683,705	2,615,238	
3,392,127	3,625,690	3,834,287	3,598,605	3,639,552	3,869,480	
2,955,046	2,850,981	2,857,653	3,009,894	2,937,867	3,428,893	
1,361,800	1,333,283	1,388,925	1,855,275	1,021,441	1,662,101	
7,322	7,253	20,911	15,033	16,154	8,654	
4,421,410	4,763,834	3,639,670	2,554,345	2,099,588	5,607,118	
1,279,320	1,318,145	1,319,381	1,370,500	1,371,111	1,433,468	
970,000	980,000	995,000	1,020,000	1,040,000	1,070,000	
382,906	363,505	339,855	316,355	291,155	265,955	
-	-	-	-	-	-	
\$ 41,101,433	\$ 41,743,390	\$ 40,936,372	\$ 40,615,425	\$ 40,457,541	\$ 46,792,636	
3.68%	3.69%	3.62%	3.61%	3.46%	3.30%	

**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			
	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ (30,443)	\$ (5,349,041)	\$ (5,565,456)	\$ 388,119
Other financing sources (uses):				
Sale of capital assets	2,838	34,836	18,846	76,444
Insurance proceeds	-	-	-	-
Issuance of bonds	10,000,000	-	7,000,000	-
Premium on issuance	136,197	-	150,540	-
Transfers in	79,116	770,840	1,360,580	1,355,663
Transfers out	(73,868)	(770,840)	(1,360,580)	(1,355,663)
<b>Total other financing     sources (uses)</b>	<b>10,144,283</b>	<b>34,836</b>	<b>7,169,386</b>	<b>76,444</b>
<b>Net change in fund balances</b>	<b>\$ 10,113,840</b>	<b>\$ (5,314,205)</b>	<b>\$ 1,603,930</b>	<b>\$ 464,563</b>

Source: District financial records

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Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (1,456,802)	\$ (1,504,112)	\$ 1,010,650	\$ 854,501	\$ 1,925,576	\$ (2,462,030)
59,592	20,996	6,947	4,582	-	13,741
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,427,839	1,390,929	1,411,013	1,373,990	1,426,903	1,456,746
(1,376,122)	(1,343,812)	(1,358,830)	(1,569,866)	(1,372,618)	(1,409,781)
111,309	68,113	59,130	(191,294)	54,285	60,706
\$ (1,345,493)	\$ (1,435,999)	\$ 1,069,780	\$ 663,207	\$ 1,979,861	\$ (2,401,324)

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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			
2013	\$ 456,576,305	\$ 253,216,138	\$ 137,398,822	\$ 1,668,648	\$ 845,522,617	\$ 14.50592
2014	483,951,457	237,210,994	140,561,772	1,661,240	860,062,745	14.18910
2015	503,306,152	222,893,531	139,085,750	1,655,688	863,629,745	14.19507
2016	529,972,762	213,453,591	140,725,732	1,655,688	882,496,397	14.01459
2017	573,867,704	195,492,425	167,081,701	1,611,240	934,830,590	13.85580
2018	597,969,228	199,841,640	166,356,616	1,585,312	962,582,172	13.82050
2019	643,198,947	269,936,128	186,613,521	1,570,496	1,098,178,100	13.74358
2020	670,291,892	297,603,988	189,475,898	1,550,124	1,155,821,654	12.42408
2021	673,435,001	318,050,085	202,806,618	1,553,828	1,192,737,876	12.13741
<b>2022</b>	<b>712,075,528</b>	<b>302,918,822</b>	<b>206,033,331</b>	<b>1,492,712</b>	<b>1,219,534,969</b>	<b>11.64722</b>

Source: Iowa Department of Management and Scott County Auditor.

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

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

## North Scott Community School District

### Direct and Overlapping Property Tax Rates

#### Last Ten Fiscal Years

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

(Unaudited)

Fiscal Year	District Direct Rates				Overlapping Rates		
	General Purposes	Capital Purposes	Debt Service	Total	Scott County	College Area IX	City of Bettendorf
2013	\$ 13.20592	\$ 1.30000	\$ -	\$ 14.50592	\$ 6.30156	\$ 0.91511	\$ 12.55000
2014	12.88910	1.30000	-	14.18910	6.23534	0.92043	12.55000
2015	12.89507	1.30000	-	14.19507	6.13204	0.92782	12.55000
2016	12.71459	1.30000	-	14.01459	6.00377	0.96863	12.55000
2017	12.55580	1.30000	-	13.85580	5.82228	1.00909	12.55000
2018	12.52050	1.30000	-	13.82050	5.82167	1.03000	12.50000
2019	12.44358	1.30000	-	13.74358	5.82167	1.03000	12.50000
2020	11.12408	1.30000	-	12.42408	5.99401	0.99000	12.50000
2021	10.83741	1.30000	-	12.13741	6.21304	0.82406	12.80000
<b>2022</b>	<b>10.34722</b>	<b>1.30000</b>	<b>-</b>	<b>11.64722</b>	<b>6.04197</b>	<b>0.92357</b>	<b>12.80000</b>

Source: Iowa Department of Management and Scott County Auditor.

#### Note:

\* Includes levies for operating and debt service costs.

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

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

Special Revenue Funds - The Special Revenue Fund, PPEL has a restriction from voters of \$0.97 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
\$ 16.78000	\$ 8.10000	\$ 7.22267	\$ 6.75396	\$ 10.74199	\$ 5.16957	\$ 9.22504	\$ 10.26832
16.78000	8.10000	7.22420	6.75436	10.60442	5.57674	8.10000	10.27159
16.78000	8.09989	7.22152	6.75442	10.52099	5.99993	8.10000	10.27158
16.78000	8.10000	7.22036	6.82817	10.45768	5.99988	8.10000	10.27158
16.78000	8.37000	7.22091	6.74841	10.29541	5.99003	8.10000	10.25069
16.78000	8.47000	7.21575	6.74820	10.21368	6.00002	8.10000	10.02797
16.78000	8.37000	7.22249	6.74728	9.98558	5.99993	7.89303	10.22336
16.78000	8.37000	7.22454	6.74949	9.92845	6.00003	9.76833	9.79527
16.78000	8.37000	7.22444	6.73610	9.79800	5.99990	12.64708	10.95783
<b>16.78000</b>	<b>8.36992</b>	<b>6.44034</b>	<b>7.02670</b>	<b>9.62550</b>	<b>5.99993</b>	<b>10.61954</b>	<b>10.00266</b>

# North Scott Community School District

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

Name of Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Sterilite Corporation	\$ 57,721,581	1	4.8394%			
Kraft Heinz Foods Company	43,545,339	2	3.6509%			
Midamerican Energy Company	37,957,969	3	3.1824%			
John Deere Construction & Forestry	29,074,750	4	2.4376%			
Deere & Company, Inc.	20,120,625	5	1.6869%	\$ 28,673,100	1	3.3912%
Petersen Properties, LC	13,353,577	6	1.1196%	11,348,420	3	1.3422%
Alliance Pipeline	12,105,628	7	1.0149%			
7G Properties LLC	8,025,012	8	0.6728%			
Murray Enterprises LTD	7,938,090	9	0.6655%	7,941,460	4	0.9392%
Northern Boarder Pipeline Co	7,718,125	10	0.6471%			
ARCP JDDPTIA01				19,868,300	2	2.3498%
Sir Properties Trust				6,533,080	5	0.7727%
Callahan Construction Inc				6,290,760	6	0.7440%
Genesis Systems Group LTD				4,841,850	7	0.5726%
Modern Woodmen of America				4,604,400	8	0.5446%
Earle M Jorgensen Co				4,382,860	9	0.5184%
Hardi, Inc.				4,355,910	10	0.5152%
	<u>\$ 237,560,696</u>		<u>19.9173%</u>	<u>\$ 98,840,140</u>		<u>11.6898%</u>

Source: Scott County Auditor

2021 Total Tax Assessment payable in 2022:	<u>\$ 1,195,737,876</u>
2012 Total Tax Assessment payable in 2013:	<u>\$ 845,522,617</u>

**North Scott Community School District**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 12,559,559	\$ 12,551,092	99.93%	\$ 2,469	\$ 12,553,561	99.95%
2014	12,600,240	12,596,250	99.97%	3,990	12,600,240	100.00%
2015	12,672,844	12,669,991	99.98%	2,853	12,672,844	100.00%
2016	12,783,686	12,780,091	99.97%	3,595	12,783,686	100.00%
2017	13,356,867	13,355,790	99.99%	208	13,355,998	99.99%
2018	13,727,323	13,726,635	99.99%	233	13,726,868	100.00%
2019	15,445,369	15,441,327	99.97%	4,042	15,445,369	100.00%
2020	14,872,703	14,762,200	99.26%	104,707	14,866,907	99.96%
2021	15,012,541	15,012,026	99.99%	515	15,012,541	100.00%
<b>2022</b>	<b>14,750,107</b>	<b>14,744,672</b>	<b>99.96%</b>	<b>-</b>	<b>14,744,672</b>	<b>99.96%</b>

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

Note: N/A = not available.

## North Scott Community School District

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Line of Credit	Total Primary Government	Percentage of Personal Income*	Per Capita*
2013	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	0.0233	\$ 658
2014	-	9,587,685	-	9,587,685	0.0222	631
2015	-	15,772,186	-	15,772,186	0.0362	1,037.44
2016	-	14,798,640	-	14,798,640	0.0324	973.40
2017	-	13,810,094	-	13,810,094	0.0294	908.38
2018	-	12,811,548	-	12,811,548	0.0238	764.77
2019	-	11,798,002	-	11,798,002	0.0215	356.36
2020	-	10,759,456	250,000	11,009,456	0.0193	305.67
2021	-	9,700,910	-	9,700,910	N/A	N/A
<b>2022</b>	-	<b>8,612,364</b>	-	<b>8,612,364</b>	<b>N/A</b>	<b>N/A</b>

Source: District financial records

Notes: Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.

\* See page 101 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*
2013-14	\$ 925,643,543	\$ 12,014,519	\$ -	\$ 853,643	-	\$ -
2014-15	950,539,289	11,544,681	-	854,725	-	-
2015-16	954,105,513	15,772,186	-	1,499,510	-	-
2016-17	975,457,521	14,798,640	-	1,504,282	-	-
2017-18	1,027,794,598	13,810,094	-	1,510,855	-	-
2018-19	1,061,816,489	12,811,548	-	1,522,845	-	-
2019-20	1,154,042,949	11,798,002	-	1,539,818	-	-
2020-21	1,282,869,553	11,009,456	-	1,551,625	-	-
2021-22	1,334,999,359	9,700,910	-	1,555,775	-	-
<b>2022-23</b>	<b>1,375,866,355</b>	<b>8,612,364</b>	-	<b>1,557,859</b>	-	-

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

Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.

\* See page 101 for personal income and population data. These rates are calculated using personal income and population for the prior calendar year.

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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
2013	\$ -	\$ -	\$ -	\$ 28,725,487	-
2014	-	-	-	28,894,503	-
2015	-	-	-	30,154,436	-
2016	-	-	-	32,308,297	-
2017	-	-	-	33,283,869	-
2018	-	-	-	33,596,992	-
2019	-	-	-	33,582,796	-
2020	-	-	-	34,022,343	-
2021	-	-	-	35,149,950	-
<b>2022</b>	-	-	-	<b>37,169,574</b>	-

Source: District financial records.

**North Scott Community School District**

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

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	2013	2014	2015	2016
Debt limit	\$ 46,282,177	\$ 47,526,964	\$ 47,705,276	\$ 48,772,876
Total net debt applicable to limit	10,000,000	9,460,000	15,510,000	14,555,000
Legal debt margin	\$ 36,282,177	\$ 38,066,964	\$ 32,195,276	\$ 34,217,876
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	21.61%	19.90%	32.51%	29.84%

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

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	<b><u>\$ 1,375,866,355</u></b>
Debt limit (5% of assessed value)	<b>\$ 68,793,318</b>
Debt applicable to limit	<b><u>8,612,364</u></b>
Legal debt margin	<b><u>\$ 60,180,954</u></b>

2017	2018	2019	2020	2021	2022
\$ 51,389,730	\$ 53,090,824	\$ 57,702,147	\$ 64,143,478	\$ 66,749,968	<b>\$ 68,793,318</b>
13,585,000	12,605,000	11,798,002	11,009,456	9,700,910	<b><u>8,612,364</u></b>
<b><u>\$ 37,804,730</u></b>	<b><u>\$ 40,485,824</u></b>	<b><u>\$ 45,904,145</u></b>	<b><u>\$ 53,134,022</u></b>	<b><u>\$ 57,049,058</u></b>	<b><u>\$ 60,180,954</u></b>
26.44%	23.74%	20.45%	17.16%	14.53%	<b>12.52%</b>

## North Scott Community School District

### Direct and Overlapping Governmental Activities Debt As of June 30, 2022 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 25,509,268	13.65%	\$ 3,483,281
Eastern Iowa Community College	37,445,000	8.96%	3,354,852
City of Bettendorf	120,143,259	0.17%	208,798
City of Davenport	197,490,000	5.90%	11,651,581
City of Eldridge	13,379,000	100.00%	13,379,000
City of Princeton	80,840	100.00%	80,840
City of Donahue	88,000	100.00%	88,000
City of Long Grove	396,000	100.00%	396,000
City of Maysville	-	0.00%	-
City of McCausland	-	0.00%	-
<b>Subtotal, overlapping debt</b>			<u>32,642,352</u>
District direct debt			<u>8,612,364</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 41,254,716</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; 2021 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		
2013	\$ 2,592,523	\$ -	\$ -	-	
2014	2,591,792	540,000	229,955	29.71	
2015	2,802,180	950,000	362,628	46.84	
2016	2,903,548	955,000	401,005	46.70	
2017	2,945,799	970,000	381,905	45.89	
2018	2,852,367	980,000	362,505	47.07	
2019	3,114,143	995,000	338,755	42.86	
2020	3,187,492	1,020,000	314,655	41.87	
2021	3,026,194	1,040,000	289,955	43.95	
2022	3,692,055	1,070,000	264,755	36.19	

Source: District financial records

Notes: Details regarding the District's outstanding debt can be found in Note 6 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) *
2013	15,203	\$ 429,135,081	\$ 28,227	6.1 %
2014	15,203	431,673,982	28,394	5.9
2015	15,203	435,231,484	28,628	4.6
2016	15,203	456,804,541	30,047	4.7
2017	15,203	469,240,595	30,865	3.8
2018	15,203	538,261,634	32,131	3.1
2019	15,203	548,757,140	33,107	2.4
2020	15,203	568,955,950	36,018	6.0
2021	N/A	N/A	N/A	3.8
<b>2022</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.0</b>

Source:

(a) U.S. Census Bureau

(b) Iowa Department of Revenue

(c) Iowa Workforce Development

Notes: N/A = not available.

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

## North Scott Community School District

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

Employer	2022				2013			
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment	
Deere & Company	6,400	1	2.61	%	5,800	2	3.80	%
Rock Island Arsenal	6,300	2	2.57		7,900	1	5.17	
Unity Point - Trinity	6,100	3	2.48		2,573	5	1.68	
Genesis Health System	4,700	4	1.91		5,100	3	3.34	
HyVee	4,200	5	1.71					
Walmart	3,600	6	1.47					
HNI Corporation/The Hon Company	3,200	7	1.30					
Tyson Fresh Meats	2,400	8	0.98		2,500	6	1.64	
Arconic	2,400	9	0.98					
Kraft Heinz	1,200	10	0.49					
Davenport CSD					2,645	4	1.73	
Aloca Inc					2,200	7	1.44	
Oscar Mayer Foods Inc.					2,000	8	1.32	
Genesis Medical Center					1,500	9	1.05	
APAC Customer Services Inc.					1,295	10	0.85	
Total	<u>40,500</u>		<u>16.49</u>	%	<u>33,513</u>		<u>22.02</u>	%
Total Regional Employees	245,573				151,727			

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

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

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

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

**North Scott Community School District**

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

	Full-Time Equivalent Employees as of June 30			
	2013	2014	2015	2016
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Assistant superintendent	-	-	-	-
Principals	6.9	6.9	6.9	6.9
Assistant principals	2.0	1.0	3.0	3.0
District secretary	0.3	0.3	0.3	0.3
Business Manager	1.0	1.0	1.0	1.0
Other officials/administrators	2.0	2.0	2.0	2.0
<b>Total supervisory</b>	<b>13.2</b>	<b>12.2</b>	<b>14.2</b>	<b>14.2</b>
Instruction:				
Classroom teachers	151.6	153.6	157.9	172.0
Special education teachers	24.0	24.6	24.5	24.8
Special programs	14.9	14.9	14.5	13.5
Vocational teachers	11.2	9.8	12.8	11.8
Teacher aides	57.9	59.4	60.8	65.3
Instructional technology technicians	3.0	5.0	4.4	3.0
Other instruction programs	2.9	4.0	3.7	3.0
<b>Total instruction</b>	<b>265.4</b>	<b>271.3</b>	<b>278.6</b>	<b>293.4</b>
Student services:				
Social workers	1.0	1.0	1.0	1.0
Counselors	10.0	10.0	10.5	10.5
Library/media specialists	5.1	4.5	4.5	5.8
Nurses	5.3	5.5	6.6	5.8
<b>Total student services</b>	<b>21.4</b>	<b>21.0</b>	<b>22.6</b>	<b>23.1</b>
Support and administration:				
Other support services	1.2	1.8	1.2	1.2
Office/clerical personnel	25.3	27.8	23.7	23.5
Other professional employees	-	-	-	1.0
Technology specialist	1.0	1.0	1.0	1.0
Other technical personnel	2.0	-	-	2.0
Crafts and trades personnel	5.5	4.5	4.5	6.5
Laborers	3.0	28.8	31.6	3.0
Service workers	54.7	28.7	31.4	56.5
Operative personnel	13.2	13.0	12.8	13.8
<b>Total support and administration</b>	<b>105.9</b>	<b>105.6</b>	<b>106.2</b>	<b>108.5</b>
<b>Total</b>	<b>405.9</b>	<b>410.1</b>	<b>421.5</b>	<b>439.2</b>

Source: District financial records



Full-Time Equivalent Employees as of June 30						Percentage Change 2013-2022
2017	2018	2019	2020	2021	2022	
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	- %
-	-	-	1.0	1.0	-	100.00
6.8	7.0	7.0	7.0	7.0	<b>7.0</b>	2.19
2.6	3.0	5.0	5.0	5.0	<b>5.0</b>	150.00
0.3	0.3	0.3	0.3	0.3	<b>0.3</b>	-
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	-
2.0	2.0	2.0	2.0	2.0	<b>2.0</b>	-
13.7	14.3	16.3	17.3	17.3	<b>16.3</b>	23.95
170.0	164.4	166.3	162.5	162.8	<b>164.4</b>	8.46
25.8	26.0	26.5	28.5	27.0	<b>28.0</b>	16.67
17.2	19.5	17.1	17.7	15.1	<b>15.1</b>	1.48
11.0	11.0	13.5	12.0	13.0	<b>13.5</b>	21.08
66.7	66.9	67.6	68.1	65.2	<b>67.2</b>	16.02
3.0	3.0	4.0	3.0	3.0	<b>3.0</b>	-
8.4	9.0	9.0	11.0	11.0	<b>11.0</b>	279.31
302.1	299.8	303.9	302.7	297.1	<b>302.2</b>	13.86
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	-
10.5	10.5	10.5	10.5	10.5	<b>10.5</b>	5.00
4.9	5.0	5.0	5.4	5.4	<b>6.0</b>	17.65
6.0	6.1	6.1	6.2	6.0	<b>7.0</b>	31.58
22.4	22.6	22.6	23.0	22.9	<b>24.5</b>	14.38
1.2	1.2	1.2	1.2	1.9	<b>1.9</b>	65.22
22.3	22.3	22.3	22.3	21.2	<b>21.2</b>	(16.34)
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	100.00
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	-
2.0	2.0	2.0	2.0	0.5	<b>0.5</b>	(75.00)
5.5	5.5	5.5	5.5	5.0	<b>5.0</b>	(9.09)
3.0	3.0	3.0	3.0	3.0	<b>3.0</b>	-
55.8	51.1	59.9	55.6	53.3	<b>53.3</b>	(2.63)
13.0	12.6	12.0	12.0	15.4	<b>13.5</b>	2.27
104.8	99.6	107.9	103.6	102.3	<b>100.4</b>	(5.22)
443.0	436.3	450.7	446.6	439.5	<b>443.4</b>	9.23 %

**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
2013	2,952	\$ 28,725,487	\$ 9,731	3.35
2014	3,034	28,894,503	9,524	2.41
2015	3,088	30,154,436	9,765	2.53
2016	3,158	32,308,297	10,230	4.76
2017	3,170	33,258,870	10,492	2.56
2018	3,154	33,596,992	10,652	1.53
2019	2,998	33,582,796	11,202	5.16
2020	2,965	34,022,343	11,475	2.44
2021	2,907	35,149,950	12,093	5.39
<b>2022</b>	<b>3,020</b>	<b>37,169,574</b>	<b>12,308</b>	<b>1.78</b>

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
\$ 33,926,057	\$ 11,493	6.49	219.6	13.44
40,023,238	13,192	25.82	218.5	13.89
41,462,482	13,427	1.78	226.4	13.64
38,229,837	13,014	(3.07)	240.5	13.13
40,936,372	12,914	(0.77)	243.8	13.00
41,743,390	13,235	2.08	243.8	12.94
40,936,372	13,655	3.17	244.9	12.24
40,615,425	13,660	0.04	245.0	12.10
40,457,541	13,919	1.90	239.6	12.13
<b>46,792,636</b>	<b>15,494</b>	<b>11.32</b>	<b>244.5</b>	<b>12.35</b>

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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
2013	145	4.81 %	539	17.88 %	684	22.68 %
2014	145	4.79	553	18.25	698	23.04
2015	139	4.68	583	20.45	722	25.13
2016	112	3.54	580	18.35	692	21.89
2017	150	4.60	547	16.77	697	21.37
2018	145	4.46	630	19.37	775	23.82
2019	114	3.52	617	19.07	731	22.60
2020	113	3.42	662	20.04	775	23.46
2021	66	1.98	638	19.11	704	21.09
<b>2022</b>	<b>102</b>	<b>2.95</b>	<b>795</b>	<b>23.02</b>	<b>897</b>	<b>25.98</b>

Source: District financial records.

# North Scott Community School District

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

School	Fiscal Year			
	2013	2014	2015	2016
Armstrong				
Square feet	41,095	41,095	41,095	41,095
Capacity*	720	720	720	720
Enrollment	316	314	329	351
Playgrounds	2	2	2	2
Glenn				
Square feet	26,297	26,297	26,297	30,177
Capacity*	480	480	480	528
Enrollment	239	271	253	249
Playgrounds	2	2	2	2
Grissom				
Square feet	29,209	29,209	29,209	29,209
Capacity*	480	480	480	480
Enrollment	194	186	187	194
Playgrounds	2	2	2	2
Shepard				
Square feet	39,609	46,900	46,900	46,900
Capacity*	720	720	870	870
Enrollment	366	357	412	422
Playgrounds	2	2	2	2
White				
Square feet	42,546	42,546	67,546	67,546
Capacity*	780	780	990	990
Enrollment	452	463	476	588
Playgrounds	2	2	2	2
Jr. High				
Square feet	105,714	105,714	105,714	105,714
Capacity*	960	960	960	960
Enrollment	478	478	480	489
Playgrounds	-	-	-	-
High School				
Square feet	199,143	205,000	205,000	205,000
Capacity*	1,740	1,740	1,740	1,740
Enrollment	942	942	973	962
Playgrounds	-	-	-	-

Source: District records.

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
41,095	41,095	41,095	41,095	41,095	<b>41,095</b>
720	720	720	720	720	<b>720</b>
370	368	372	375	363	<b>371</b>
2	2	2	2	2	<b>2</b>
30,177	30,177	30,177	30,177	30,177	<b>30,177</b>
528	528	528	528	528	<b>528</b>
258	252	236	228	214	<b>208</b>
2	2	2	2	2	<b>2</b>
29,209	29,209	29,209	29,209	29,209	<b>29,209</b>
480	480	480	480	480	<b>480</b>
185	203	199	198	195	<b>184</b>
2	2	2	2	2	<b>2</b>
46,900	46,900	46,900	46,900	46,900	<b>46,900</b>
870	870	870	870	870	<b>870</b>
422	422	428	442	427	<b>441</b>
2	2	2	2	2	<b>2</b>
67,546	67,546	67,546	67,546	67,546	<b>67,546</b>
990	990	990	990	990	<b>990</b>
561	526	528	506	548	<b>579</b>
2	2	2	2	2	<b>2</b>
105,714	105,714	105,714	105,714	105,714	<b>105,714</b>
960	960	960	960	960	<b>960</b>
483	487	528	501	496	<b>499</b>
-	-	-	-	-	<b>-</b>
205,000	205,000	205,000	205,000	205,000	<b>205,000</b>
1,740	1,740	1,740	1,740	1,740	<b>1,740</b>
956	985	956	988	1,018	<b>1,041</b>
-	-	-	-	-	<b>-</b>

# North Scott Community School District

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

School	Fiscal Year			
	2013	2014	2015	2016
Elementary				
Buildings	5	5	5	5
Square feet	178,756	186,047	211,047	245,104
Capacity	3,180	3,180	3,540	3,588
Enrollment	1,567	1,591	1,657	1,804
Playgrounds	10	10	10	10
Junior High				
Buildings	1	1	1	1
Square feet	105,714	105,714	105,714	105,714
Capacity	960	960	960	960
Enrollment	478	478	480	489
High School				
Buildings	2	2	2	2
Square feet	199,143	205,000	205,000	205,000
Capacity	1,740	1,740	1,740	1,740
Enrollment	942	942	973	962
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	-	-	-	-
Indoor Practice Facility	-	-	-	-
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					
2017	2018	2019	2020	2021	2022
5	5	5	5	5	5
245,104	245,104	245,104	245,104	245,104	<b>245,104</b>
2,588	3,588	3,588	3,588	3,588	<b>3,588</b>
1,796	1,771	1,763	1,749	1,747	<b>1,783</b>
10	10	10	10	10	<b>10</b>
1	1	1	1	1	<b>1</b>
105,714	105,714	105,714	105,714	105,714	<b>105,714</b>
960	960	960	960	960	<b>960</b>
483	487	528	501	496	<b>499</b>
2	2	2	2	2	<b>2</b>
205,000	205,000	205,000	205,000	205,000	<b>205,000</b>
1,740	1,740	1,740	1,740	1,740	<b>1,740</b>
956	985	956	988	1,018	<b>1,041</b>
1	1	1	1	1	<b>1</b>
5,188	5,188	5,188	5,188	5,188	<b>5,188</b>
1	1	1	1	1	<b>1</b>
9,900	9,900	9,900	9,900	9,900	<b>9,900</b>
19	19	19	20	20	<b>20</b>
1	1	1	1	1	<b>1</b>
5,250	5,250	5,250	25,351	25,351	<b>25,351</b>
38	38	38	40	40	<b>40</b>
1	1	1	1	1	<b>1</b>
24,000	24,000	24,000	24,000	24,000	<b>24,000</b>
-	-	-	-	1	<b>1</b>
-	-	-	-	15,552	<b>15,552</b>
1	1	1	1	1	<b>1</b>
1	1	1	1	1	<b>1</b>
1	1	1	1	1	<b>1</b>
2	2	2	2	2	<b>2</b>
1	1	1	1	1	<b>1</b>

## North Scott Community School District Miscellaneous Demographic Statistics

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

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

<b>SCHOOLS</b>	<b>21-22</b>	<b>20-21</b>	<b>19-20</b>	<b>18-19</b>	<b>17-18</b>	<b>16-17</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>
Alan Shepard Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Alan Shepard Elem.			PS	PS	PS	PS	PS	PS	PS	PS
Edward White Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-5	K-5
Edward White Elem.	PS	PS								
John Glenn Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PS-6	PreK-6
Neil Armstrong Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Neil Armstrong Elem.	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS
Virgil Grissom Elem.	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PreK-6
Junior High	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8	*6-8	*6-8
High School	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12

\*Approximately 63 sixth graders 11-12; approximately 78 sixth graders 12-13; approximately 72 sixth graders 13-14; approximately 81 sixth graders (Aug-Dec) 14-15.

### Schools

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

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

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

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. In 2021 the District began construction on a community YMCA with the City of Eldridge with completion in December 2022.

### **Staff and Curriculum**

The North Scott Schools take pride in their excellent workforce. The seven buildings and central office are staffed by 16.00 FTE administrators, 244.5 FTE certified staff and 182.9 FTE support staff. The teaching staff includes classroom teachers, media specialists, nurses and teacher specialists in the areas of reading, art, music, physical education and guidance. The support staff of teacher aides, secretarial and clerical staff, bus drivers and mechanics, custodial/maintenance, child care, food service, print shop and grounds staff all contributes to creating a positive, safe learning environment for students.

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

- The District completed the CASA document to report on the 2021-22 school year and document plans for the upcoming year in implementing the Iowa Common Core.
- The District completed the end-of-year state Teacher Leadership and Compensation (TLC) report. Data was highlighted to show the health of our programming and the positive effect TLC is having in the district.
- The District has identified long-range goals and annual improvement goals with specific action plans to meet the identified needs of students and staff within the District using a School Strategic plan which is reviewed annually with members of the administration and Board of Directors.
- 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.
- Curriculum, instruction, and assessment 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 and progress on our professional development plan implementation. We also observe several classrooms in one of the seven buildings each month. Members of the Cabinet include the Superintendent, Curriculum Director, a board member, all K-12 administrators, the 7-12 Teacher Leader Coordinator, and all K-12 instructional coaches. Minutes of the Curriculum Cabinet are shared after each meeting at School Board meetings.
- All teachers and administrators are involved in grade level and content area meetings to align curriculum, assessment and instruction. The structure of Professional Learning Communities is utilized to carry out this collaborative work.
- The District employs reading specialists who provide academic support in reading for students in grades K-12. The Comprehensive Intervention Model is used by all reading specialists throughout the district.
- Parent/teacher conferences are held in grades kindergarten through twelve twice a year with a high parent participation rate.
- The District provides a well-articulated K-12 counseling program to address the needs of students. All elementary buildings have full time guidance personnel.
- The District continues to provide regular professional development opportunities to all staff in the areas of reading, math, science, technology, and meeting the needs of diverse learners.
- Four computer technicians are employed by the District to assist in the placement of technology in all classrooms and for our online learners. 100% of the District's classrooms are connected to the Internet. All staff members and students have Google accounts. There are more than 3,000 computers across the District. The District has a 1:1 initiative using Chromebooks as the primary devices for students. The District maintains a web page that was restructured and updated in 2022.
- Four computer technicians are employed by the District to assist in the placement of technology in all classrooms and for our online learners. 100% of the District's classrooms are connected to the Internet. All staff members and students Google accounts. There are more than 3,000 computers across the District. The District has a 1:1 initiative using Chromebooks as the primary devices for students. The District maintains a web page which was restructured and updated in 2018-19.
- The Central Office and administrative staff use a web-based personnel software system for hiring new staff.
- The District has an active mentoring program for beginning teachers. "Journey to Excellence" provides each beginning teacher with a trained mentor for a two-year period. Training teachers is on-going to enlarge the pool of mentors supporting beginning educators starting their careers in the District.
- Both the Junior High and High School provide a student academic intervention time each school day.

## Population

The population of the North Scott Community School District is estimated at approximately 15,000. The enrollment in October 2022 was 3,490 students – 1,072 senior high students, 544 junior high students, 1,874 elementary students, 145 4-year-olds. These numbers include students who are open-enrolled or tuitioned into the District.

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

Students were able to receive free meals under the Summer Food Service Program (SFSP) from July 2021 – August 2022 and from September 2021 – June 2022 through the Seamless Summer Option (SSO). As a result, the Food Service Department served a record number of meals during the 2021-2022 school year. Total student breakfasts served was 160,922, and student lunches served was 409,919. Additional meals served was approximately 160,000 more meals served as compared to the totals prior to the coronavirus pandemic. The District also received higher federal meal reimbursement rates to offset higher food and supply costs. The District did not qualify for free meals in the summer of 2022 based on the federal requirements for Free and Reduced Meal Eligibility.

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

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

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

#### Individuals

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

- Presenters, University of Northern Iowa Literacy Spring Conference & Summer Academy, 2013, 2014, 2015, and 2016
- Presenter – 2017 Visible Learning Conference
- Presenter – Association for Middle Level Educators
- Presenters – 2018 National Reading Recovery Council Conference
- 1<sup>st</sup> place in the state for Sr. Division National History Day, 2014
- 2013 National Merit Finalist/Recipient
- State of Iowa Governor's Volunteer Award for Individual Volunteerism
- Big Brothers/Big Sisters of America Big Impact Award Winner
- 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
- Iowa State Distribution Advisory Council
- Presenter at Middle Level Education Southeast Sectional Conference
- Southeast District High School Athletic Director of the Year, 2015
- Wrestling Coach of the Year, 2015
- Boys Class 4A Basketball Coach of the Year, 2015
- Iowa School Counselor-of-the-Year Semi-Finalist, 2017
- Iowa State Bar Mock Trial Coach Educator Hall of Fame Induction, 2017
- MAC Cross-Country Coach of the Year, 2018
- Football District Coaching Staff of the Year, 2018
- Cross Country MAC Coach of the Year, 2019
- Volleyball MAC Coach of the Year, 2019
- Football District Coach of the Year, 2019
- Wrestling MAC Coach of the Year, 2020
- Wrestling MAC Coach of the Year, 2021
- Track MAC Coach of the Year, 2021
- Girls Soccer Coach IGHS AU Soccer Golden Plaque Award, 2022
- Cross Country MAC Coach of the Year, 2022
- Boys Golf MAC Coach of the Year, 2022

#### Building Awards

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

#### Grounds Awards

- 2015 Tennis Courts of the Year

#### Grants

- Scott County Regional Authority Grant, \$12,428 – Strengthening STEM at North Scott

#### **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 – 12, 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	36.6
Average annual snowfall	29.2

### **Municipal Services**

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

### **Notice of Nondiscrimination**

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

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

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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*
<b>2021-22</b>	<b>\$ 146,432,999</b>	<b>\$ 5,275,293</b>	<b>\$ 20,781,753</b>
2020-21	140,128,492	2,763,255	18,870,348
2019-20	138,773,492	2,251,106	18,781,893
2018-19	127,709,918	5,714,786	21,533,792
2017-18	124,662,825	4,286,334	15,765,345
2016-17	119,576,825	6,615,029	5,415,715
2015-16	117,555,405	15,649,202	6,599,043
2014-15	110,037,643	7,469,839	7,261,512
2013-14	99,516,364	11,223,369	2,439,275
2012-13	97,224,430	3,480,508	2,907,201

\* 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	2021-22	2020-21	2019-20	2018-19
Enrollment by Grade				
Kindergarten	<b>271.0</b>	262.0	257.0	243.0
1	<b>221.0</b>	219.0	212.0	216.0
2	<b>232.0</b>	210.0	216.0	243.0
3	<b>222.0</b>	215.0	235.0	242.0
4	<b>226.0</b>	250.0	237.0	241.0
5	<b>259.0</b>	241.0	247.0	245.0
6	<b>258.0</b>	254.0	239.0	243.0
7	<b>257.0</b>	244.0	244.0	257.0
8	<b>240.0</b>	249.0	255.0	262.0
9	<b>252.0</b>	266.0	261.0	223.0
10	<b>261.0</b>	261.0	230.0	252.0
11	<b>273.0</b>	223.0	236.0	231.0
12	<b>242.0</b>	254.0	244.0	241.0
	<b>3,214.0</b>	3,148.0	3,113.0	3,139.0
Certified enrollment	<b>3,113.0</b>	3,071.0	3,029.6	3,077.3

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

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2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
250.0	266.0	278.0	285.0	247.0	237.0
230.0	236.0	237.0	217.0	205.0	218.0
238.0	241.0	227.0	228.0	219.0	234.0
237.0	228.0	231.0	229.0	237.0	206.0
238.0	229.0	238.0	237.0	213.0	224.0
235.0	245.0	247.0	227.0	224.0	226.0
242.0	253.0	228.0	235.0	222.0	237.0
251.0	235.0	244.0	237.0	237.0	245.0
227.0	243.0	240.0	239.0	237.0	226.0
245.0	235.0	241.0	236.0	227.0	238.0
238.0	238.0	243.0	225.0	230.0	260.0
234.0	238.0	229.0	229.0	256.0	215.0
261.0	240.0	242.0	272.0	222.0	248.0
3,126.0	3,127.0	3,125.0	3,096.0	2,976.0	3,014.0
3,035.1	3,062.1	3,078.2	3,046.3	2,948.9	2,978.5

**North Scott Community School District****Schedule of Insurance Coverage****July 1, 2021 - June 30, 2022****(Unaudited)**

Detail of Coverage	Number	From	To
<b>PROPERTY</b>			
Coverage A - Buildings	5A1-37-59-22	7/1/2021	7/1/2022
Coverage B - Personal property			
Coverage C - Extra expense			
<b>LIABILITY</b>			
Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefits, additional insured.	5D1-37-59-22	7/1/2021	7/1/2022
<b>FLEET</b>			
Bodily injury, property damage, medical uninsured motorist, comprehensive, collision. Includes non-owned.	5E1-37-59-22	7/1/2021	7/1/2022
<b>WORKERS' COMPENSATION</b>	180-001-3941	7/1/2021	7/1/2022
<b>INLAND MARINE</b>			
All risk coverage based on statement of values.	5C1-37-59-22	7/1/2021	7/1/2022
<b>COMMERCIAL UMBRELLA (EXCESS LIABILITY)</b>	5J1-37-59-22	7/1/2021	7/1/2022
<b>SCHOOL DISTRICT LEGAL LIABILITY</b>			
Includes prior acts, 36-month discovery period extension, teacher negotiation-covers school board and all employees.	5K1-37-59-22	7/1/2021	7/1/2022
<b>PUBLIC SCHOOL EMPLOYEES BLANKET BOND</b>	5F1-37-59-22	7/1/2021	7/1/2022
<b>POLLUTION</b>	5P1-37-59-22	7/1/2021	7/1/2022
<b>GROUP EXCESS LIABILITY</b>	5Y1-37-59-22	7/1/2021	7/1/2022
<b>DATA COMPROMISE</b>	5Q1-37-59-22	7/1/2021	7/1/2022

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.	142,323
\$2,000,000 bodily injury and property damage each occurrence, \$2,000,000 aggregate.	23,623
\$2,000,000 combined single limit liability, \$5,000 medical payment, ACV comprehensive no deductible, buses \$250 deductible, small vehicles \$100 deductible and automobiles uninsured and underinsured motorist \$1,000,000	45,532
Statutory.	127,362
As per schedule.	663
\$9,000,000 occurrence and aggregate.	16,047
\$2,000 deductible, \$2,000,000 each loss, \$2,000,000 aggregate.	16,206
Blanket coverage \$1,000,000 all employees w/ \$10,000 deductible	3,738
\$1,000,000 each incident, \$1,000,000 aggregate	1,350
\$15,000,000 occurrence limit and \$30,000,000 aggregate limit	7,906
As per schedule.	11,992

**North Scott Community School District**

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

Fiscal Year	Budgeted State Aid	Actual Revenue	Difference State Aid to Actual	Difference % of Budget Variance**
<b>2022</b>	<b>\$ 20,015,060</b>	<b>\$ 19,856,796</b>	<b>\$ 158,264</b>	<b>0.79%</b>
2021	18,977,216	18,901,181	76,035	0.40%
2020	18,985,887	18,828,806	157,081	0.83%
2019	18,374,416	18,298,603	75,813	0.41%
2018	19,033,612	18,956,147	77,465	0.41%
2017	18,978,935	18,902,895	76,040	0.40%
2016	17,230,352	17,150,827	79,525	0.46%
2015	16,592,001	16,513,565	78,436	0.47%
2014	15,876,358	15,793,642	82,716	0.52%
2013	15,395,627	15,308,497	82,716	0.57%
Average	\$ 17,945,946	\$ 17,851,096	\$ 94,409	0.53%

\*\* 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)**

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Budget Year	Enrollment	(A) North Scott New Money	(B) North Scott Settlement	(C) New Money State Trend	(D) Settlement State Trend	(E) Certified Teaching Staff (FTE)
<b>2021-22</b>	<b>3,071.0</b>	<b>3.79%</b>	<b>3.30%</b>	<b>1.95%</b>	<b>2.88%</b>	<b>244.50</b>
2020-21	3,029.6	1.00%	2.00%	2.28%	2.69%	239.56
2019-20	3,077.3	2.73%	2.00%	1.23%	2.51%	240.31
2018-19	3,035.1	0.58%	2.12%	1.20%	2.34%	238.81
2017-18	3,062.1	1.00%	3.45%	1.34%	2.16%	243.80
2016-17	3,078.2	3.32%	2.76%	1.79%	3.33%	240.30
2015-16	3,046.3	4.60%	3.51%	1.87%	3.15%	240.48
2014-15	2,948.9	2.97%	3.86%	3.00%	3.65%	226.42
2013-14	2,978.5	1.72%	3.85%	2.42%	3.70%	218.48
2012-13	2,986.6	1.70%	3.76%	1.28%	3.70%	219.60
Ten-year average	\$ 3,031	2.34%	3.06%	1.84%	3.01%	235.23
Percent variance (B-A)/B		23.52%		(D-C)/C	64.00%	

\* Source IASB reports.

**North Scott Community School District**

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

Education Level	Fiscal Year			
	2013	2014	2015	2016
<b>BA</b>				
Total FTE	55.63	60.00	66.50	67.98
Average salary	36,955.78	37,731.38	38,755.05	39,488.71
<b>BA + 15</b>				
Total FTE	25.40	22.69	21.44	23.50
Average salary	42,295.08	44,143.98	44,872.77	45,889.45
<b>BA + 30</b>				
Total FTE	24.00	25.00	22.00	19.50
Average salary	48,339.25	48,766.80	49,253.55	51,200.49
<b>MA</b>				
Total FTE	61.07	60.29	62.98	64.00
Average salary	47,017.08	48,716.42	48,786.39	50,090.38
<b>MA + 15</b>				
Total FTE	22.00	21.50	20.50	25.50
Average salary	50,887.18	51,992.14	54,365.80	55,701.45
<b>MA + 30</b>				
Total FTE	32.00	29.00	33.00	40.00
Average salary	56,768.81	59,249.59	60,275.91	60,837.10
<b>Grand total FTE</b>	220.10	218.48	226.42	240.48
<b>Total average salary</b>	45,877.97	46,951.03	47,606.36	49,155.48

Source: District personnel records.

**Notes:**

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



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Fiscal Year					
2017	2018	2019	2020	2021	2022
59.60 40,397.58	65.60 41,353.20	46.50 41,709.28	49.98 40,914.01	54.48 41,221.87	<b>49.75</b> <b>41,925.00</b>
22.06 45,935.03	20.31 46,724.58	21.48 46,529.97	13.00 48,383.85	15.00 48,090.00	<b>19.63</b> <b>48,033.00</b>
21.63 51,875.36	22.63 52,518.64	23.19 52,954.91	19.69 54,985.96	18.69 55,596.56	<b>21.63</b> <b>54,082.00</b>
64.01 50,838.55	65.38 51,995.18	73.88 51,742.06	78.88 52,223.14	76.63 52,571.89	<b>72.00</b> <b>53,746.00</b>
30.50 56,109.54	29.00 57,194.41	31.63 56,444.46	33.63 56,854.19	30.63 58,197.35	<b>26.00</b> <b>59,627.00</b>
42.50 61,585.58	40.88 62,612.50	42.13 61,645.83	45.13 62,126.03	44.13 63,302.35	<b>55.50</b> <b>64,402.00</b>
240.30 51,514.43	243.80 51,139.97	238.81 51,807.50	240.31 52,397.58	239.56 52,642.00	<b>244.51</b> <b>53,955.97</b>

**North Scott Community School District**

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

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	Fiscal Year			
	<b>2022-23</b>	2021-22	2020-21	2019-20
Certified	<b>3.60 %</b>	3.30 %	2.00 %	2.00 %
Classified	<b>3.60</b>	3.40	2.00	2.00
Bus drivers	<b>3.50</b>	3.20	2.00	3.00
Administrators	<b>3.40</b>	3.20	2.00	2.00
Midmanagement	<b>3.40</b>	3.20	2.00	2.00
Print shop	<b>N/A</b>	N/A	N/A	N/A
Exempt	<b>3.40</b>	3.20	2.00	2.00

Source: District records.

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Fiscal Year						10-Year
2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	Average
2.12 %	3.45 %	2.76 %	3.51 %	3.86 %	3.85 %	3.05 %
1.20	1.65	2.75	3.35	3.86	3.06	2.69
1.26	1.00	2.76	3.35	3.86	3.12	2.71
1.73	2.20	2.76	3.00	3.25	3.78	2.73
1.63	2.50	2.76	3.00	3.86	3.00	2.74
N/A	2.50	2.76	3.00	3.86	3.00	3.02
1.88	2.50	2.76	3.00	3.86	3.00	2.76

**North Scott Community School District**

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

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Fiscal Year	Unassigned/ Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
<b>2022</b>	<b>\$ 7,354,231</b>	<b>\$ 37,051,040</b>	<b>19.85%</b>
2021	7,746,503	35,294,988	21.95%
2020	7,874,085	34,867,591	22.58%
2019	7,330,814	34,896,662	21.01%
2018	6,091,547	34,422,847	17.66%
2017	5,203,385	33,850,867	15.37%
2016	4,696,591	30,914,743	15.19%
2015	4,999,015	30,113,559	16.60%
2014	5,199,486	29,463,500	17.65%
2013	4,582,172	28,838,374	15.89%

Source: District financial records.

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

COMPLIANCE SECTION



**North Scott**  
Community Schools

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**North Scott Community School District**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 388,924
National School Lunch Program	10.555	FY22 4553	-	1,772,859
COVID-19 Child Nutrition Program CARES Grants to States	10.555	FY22 4553	-	5,190
Commodities -DOD (Noncash)	10.555	FY22	-	71,553
Commodities (Noncash)	10.555	FY22	-	128,830
			-	1,978,432
Summer Food Service Program for Children	10.559	FY22 4556	-	183,562
Total Child Nutrition Cluster Program			-	2,550,918
Child and Adult Food Care Program	10.558	FY22 4554	-	3,349
COVID-19 Pandemic EBT Administrative Costs	10.649	FY22 4046	-	614
<b>Total U.S. Department of Agriculture</b>			-	<b>2,554,881</b>
<b>U.S. Department of Education</b>				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Education Agencies	84.010	FY22 4501	-	248,842
Supporting Effective Instruction State Grants	84.367	FY22 4643	-	53,972
Student Support and Academic Enrichment Program	84.424	FY22 4669	-	14,701
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY22 4053	-	16,947
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY22 4054	-	9,910
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	FY22 4048	-	184,082
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	FY22 4055	-	471,374
			-	655,456
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4048	-	34,448
Total Education Stabilization Fund			-	716,761

(Continued)

**North Scott Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**

**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education (continued)</b>				
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY22 4521	\$ -	\$ 135,951
COVID-19 American Rescue Plan- Special Education				
Grants to States (Part B)	84.027X	FY22 4031	-	20,974
Total Special Education Cluster Program			-	156,925
English Language Acquisition State Grants	84.365	FY22 4644	-	284
Career and Technical Education- Basic Grants to States	84.048	FY22 4531	-	26,419
<b>Total U.S. Department of Education</b>			-	1,217,904
<b>U.S. Department of Health and Human Services</b>				
Pass-Through Iowa Department of Education:				
COVID-19 Child Care and Development Block Grant	93.575	FY22 4616	-	27,000
<b>Total U.S. Department of Health and Human Services</b>			-	27,000
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 3,799,785

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, 2022**

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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, 2022. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. 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.

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... a commitment to the community.

**North Scott Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022**

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Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation

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**Other Findings Related to Required Statutory  
Reporting:**

<b>IV-H-21:</b> There were variances regarding certified enrollment data certified to the state in October 2020.	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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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  
December 20, 2022



**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**

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

We have audited North Scott Community School District's (the District) compliance with the types of compliance requirements as identified as subject to audit 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, 2022. 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.

In our opinion, North Scott complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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



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

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

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

*Bohnsack & Frommelt LLP*

Moline, Illinois  
December 20, 2022

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North Scott Community School District

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

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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:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
Child Nutrition Cluster Program:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	COVID-19 Child Nutrition Program CARES Grants to States
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.559	Summer Food Service for Children
Education Stabilization Fund:	
84.425B	COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants
84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425U	COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)

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, 2022**

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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:

No matters were reported.

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

**IV-A-22**

Certified Budget: Expenditures for the year ended June 30, 2022 did not exceed the amounts budgeted at year-end.

**IV-B-22**

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-22**

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-22**

Business Transactions: No business transactions between the District and District officials or employees were noted.

**IV-E-22**

Restricted Donor Activity: No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**IV-F-22**

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-G-22**

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

(Continued)

## North Scott Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2022

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#### IV-H-22

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

#### IV-I-22

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

#### IV-J-22

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-K-22

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

#### IV-L-22

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

#### IV-M-22

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, 2022, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	4,887,122
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,692,055	
Other		14,675	3,706,730
Expenditures/transfers out:			
Support services		211,470	
School infrastructure:			
Buildings and improvements		4,457,273	
Transfers out		1,334,573	6,003,316
Ending balance		\$	2,590,536

For the year ended June 30, 2022, the District reduced the tax levy by not having a debt service levy of \$2.68 per \$1,000 of taxable valuation as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

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North Scott Community School District  
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**North Scott Community School District**

**Corrective Action Plan  
Year Ended June 30, 2022**

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Findings	Corrective Action Plan	Anticipated Date of Completion
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**None.**