

NORTH SCOTT
Community School District

Eldridge, Iowa



Annual Comprehensive
Financial Report
For The Fiscal Year
Ended June 30, 2025

Annual Comprehensive Financial Report of the

North Scott Community School District
Eldridge, Iowa

For the Fiscal Year Ended June 30, 2025

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

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INTRODUCTORY SECTION (Unaudited)

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

FINANCIAL SECTION

Independent auditor's report	1-3
Management's discussion and analysis	4-15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16-17
Statement of activities	18-19
Governmental fund financial statements:	
Balance sheet- governmental funds	20
Reconciliation of total governmental fund balances to net position of governmental activities	21
Statement of revenues, expenditures and changes in fund balances- governmental funds	22
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	23
Proprietary fund financial statements:	
Statement of net position	24
Statement of revenues, expenses and changes in net position	25
Statement of cash flows	26-27
Fiduciary fund financial statements:	
Statement of fiduciary net position	28
Statement of changes in fiduciary net position	29
Notes to financial statements	30-58
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and changes in balances budget and actual- all governmental and enterprise funds	59-60
Schedule of changes in the district's total OPEB liability and related ratios	61-62
Schedule of the district's proportionate share of the net pension liability	63-64
Schedule of the district's contributions	65-66
Notes to required supplementary information	67-68
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	69
Combining statement of revenues, expenditures and changes in fund balances	70
Schedule of combining balance sheet- capital projects fund- by account	71
Combining schedule of revenues, expenditures and changes in fund balances- capital projects fund- by account	72
Nonmajor enterprise funds:	
Combining statement of net position	73
Combining statement of revenues, expenses and changes in net position	74
Combining statement of cash flows	75-76

STATISTICAL SECTION (Unaudited)

Statistical section contents	77
Financial trends:	
Net position by component	78-79
Expenses, program revenues and net (expense)/revenue	80-81
General revenues and total change in net position	82-83
Fund balances, governmental funds	84-85
Governmental funds revenues	86-87
Governmental funds expenditures and debt service ratio	88-89
Other financing sources and uses and net change in fund balances	90-91
Revenue capacity:	
Assessed value and actual value of taxable property	92
Direct and overlapping property tax rates	93-94
Principal property taxpayers	95
Property tax levies and collections	96
Debt capacity:	
Outstanding debt by type	97
Ratio of net bonded debt to assessed values	98
Ratio of annual debt service principal and interest for general bonded debt to total general expenditures	99
Legal debt margin information	100-101
Direct and overlapping governmental activities debt	102
Pledged revenue coverage	103
Demographic and economic statistics:	
Demographic and economic statistics	104
Principal employers	105
Operating information:	
Full-time equivalent district employees by type	106-107
Operating statistics	108-109
Free and reduced students	110
School building information	111-112
Capital asset information	113-114
Property values, construction and bank deposits	115
Miscellaneous information:	
Miscellaneous demographic statistics	116-121
Enrollment by grade and certified enrollment	122-123
Schedule of insurance coverage	124-125
History of state aid payments	126
Local regular program budget vs. teacher settlements, new money	127
Average salary by education level	128-129
Total package settlement	130-131
Financial solvency ratio	132

COMPLIANCE SECTION

Schedule of expenditures of federal awards	133-134
Notes to the schedule of expenditures of federal awards	135
Summary schedule of prior audit findings	136
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	137-138
Independent auditor's report on compliance for each major federal program and on internal control over compliance as required by the Uniform Guidance	139-141
Schedule of findings and questioned costs	142-146
Corrective action plan	147



December 12, 2025

Tracy Lindaman, 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, 2025. 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, 2025 the District had \$49,608,824 of debt applicable to its legal debt margin. This amount is below the District's bonding capacity of \$96,438,617.

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 and a Savings Account with rates at June 30, 2025 of 3.87% and 4.66%, respectively.

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. ISJIT interest rates ended the year at 4.30%.

Interest revenue of \$1,750,847 was earned on all cash and investments for the fiscal year ending June 30, 2025. This represents a decrease of \$510,303 or 23%. The decrease in interest income can be attributed to a decrease of earnings on bond deposits as projects have been completed.

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 West Bend Mutual. 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

Overall District enrollment has remained steady during the last 10 years with an increase in nonresident students served. 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. Over 10% of the District's students now served are nonresident 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 financial planning process. Consistent enrollment and a steady growth in the property tax base has helped achieve financial goals. There is community support for the Instructional Support Levy, the Physical Plant and Equipment Levy and the Public Education & Recreation 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. During 2025 the District completed major building additions to Alan Shepard Elementary, Neil Armstrong Elementary, the Jr. High and High School Welding Lab; opened a Regional Innovation Center, completed a new Softball Complex, purchased and made major improvements a wrestling facility and Lancer Stadium.

Major Initiatives and Achievements

North Scott Community Schools experienced a successful 2024-2025 school year. We maintained high expectations for our students and staff despite some challenges, which included the teacher, staff and substitute shortage. 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.)
 - K-12 math curriculum study resulting in the adoption of a K-6 and 7-12 math curriculum.
 - Continued refinement of our guaranteed and viable curriculum in all areas
 - Vertical alignment in the area of computer science.
 - Grading and feedback practices at the secondary level
 - Gradual Release of Responsibility at the secondary level
 - Differentiated learning based on grade level and department at the secondary level
- Collaborative teams have been established district-wide using the Professional Learning Communities model and continued to be a focus for our staff to support student learning.
- Teacher leaders have been lead learners with standards based grading with the goal of ensuring that grading reflects students' learning of standards, is accurate, and consistent. The secondary achieved full implementation in the 24/25 school year and continues to refine student and parent communication
- The district continued the work with the vertical alignment of our curriculum focusing on computer science. During this process, proficiency scales were developed.
- All teachers were supported by the ongoing commitment to the Teacher Leadership and Compensation system with mentors, teacher leaders, and instructional coaches working in the system. They provide large group, job-embedded, and one-on-one professional learning directly to teachers. They also support the broader system through data analysis and system planning and collaborative team facilitation and support.
- We continued with the New Teacher network (NTN) to provide an extra layer of support for our 1st and 2nd year teachers. We met with our first year teachers monthly and covered a variety of topics.
- Special education teachers and reading interventionists received ongoing training in the area of literacy instruction through internal training.
- 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 completed the scope and sequence and will move to consistent instructional planning across the district for K-6. In addition, in order to align more closely with the state the identification process was updated to include identification for K-3 students.
- We are proud of the expansive opportunities available to students within our CTE course offerings as we continue to expand our offerings with the addition of courses at the Regional Innovation Center.
- As evidenced above, District efforts are focused on supporting and increasing student learning. Listed below is information on student achievement for the 2024-2025 school year. The percentages below reflect the number of students who were proficient in the spring of 2025.

- ISASP ELA Results:

3 rd grade – 84%	4 th grade – 80%	5 th grade – 88%
6 th grade – 86%	7 th grade – 88%	8 th grade – 89%
9 th grade – 73%	10 th grade – 78%	11 th grade – 71%

- ISASP Math Results:

3 rd grade – 89%	4 th grade – 77%	5 th grade – 83%
6 th grade – 86%	7 th grade – 79%	8 th grade – 77%
9 th grade – 71%	10 th grade – 75%	11 th grade – 72%

- ISASP Science Results:

5 th grade - 76%
8 th grade - 75%
10 th grade - 72%

- The dropout chronic absenteeism rate was 13.17%.
- The 2024 graduation rate for the North Scott Community School District was 95.38% for four year graduates.
- The 2025 graduation rate for the North Scott Community School District was 95.15% for 5 year graduates.
- All 2025 graduates completed 4 years of ELA and at least 3 years of math, science, and social studies.
- 57% of graduating seniors indicated they intended to pursue post-secondary education or training.

Economic Condition and Outlook

The District's General Fund Balance increased by \$272,071, and the Unassigned Fund Balance increased by \$486,652. The overall General Fund Balance increase is due to an increase in tuition in revenues not budgeted to be spent, additional grant funding received, interest income, and controlling District costs. The District's General Fund Unspent Authorized Budget (UAB) increased by over \$1.5 million and the UAB percentage of maximum authorized budget is 23%.

The District's solvency ratio at the close of 2024-2025 was 25.13%. It is recommended the District have a solvency ratio of no more than 25%. It is anticipated the solvency ratio will be stable for 2025-2026.

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 issuance of \$25,000,000 General Obligation Bonds. These bonds were used to build a Regional Innovation Center and softball complex, to complete additions to the High School, Junior High, Neil Armstrong Elementary, and Alan Shepard Elementary, make improvements to Lancer Stadium, the purchase and remodel of a wrestling facility, energy savings projects and the purchase of land. All of these projects will be up and running during the 2025-2026 school year.

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 decreased slightly from 3,018.2 in 2023 to 2,991.3 in 2024. The October 2025 certified count decreased again to 2,928.1 while net open enrolled in students increased by 31 students to 327. The cost per pupil for 2024-25 is \$7,826 and the cost per pupil for 2025-26 is \$7,988. The cost per pupil for 2026-27 is currently unknown.

During the 2024 Legislative session, new teacher wage minimums were introduced. The new wage minimums have had a large impact on teacher salary schedules. 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, 2024. 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

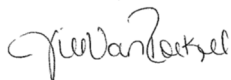
Also included in this report is a statistical section that will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

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 Annual Comprehensive 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, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/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

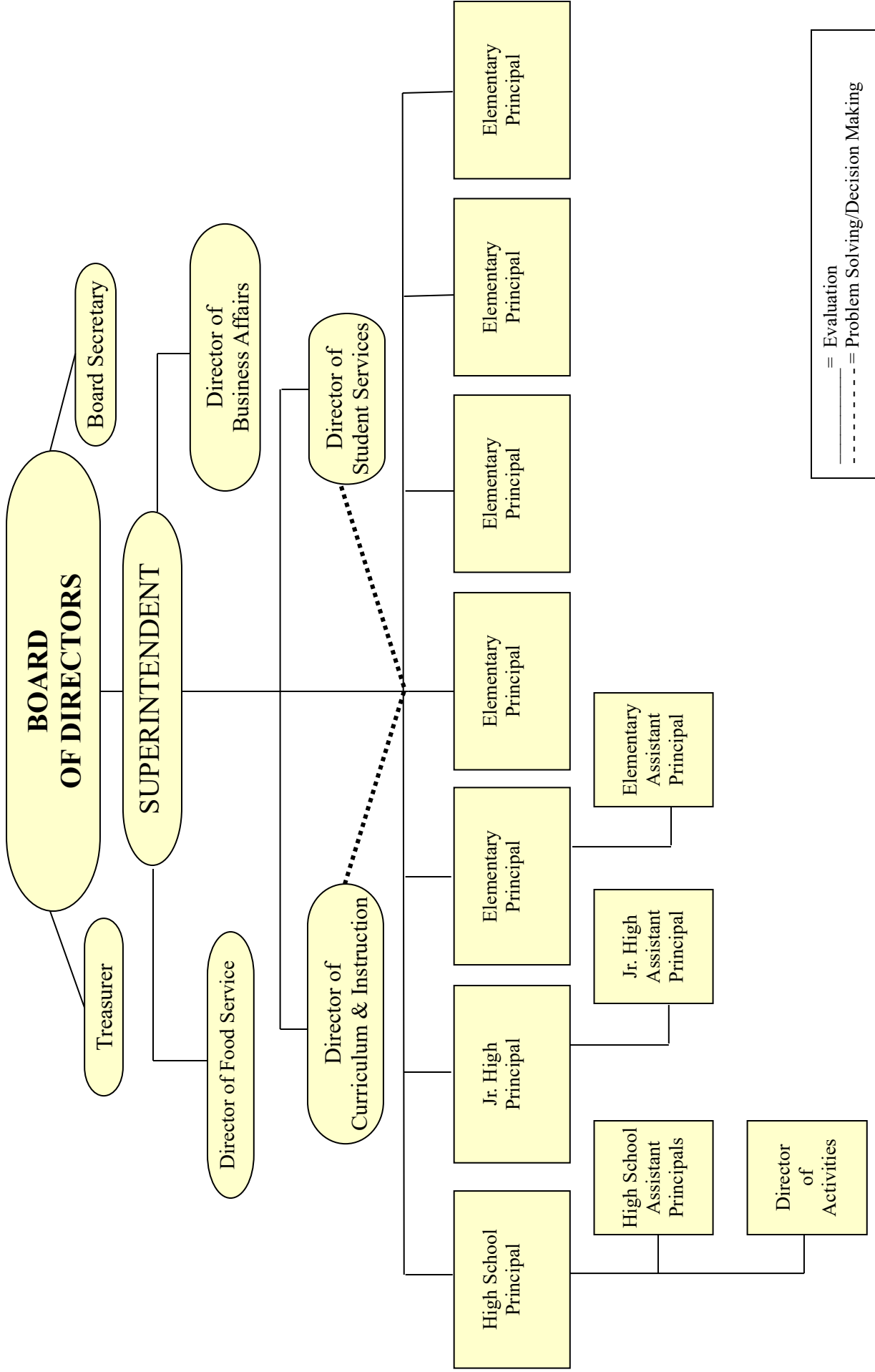
June 30, 2024

Christopher P. Morill

Executive Director/CEO

NORTH SCOTT COMMUNITY SCHOOL DISTRICT

Organizational Chart



_____ = Evaluation
 - - - - - = Problem Solving/Decision Making

North Scott Community School District

**Board of Education and School District Administration
Year Ended June 30, 2025**

Before November 2025 Election
Board of Education

Mark Pratt	President	2025
Tracy Lindaman	Vice President	2025
Molly Bergfeld	Director	2027
Joni Dittmer	Director	2027
Carrie Keppy	Director	2027
Stephanie Eckhardt	Director	2027
Frank Wood	Director	2025

After November 2025 Election
Board of Education

Tracy Lindaman	President	2029
Joni Dittmer	Vice President	2027
Molly Bergfeld	Director	2027
Morgan Dunn	Director	2029
Carrie Keppy	Director	2027
Stephanie Eckhardt	Director	2027
Frank Wood	Director	2029

School District Administration

Joe Stutting	Superintendent
Terina Bruns	Board Secretary
Steven Fahrenkrog	Treasurer
Jill Van Roekel	Director of Business Affairs
Nicole Litterer	Director of Curriculum & Instruction
Heather Shults-Hendricks	Director of Student Services
Amy Guerrero	Director of Food Service
Andrew Lehn	Principal
Chad Jones	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
Kevin Moses	Associate Principal

North Scott Community School District

Consultants and Advisors

Year Ended June 30, 2025

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

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

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, 2025, 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, 2025, 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 (*Government Auditing Standards*). 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business-type activities, major enterprise fund, School Nutrition Fund and nonmajor enterprise fund, Child Care Fund net position were restated.

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 judgment 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 59-68 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 12, 2025, 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 12, 2025

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North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

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, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2025 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$7,067,817 during the year ended June 30, 2025.
- Total revenues for the fiscal year ended June 30, 2025 and 2024 of \$58,308,063 and \$56,353,540 were comprised of general revenues in the amount of \$40,188,224 and \$39,692,661 and program revenues totaling \$18,119,839 and \$16,660,879, respectively.
- The District's General Fund fund balance increased by \$272,071, the unassigned fund balance increased by \$468,753 and the nonspendable/restricted/assigned fund balance decreased by \$196,682.
- In fiscal year 2025 the District paid principal on long-term debt of \$1,722,470 and paid interest on long term debt of \$2,394,171.

USING THIS ANNUAL REPORT

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

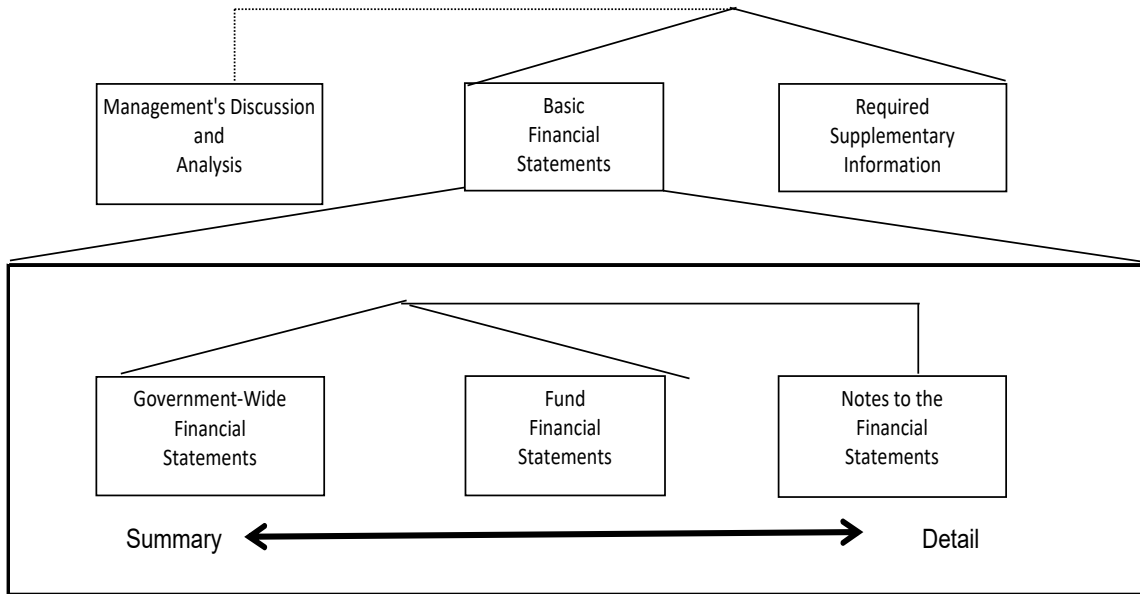
- Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about 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, 2025**

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, 2025**

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

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

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

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, 2025

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, 2025

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, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total
	Restated		Restated		Restated		Percentage Change 2024-25
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	
Current and other assets	\$ 58,884,384	\$ 74,610,762	\$ 2,637,274	\$ 2,703,808	\$ 61,521,658	\$ 77,314,570	-20.4%
Capital assets	104,185,332	89,371,714	1,149,189	1,081,490	105,334,521	90,453,204	16.5%
Total assets	163,069,716	163,982,476	3,786,463	3,785,298	166,856,179	167,767,774	-0.5%
Deferred outflows of resources	3,487,721	4,812,732	119,332	132,065	3,607,053	4,944,797	-27.1%
Noncurrent liabilities	67,452,441	68,643,320	501,920	421,233	67,954,361	69,064,553	-1.6%
Current liabilities	6,252,978	15,267,925	113,555	197,364	6,366,533	15,465,289	-58.8%
Total liabilities	73,705,419	83,911,245	615,475	618,597	74,320,894	84,529,842	-12.1%
Deferred inflows of resources	19,584,378	18,687,436	24,236	27,662	19,608,614	18,715,098	4.8%
Net position:							
Net investment in capital assets	56,791,995	49,808,850	1,149,189	1,081,490	57,941,184	50,890,340	13.9%
Restricted	13,414,950	14,817,128	-	-	13,414,950	14,817,128	-9.5%
Unrestricted	3,060,695	1,570,549	2,118,619	2,189,614	5,179,314	3,760,163	37.7%
Total net position	\$ 73,267,640	\$ 66,196,527	\$ 3,267,808	\$ 3,271,104	\$ 76,535,448	\$ 69,467,631	10.2%

The District's combined net position increased by 10.2 percent or \$7,067,817 from the prior year net position as restated.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$7,050,844 or 13.9 percent. The District's capital assets increased by \$14,881,317.

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 \$1,402,178 or 9.5 percent from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from \$3,760,163 to \$5,179,314. The General Fund had an increase in fund balance of \$272,071 contributing to the increase in unrestricted net position coupled with a change in the pension liability.

The District implemented Government Accounting Standards Board Statement No. 101, *Compensated Absences*, which required a restatement to fiscal year 2024 governmental activities, business-type activities, major enterprise fund, School Nutrition Fund and nonmajor enterprise fund, Child Care Fund net position.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

Figure A-4 shows the changes in net position for the year ended June 30, 2025 compared to June 30, 2024.

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total
	Not Restated		Not Restated		Not Restated		Percentage
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	Change 2024-25
Revenues:							
Program revenues:							
Charges for services	\$ 5,998,663	\$ 4,498,378	\$ 1,666,227	\$ 1,503,474	\$ 7,664,890	\$ 6,001,852	27.7%
Operating grants and contributions and restricted interest	6,247,212	7,925,971	1,007,737	1,035,478	7,254,949	8,961,449	-19.0%
Capital grants	3,200,000	1,697,578	-	-	3,200,000	1,697,578	0.0%
General revenues:							
Taxes	22,508,172	21,097,414	-	-	22,508,172	21,097,414	6.7%
Unrestricted state and federal revenues	15,929,205	16,334,096	-	-	15,929,205	16,334,096	-2.5%
Other	1,650,166	2,144,585	100,681	116,566	1,750,847	2,261,151	-22.6%
Total revenues	55,533,418	53,698,022	2,774,645	2,655,518	58,308,063	56,353,540	3.5%
Program expenses:							
Governmental activities:							
Instruction	28,689,050	26,567,129	-	-	28,689,050	26,567,129	8.0%
Support services	16,363,468	14,958,010	-	-	16,363,468	14,958,010	9.4%
Noninstructional	3,655	2,854	-	-	3,655	2,854	28.1%
Other expenditures	3,481,127	2,845,481	-	-	3,481,127	2,845,481	22.3%
Nutrition services	-	-	2,382,145	2,143,600	2,382,145	2,143,600	11.1%
Child care services	-	-	319,493	281,831	319,493	281,831	13.4%
Student construction	-	-	1,308	5,136	1,308	5,136	100.0%
Total expenses	48,537,300	44,373,474	2,702,946	2,430,567	51,240,246	46,804,041	9.5%
Excess of revenues over expenses before transfers	6,996,118	9,324,548	71,699	224,951	7,067,817	9,549,499	-26.0%
Transfers	74,995	69,400	(74,995)	(69,400)	-	-	0.0%
Change in net position	7,071,113	9,393,948	(3,296)	155,551	7,067,817	9,549,499	-26.0%
Beginning net position, as restated	66,196,527	61,113,427	3,271,104	3,249,126	69,467,631	64,362,553	7.9%
Ending net position	\$ 73,267,640	\$ 70,507,375	\$ 3,267,808	\$ 3,404,677	\$ 76,535,448	\$ 73,912,052	3.5%

Governmental activities:

Taxes and unrestricted state grants account for 69.2 percent of the total governmental activities revenue. The District's expenses primarily relate to instruction and support services which account for 92.8 percent of the total governmental activities expenses.

The increase in total revenue is due to increases in charges for services and capital grants which was primarily for the Regional Innovation Center Facility.

Total expenses for governmental activities increased by \$4,163,826. The increase is primarily reflected in instruction and support services due to increased expenses related to salaries and benefits from Board of Education approved adjustments and due to increases in full-time equivalent positions.

North Scott Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2025**

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

Figure A-5 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	Not Restated		Change	Not Restated		Change
	June 30, 2025	June 30, 2024	2024-2025	June 30, 2025	June 30, 2024	2024-2025
Instruction	\$ 28,689,050	\$ 26,567,129	7.99%	\$ 14,846,116	\$ 14,519,768	2.2%
Support services	16,363,468	14,958,010	9.40%	15,975,926	14,376,029	11.1%
Noninstructional	3,655	2,854	28.07%	3,655	2,854	28.1%
Other expenses	3,481,127	2,845,481	22.34%	2,265,728	1,352,896	67.5%
Total	\$ 48,537,300	\$ 44,373,474	9.38%	\$ 33,091,425	\$ 30,251,547	9.4%

The cost financed by users of the District’s programs for the year ended June 30, 2025 was \$5,998,663 compared to year ended June 30, 2024 \$4,498,378.

Federal and state governments subsidized certain programs with grants and contributions totaling \$9,447,212 for the year ended June 30, 2025 compared to year ended June 30, 2024 \$9,623,549.

The net cost of governmental activities was financed respectively for the years ended June 30, 2025 and 2024 with \$22,508,172 and \$21,097,414 in property tax, income surtax and statewide sales, services and other taxes, \$15,929,205 and \$16,334,096 in unrestricted state and federal revenue, \$1,650,166 and \$2,144,585 in unrestricted investment earnings and other general revenues.

Business-Type Activities

Revenues of the District’s business-type activities were \$2,774,645 and expenses were \$2,702,946. 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.

Charges for services increased primarily due to the sale of two student built houses. Expenses in the Nutrition Fund increased due to the adoption of GASB Statement No. 101, *Compensated Absences*.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

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 \$26,137,983; a decrease of \$12,772,699 from last year's ending fund balances of \$38,910,682. The decrease is primarily due to planned spending on capital projects from the issuance of \$25,000,000 general obligation bonds in the prior year. The District spent \$17,570,927 for facilities acquisition in 2025 compared to \$31,731,263 in 2024.

Governmental Fund Highlights

The District's General Fund financial position increased by \$272,071. The District's General Fund revenues of \$41,676,328 reflect a \$116,593 decrease from prior year revenue of \$41,792,921. The decrease is due to an decrease in utility excise tax, and state and federal funding. Expenditures reflected an increase from \$40,325,542 in 2024 to \$41,456,834 in 2025. 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 increased \$272,071 to \$11,132,693.

The Capital Projects Fund fund balance decreased from \$23,185,878 fiscal year 2024 to \$10,470,733 in fiscal year 2025. The District expended \$17,570,927 for facilities purchases and improvements in 2025 compared to \$31,731,263 in 2024. Capital expenditures in the current year primarily related to the Alan Shepard School expansion, Lancer Stadium project, and the Regional Innovation Center project.

Proprietary Fund Highlights

Enterprise funds net position increased from \$3,271,104 in 2024 to \$3,267,808 in 2025. The School Nutrition Fund net position decreased from \$2,713,806 in 2024 to \$2,555,369 in fiscal 2025. This is primarily due to increased costs of supplies and increased cost of salaries and benefits.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

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 14, 2025, which increased overall expenditures by \$2,907,000.

The District's total actual revenues were \$239,843 more than the total budgeted revenues due to receiving more in revenue from state and federal sources.

Total expenditures were less than budgeted by \$8,786,947, primarily in the other expenditures functions which related primarily to timing of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested \$105,334,521, 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 \$14,881,317 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$2,901,033.

The original cost of the District's capital assets was \$153,939,551. Governmental funds account for \$151,943,600 with the remainder of \$1,995,951 the proprietary School Nutrition Fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
	Land and construction in progress	\$ 2,586,112	\$ 34,686,359	\$ -	\$ 409,192	\$ 2,586,112	\$ 35,095,551
Buildings	83,848,474	44,591,336	-	-	83,848,474	44,591,336	88.0%
Land improvements	12,750,455	6,063,714	-	-	12,750,455	6,063,714	110.3%
Machinery and equipment	4,816,962	3,724,773	1,149,189	672,298	5,966,151	4,397,071	35.7%
Intangible right to use							
IT subscription	183,329	305,532	-	-	183,329	305,532	-40.0%
Total	\$ 104,185,332	\$ 89,371,714	\$ 1,149,189	\$ 1,081,490	\$ 105,334,521	\$ 90,453,204	16.5%

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

Long-Term Debt

As of June 30, 2025, the District had \$67,954,361 in long-term obligations outstanding. See Figure A-7.

Figure A-7 Outstanding Long-Term Obligations

	Restated		Restated		Restated		Total
	Governmental Activities		Business-Type Activities		Total District		Percentage
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Revenue bonds	\$ 25,166,726	\$ 26,350,272	\$ -	\$ -	\$ 25,166,726	\$ 26,350,272	-4.7%
General obligation bonds	26,371,367	26,996,442	-	-	26,371,367	26,996,442	-2.4%
IT subscription obligation	38,824	58,094	-	-	38,824	58,094	-49.6%
Early retirement	305,000	-	-	-	305,000	-	100.0%
Compensated absences	4,659,284	4,415,096	138,042	139,525	4,797,326	4,554,621	5.3%
Total OPEB liability	1,186,894	1,111,855	34,103	31,558	1,220,997	1,143,413	6.8%
Net pension liability	9,724,346	12,360,618	329,775	333,865	10,054,121	12,694,483	-20.8%
Total	\$ 67,452,441	\$ 71,292,377	\$ 501,920	\$ 504,948	\$ 67,954,361	\$ 71,797,325	-5.4%

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

The District has three series of School Infrastructure Sales, Services and Use Tax Revenue Bonds which are to be repaid using statewide sales, services and use tax collected in the Capital Project Fund. The Series 2013 and Series 2014 mature in 2029 and the Series 2023 matures in 2042.

The District also had compensated absences payable of \$4,659,284 as of June 30, 2025, which will be paid primarily out of the General Fund and \$138,042 which will be paid from the District's enterprise funds.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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 issuance of \$25,000,000 General Obligation Bonds. These bonds were used to build a Regional Innovation Center and softball complex, to complete additions to the High School, Junior High, Neil Armstrong Elementary, and Alan Shepard Elementary, make improvements to Lancer Stadium, the purchase and remodel of a wrestling facility, energy savings projects and the purchase of land. All of these projects will be up and running during the 2025-2026 school year.

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 decreased slightly from 3,018.2 in 2023 to 2,991.3 in 2024. The October 2025 certified count decreased again to 2,928.1 while net open enrolled in students increased by 31 students to 327. The cost per pupil for 2024-25 is \$7,826 and the cost per pupil for 2025-26 is \$7,988. The cost per pupil for 2026-27 is currently unknown.

Overall District enrollment has remained steady during the last 10 years with an increase in nonresident students served. Over 10% of students served are nonresident students. The Iowa Legislature set the funding growth rate for 2025-2026 at 2% and the funding growth rate for 2025-2026 is currently unknown.

North Scott Community School District

Management's Discussion and Analysis Year Ended June 30, 2025

Recent industrial expansions within the District continue to have a positive impact on the District's property tax valuations. Taxable valuations for 2025-2026 increased over 7%.

During the 2024 Legislative session, new teacher wage minimums were introduced. The new wage minimums have had a large impact on teacher salary schedules. Continued low Supplemental State Aid makes balancing the budget challenging.

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, 2025**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 32,804,945	\$ 2,185,191	\$ 34,990,136
Restricted cash equivalents	1,382,449	-	1,382,449
Receivables:			
Property tax:			
Delinquent	77,737	-	77,737
Succeeding year	18,811,032	-	18,811,032
Income surtax	509,941	-	509,941
Accounts	102,545	15,256	117,801
Due from other governments	4,573,213	-	4,573,213
Inventories	380,768	54,977	435,745
Prepaid expenses	241,754	-	241,754
Assets held for resale	-	381,850	381,850
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	2,586,112	-	2,586,112
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	83,848,474	-	83,848,474
Land improvements	12,750,455	-	12,750,455
Machinery and equipment	4,816,962	1,149,189	5,966,151
Intangible right to use IT subscription	183,329	-	183,329
Total capital assets	104,185,332	1,149,189	105,334,521
Total assets	163,069,716	3,786,463	166,856,179
Deferred Outflows of Resources:			
OPEB related deferred outflows	118,275	5,067	123,342
Pension related deferred outflows	3,369,446	114,265	3,483,711
Total deferred outflows of resources	3,487,721	119,332	3,607,053

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities:			
Accounts payable	1,739,452	40,094	1,779,546
Salaries and benefits payable	3,950,082	11,775	3,961,857
Claims payable	398,000	-	398,000
Accrued interest	165,444	-	165,444
Deposits	-	61,686	61,686
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	2,795,570	82,826	2,878,396
Early retirement	76,250	-	76,250
IT subscription obligation	25,882	-	25,882
Revenue bonds	1,205,000	-	1,205,000
General obligation bonds	890,000	-	890,000
Total OPEB liability	50,929	1,362	52,291
Portion due after one year:			
Compensated absences	1,863,714	55,216	1,918,930
Early retirement	228,750	-	228,750
Revenue bonds	23,961,726	-	23,961,726
General obligation bonds	25,481,367	-	25,481,367
IT subscription obligation	12,942	-	12,942
Total OPEB liability	1,135,965	32,741	1,168,706
Net pension liability	9,724,346	329,775	10,054,121
Total liabilities	73,705,419	615,475	74,320,894
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	18,811,032	-	18,811,032
OPEB related deferred inflows	555,609	16,853	572,462
Pension related deferred inflows	217,737	7,383	225,120
Total deferred inflows of resources	19,584,378	24,236	19,608,614
Net Position:			
Net investment in capital assets	56,791,995	1,149,189	57,941,184
Restricted for:			
Categorical funding	493,240	-	493,240
Debt service	1,728,063	-	1,728,063
School infrastructure	5,440,371	-	5,440,371
Management levy	2,734,030	-	2,734,030
Physical plant and equipment levy	1,564,333	-	1,564,333
Public education and recreation	992,246	-	992,246
Student activities	462,667	-	462,667
Unrestricted	3,060,695	2,118,619	5,179,314
Total net position	\$ 73,267,640	\$ 3,267,808	\$ 76,535,448

North Scott Community School District

**Statement of Activities
Year Ended June 30, 2025**

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 17,759,030
Special	5,965,694
Other	4,964,326
	<u>28,689,050</u>
Support services:	
Student	1,855,513
Instructional staff	3,121,511
Administration	4,560,715
Operation of plant	4,615,866
Transportation	2,209,863
	<u>16,363,468</u>
Noninstructional programs	<u>3,655</u>
Other:	
AEA flowthrough	1,215,399
Interest	2,265,728
	<u>3,481,127</u>
Total governmental activities	<u>48,537,300</u>
Business-type activities:	
Nutrition services	2,382,145
Child care services	319,493
Student construction	1,308
Total business-type activities	<u>2,702,946</u>
Total	<u>\$ 51,240,246</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	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position, beginning of year, as restated	
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
\$ 4,124,136	\$ 4,261,420	\$ 3,200,000	\$ (6,173,474)	\$ -	\$ (6,173,474)
701,917	138,033	-	(5,125,744)	-	(5,125,744)
805,653	611,775	-	(3,546,898)	-	(3,546,898)
5,631,706	5,011,228	3,200,000	(14,846,116)	-	(14,846,116)
-	-	-	(1,855,513)	-	(1,855,513)
156,747	-	-	(2,964,764)	-	(2,964,764)
147,864	-	-	(4,412,851)	-	(4,412,851)
41,437	-	-	(4,574,429)	-	(4,574,429)
20,909	20,585	-	(2,168,369)	-	(2,168,369)
366,957	20,585	-	(15,975,926)	-	(15,975,926)
-	-	-	(3,655)	-	(3,655)
-	1,215,399	-	-	-	-
-	-	-	(2,265,728)	-	(2,265,728)
-	1,215,399	-	(2,265,728)	-	(2,265,728)
5,998,663	6,247,212	3,200,000	(33,091,425)	-	(33,091,425)
1,210,332	1,005,969	-	-	(165,844)	(165,844)
280,501	1,768	-	-	(37,224)	(37,224)
175,394	-	-	-	174,086	174,086
1,666,227	1,007,737	-	-	(28,982)	(28,982)
\$ 7,664,890	\$ 7,254,949	\$ 3,200,000	(33,091,425)	(28,982)	(33,120,407)

13,096,347	-	13,096,347
2,039,831	-	2,039,831
2,109,215	-	2,109,215
499,161	-	499,161
501,143	-	501,143
3,992,148	-	3,992,148
270,327	-	270,327
15,929,205	-	15,929,205
1,650,166	100,681	1,750,847
74,995	(74,995)	-
40,162,538	25,686	40,188,224
7,071,113	(3,296)	7,067,817
66,196,527	3,271,104	69,467,631
\$ 73,267,640	\$ 3,267,808	\$ 76,535,448

North Scott Community School District

**Balance Sheet
Governmental Funds
June 30, 2025**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash and pooled investments	\$ 14,114,726	\$ 8,555,130	\$ 4,573,571	\$ 27,243,427
Restricted cash equivalents	-	1,382,449	-	1,382,449
Receivables:				
Property tax:				
Delinquent	59,912	8,733	9,092	77,737
Succeeding year	13,779,380	2,203,086	2,828,566	18,811,032
Income surtax	509,941	-	-	509,941
Accounts	23,183	-	38,178	61,361
Due from other governments	2,050,020	2,523,068	125	4,573,213
Inventories	42,014	338,754	-	380,768
Prepaid items	125,488	106,471	8,692	240,651
Total assets	\$ 30,704,664	\$ 15,117,691	\$ 7,458,224	\$ 53,280,579
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,305,076	\$ 343,872	\$ 87,389	\$ 1,736,337
Accrued liabilities	3,942,370	-	7,712	3,950,082
Total liabilities	5,247,446	343,872	95,101	5,686,419
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	13,779,380	2,203,086	2,828,566	18,811,032
Income surtax	509,941	-	-	509,941
Other	35,204	2,100,000	-	2,135,204
Total deferred inflows of resources	14,324,525	4,303,086	2,828,566	21,456,177
Fund balances:				
Nonspendable:				
Inventories	42,014	338,754	-	380,768
Prepaid items	125,488	106,471	8,692	240,651
Restricted for:				
Categorical funding	493,240	-	-	493,240
Debt service	-	1,382,449	345,614	1,728,063
Management levy purposes	-	-	2,734,030	2,734,030
Student activities	-	-	453,975	453,975
School infrastructure	-	7,683,983	-	7,683,983
Physical plant and equipment levy	-	959,076	-	959,076
Public education and recreation	-	-	992,246	992,246
Assigned for special purposes	621,914	-	-	621,914
Unassigned	9,850,037	-	-	9,850,037
Total fund balances	11,132,693	10,470,733	4,534,557	26,137,983
Total liabilities, deferred inflows of resources and fund balances	\$ 30,704,664	\$ 15,117,691	\$ 7,458,224	\$ 53,280,579

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, 2025

Total fund balances of governmental funds	\$ 26,137,983
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.	104,185,332
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.	5,202,690
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,645,145
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	118,275
OPEB related deferred inflows of resources	(555,609)
Pension related deferred outflows of resources	3,369,446
Pension related deferred inflows of resources	(217,737)
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	(1,205,000)
Revenue bonds, noncurrent	(23,885,000)
Premium on revenue bonds	(76,726)
General obligation bonds, current	(890,000)
General obligation bonds, noncurrent	(23,590,000)
Premium on general obligation bonds	(1,891,367)
IT subscription obligation	(38,824)
Accrued interest	(165,444)
Compensated absences, current	(2,795,570)
Compensated absences, noncurrent	(1,863,714)
Early retirement	(305,000)
Total OPEB liability	(1,186,894)
Net pension liability	(9,724,346)
Net position of governmental activities	<u><u>\$ 73,267,640</u></u>

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, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Property tax	\$ 13,096,347	\$ 2,039,831	\$ 2,109,215	\$ 17,245,393
Utility excise tax	388,152	54,928	56,081	499,161
Other tax	250,150	906	970	252,026
Tuition	3,500,654	-	-	3,500,654
Other	1,038,143	1,889,427	1,059,461	3,987,031
State appropriations	22,095,162	4,021,895	31,059	26,148,116
Federal appropriations	1,307,720	-	-	1,307,720
Total revenues	41,676,328	8,006,987	3,256,786	52,940,101
Expenditures:				
Current:				
Instruction:				
Regular	17,266,186	-	28,106	17,294,292
Special	5,818,196	-	113,753	5,931,949
Other	3,546,801	-	796,703	4,343,504
	26,631,183	-	938,562	27,569,745
Support services:				
Student	1,898,493	-	16,054	1,914,547
Instructional staff	2,792,760	331,118	17,339	3,141,217
Administration	3,974,381	297,876	48,268	4,320,525
Operation and maintenance of plant	3,706,448	26,000	528,644	4,261,092
Transportation	1,234,515	379,442	90,880	1,704,837
	13,606,597	1,034,436	701,185	15,342,218
Noninstructional programs	3,655	-	-	3,655
Other expenditures:				
Capital outlay facilities acquisition	-	17,570,927	-	17,570,927
Current, AEA flowthrough	1,215,399	-	-	1,215,399
Debt service:				
Principal	-	-	1,722,470	1,722,470
Interest and fiscal fees	-	-	2,394,171	2,394,171
	1,215,399	17,570,927	4,116,641	22,902,967
Total expenditures	41,456,834	18,605,363	5,756,388	65,818,585
Excess (deficiency) of revenues over (under) expenditures	219,494	(10,598,376)	(2,499,602)	(12,878,484)
Other financing sources (uses):				
Proceeds from sale of capital assets	2,582	10,008	-	12,590
Issuance of IT subscription	-	18,200	-	18,200
Transfers in	74,995	-	2,169,977	2,244,972
Transfers (out)	(25,000)	(2,144,977)	-	(2,169,977)
Total other financing sources (uses)	52,577	(2,116,769)	2,169,977	105,785
Net change in fund balances	272,071	(12,715,145)	(329,625)	(12,772,699)
Fund balances, beginning of year	10,860,622	23,185,878	4,864,182	38,910,682
Fund balances, end of year	\$ 11,132,693	\$ 10,470,733	\$ 4,534,557	\$ 26,137,983

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 2025**

Net change in fund balances - total governmental funds \$ (12,772,699)

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/amortization expense in the statement of activities. The amounts of capital outlays and depreciation and amortization expense in the year are as follows:

Capital outlay	\$ 17,619,438	
Depreciation and amortization expense	<u>(2,783,938)</u>	14,835,500
Loss on sale of capital assets	(9,292)	
Proceeds from sale of capital assets	<u>(12,590)</u>	(21,882)

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. 17,031

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:

Income surtax	249,117	
Capital grants	2,100,000	
Other grants	<u>(16,944)</u>	2,332,173

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 long term debt	1,685,000
Issuance of IT subscription obligation	(18,200)
Payment of IT subscription obligation	37,470
Amortization of premium on issuance of bonds	123,621
Interest expense	4,822

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:

Compensated absences	(244,188)
Total OPEB liability	(20,767)
Early retirement	(305,000)
Pension expense	<u>1,418,232</u>

Change in net position of governmental activities \$ 7,071,113

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Assets				
Current assets:				
Cash and pooled investments	\$ 1,737,498	\$ 447,693	\$ 2,185,191	\$ 5,561,518
Receivables, accounts	-	15,256	15,256	41,184
Inventories	54,977	-	54,977	-
Prepaid expenses	1,724	-	1,724	1,103
Assets held for resale	-	381,850	381,850	-
Total current assets	1,794,199	844,799	2,638,998	5,603,805
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	1,149,189	-	1,149,189	-
Total noncurrent assets	1,149,189	-	1,149,189	-
Total assets	2,943,388	844,799	3,788,187	5,603,805
Deferred Outflows of Resources:				
OPEB related deferred outflows	3,614	1,453	5,067	-
Pension related deferred outflows	84,305	29,960	114,265	-
Total deferred outflows of resources	87,919	31,413	119,332	-
Liabilities				
Current liabilities:				
Accounts payable	22,184	17,910	40,094	3,115
Salaries and benefits payable	3,324	8,451	11,775	-
Claims payable	-	-	-	398,000
Deposits	61,686	-	61,686	-
Compensated absences	58,399	24,427	82,826	-
Total OPEB liability	1,005	357	1,362	-
Total current liabilities	146,598	51,145	197,743	401,115
Noncurrent liabilities:				
Compensated absences	38,932	16,284	55,216	-
Total OPEB liability	29,791	2,950	32,741	-
Net pension liability	243,310	86,465	329,775	-
Total noncurrent liabilities	312,033	105,699	417,732	-
Total liabilities	458,631	156,844	615,475	401,115
Deferred Inflows of Resources:				
OPEB related deferred inflows	11,860	4,993	16,853	-
Pension related deferred inflows	5,447	1,936	7,383	-
Total deferred inflows of resources	17,307	6,929	24,236	-
Net Position				
Investment in capital assets	1,149,189	-	1,149,189	-
Unrestricted	1,406,180	712,439	2,118,619	5,202,690
Total net position	\$ 2,555,369	\$ 712,439	\$ 3,267,808	\$ 5,202,690

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, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Operating revenues:				
Local sources:				
Charges for service	\$ 1,209,968	\$ 280,501	\$ 1,490,469	\$ 5,312,018
Miscellaneous	364	175,394	175,758	-
Total operating revenues	1,210,332	455,895	1,666,227	5,312,018
Operating expenses:				
Support services:				
Administration:				
Salaries	108,276	-	108,276	-
Benefits	36,996	-	36,996	-
Services	4,542	126	4,668	5,556,131
Operation and maintenance of plant:				
Services	25,201	-	25,201	-
Transportation:				
Salaries	-	1,190	1,190	-
Benefits	-	203	203	-
Noninstructional programs:				
Salaries	588,221	226,791	815,012	-
Benefits	197,113	64,740	261,853	-
Services	480	1,284	1,764	-
Supplies	1,303,065	16,288	1,319,353	-
Other	-	10,179	10,179	-
Depreciation	117,095	-	117,095	-
Total operating expenses	2,380,989	320,801	2,701,790	5,556,131
Operating income (loss)	(1,170,657)	135,094	(1,035,563)	(244,113)
Nonoperating revenues (expenses):				
State sources	12,734	-	12,734	-
Federal sources	993,235	1,768	995,003	-
Interest on investments	82,402	18,279	100,681	261,144
Loss on sale of capital asset	(1,156)	-	(1,156)	-
Total nonoperating revenues (expenses)	1,087,215	20,047	1,107,262	261,144
Income (loss) before transfers	(83,442)	155,141	71,699	17,031
Transfers (out)	(74,995)	-	(74,995)	-
Change in net position	(158,437)	155,141	(3,296)	17,031
Net position, beginning of year, as restated	2,713,806	557,298	3,271,104	5,185,659
Net position, end of year	\$ 2,555,369	\$ 712,439	\$ 3,267,808	\$ 5,202,690

See Notes to Basic Financial Statements.

North Scott Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025**

	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	\$ 1,205,213	\$ 272,126	\$ 1,477,339	\$ -
Proceeds from sale of student construction homes	-	908,111	908,111	-
Miscellaneous services	364	-	364	5,325,914
Cash payments to:				
Employees for services	(935,270)	(284,488)	(1,219,758)	-
Suppliers for goods and services	(1,143,794)	(480,780)	(1,624,574)	(5,582,019)
Net cash provided by (used in) operating activities	(873,487)	414,969	(458,518)	(256,105)
Cash flows from noncapital financing activities:				
Transfers to other funds	(74,995)	(151,220)	(226,215)	-
State grants received	12,734	-	12,734	-
Federal grants received	789,225	1,768	790,993	-
Net cash provided by (used in) noncapital financing activities	726,964	(149,452)	577,512	-
Cash flows from capital financing activities and related activities,				
Acquisition of capital assets	(185,951)	-	(185,951)	-
Net cash provided by (used in) capital financing activities	(185,951)	-	(185,951)	-
Cash flows from investing activities, interest on investments				
	82,402	18,279	100,681	261,144
Net increase (decrease) in cash and cash equivalents	(250,072)	283,796	33,724	5,039
Cash and cash equivalents:				
Beginning of year	1,987,570	163,897	2,151,467	5,556,479
End of year	\$ 1,737,498	\$ 447,693	\$ 2,185,191	\$ 5,561,518

(Continued)

North Scott Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor Enterprise Funds	Total	
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:				
Operating (loss)	\$ (1,170,657)	\$ 135,094	\$ (1,035,563)	\$ (244,113)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Commodities consumed	204,011	-	204,011	-
Depreciation	117,095	-	117,095	-
(Increase) decrease in:				
Inventories	(20,651)	-	(20,651)	-
Accounts receivable	-	(8,375)	(8,375)	13,896
Prepaid expenses	(560)	590	30	(3)
Assets held for resale	-	278,750	278,750	-
Increase (decrease) in:				
Accounts payable	6,694	474	7,168	-
Claims payable	-	-	-	(25,885)
Salaries and benefits payable	(1,731)	(776)	(2,507)	-
OPEB benefits	520	185	705	-
Net pension liability	(2,144)	9,201	7,057	-
Compensated absences payable	(1,309)	(174)	(1,483)	-
Unearned revenue	(23,036)	-	(23,036)	-
Deposits	18,281	-	18,281	-
Net cash provided by (used in) operating activities	\$ (873,487)	\$ 414,969	\$ (458,518)	\$ (256,105)
Noncash investing, capital and financing activities:				
Federal commodities	\$ 204,011	\$ -	\$ 204,011	\$ -

See Notes to Basic Financial Statements.

North Scott Community School District

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2025

	<u>Custodial Fund</u>
Assets	
Cash and pooled investments	\$ 59,155
Accounts receivable	405
Total assets	<u>59,560</u>
Liabilities, accounts payable	<u>350</u>
Net position, restricted for individuals and organizations	<u>\$ 59,210</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, 2025

	<u>Custodial Fund</u>
Additions	
Contributions	\$ 65,630
Total additions	<u>65,630</u>
Deductions	
Program supplies	55,141
Total deductions	<u>55,141</u>
Change in net position	10,489
Net position, beginning of year	48,721
Net position, end of year	<u><u>\$ 59,210</u></u>

See Notes to Basic Financial Statements.

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North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

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 Basic Financial Statements Year Ended June 30, 2025

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. The School Nutrition Fund is used to account for the food service operations of the District.

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

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 1. Significant Accounting Policy (Continued)

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

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, proprietary and custodial financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been 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 long-term debt and lease obligations are reported as other financing sources.

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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.

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.

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.

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, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

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.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 1. Significant Accounting Policies (Continued)

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 and security.

Capital assets:

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

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

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

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 1. Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITA):

The District has entered into a contract that conveys control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the District determines the discount rate it uses to discount the expected payments to present value, term and payments.

The District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

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 2025, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2025.

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, sick leave, and personal leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

The District estimates the compensated absences liability for leave benefits that are more likely than not to be used or otherwise paid or settled based on historical information on employees use or payment of the benefits provided. The liability is measured using the pay rates in effect at year-end, the measurement date, and includes salary-related payments that are directly and incrementally associated with the leave liability measurement.

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.

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.

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.

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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

Deferred outflows/inflows of resources:

In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of 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.

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of 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 property tax, income surtax and other grants. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension 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 of \$4,527,452. 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 \$493,240 for categorical funding, \$1,728,063 for debt service, \$5,440,371 for school infrastructure, \$2,734,030 for management levy, \$1,564,333 for physical plant and equipment levy, \$992,246 for public education and recreation and \$462,667 for student activities.

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

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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".

Note 2. Budgets and Budgetary Accounting

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

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

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

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

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

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, 2025, the District had the following investments:

Investment Type	Fair Value	<1	1-5	6-10	>10	Level Input	Rating Standard & Poor
Iowa Schools Joint Investment Trust	\$ 13,713,714	\$ 13,713,714	\$ -	\$ -	\$ -	N/A	AAAm

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.

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, 2025, none of the District's investments were exposed to custodial credit risk and deposits in banks were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is not subject to foreign-currency risk.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 4. Interfund Transfers

The detail of transfers for the year ended June 30, 2025 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Major fund, School Nutrition	\$ 74,995
Nonmajor Governmental Funds:		
Debt Service	Major fund, Capital Projects	2,144,977
Student activity	Major fund, General	25,000
Total		<u>\$ 2,244,972</u>

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

North Scott Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2025

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 and amortized				
Land	\$ 1,778,920	\$ -	\$ -	\$ 1,778,920
Construction in progress	32,907,439	15,467,225	47,567,472	807,192
Total capital assets not being depreciated and amortized	34,686,359	15,467,225	47,567,472	2,586,112
Capital assets being depreciated and amortized:				
Buildings	76,871,360	40,838,325	-	117,709,685
Land improvements	12,245,928	7,044,384	-	19,290,312
Machinery and equipment	10,279,009	1,810,832	361,381	11,728,460
Intangible right to use IT subscription	602,887	26,144	-	629,031
Total capital assets being depreciated and amortized	99,999,184	49,719,685	361,381	149,357,488
Less accumulated depreciation and amortization for:				
Buildings	32,280,024	1,581,187	-	33,861,211
Land improvements	6,182,214	357,643	-	6,539,857
Machinery and equipment	6,554,236	696,761	339,499	6,911,498
Intangible right to use IT subscription	297,355	148,347	-	445,702
Total accumulated depreciation and amortization	45,313,829	2,783,938	339,499	47,758,268
Total capital assets being depreciated and amortized, net	54,685,355	46,935,747	21,882	101,599,220
Governmental activities capital assets, net	\$ 89,371,714	\$ 62,402,972	\$ 47,589,354	\$ 104,185,332

North Scott Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2025

Note 5. Capital Assets (Continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 409,192	\$ -	\$ 409,192	\$ -
Capital assets being depreciated:				
Machinery and equipment	1,437,195	595,143	36,387	1,995,951
Intangible right to use IT subscription	50,989	-	50,989	-
Total capital assets being depreciated/amortized	1,488,184	595,143	87,376	1,995,951
Less accumulated depreciation/ amortization for:				
Machinery and equipment	764,897	117,095	35,230	846,762
Intangible right to use IT subscription	50,989	-	50,989	-
Total accumulated depreciation/amortization	815,886	117,095	86,219	846,762
Business-type activities capital assets, net	\$ 1,081,490	\$ 478,048	\$ 410,349	\$ 1,149,189

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

Governmental activities:	
Instruction:	
Regular	\$ 867,227
Other	596,113
Support services:	
Administration	349,017
Operation and maintenance of plant	452,531
Transportation	519,050
Total governmental activities depreciation/amortization expense	\$ 2,783,938
Business-type activities:	
Food services	117,095
Total business-type activities depreciation/amortization expense	\$ 117,095

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2025:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds, Series 2013	\$ 3,580,000	\$ -	\$ 670,000	\$ 2,910,000	\$ 690,000
Revenue bonds, Series 2014	2,675,000	-	495,000	2,180,000	515,000
Private placement:					
Revenue bonds, Series 2023	20,000,000	-	-	20,000,000	-
Premium on revenue bonds	95,272	-	18,546	76,726	-
General obligation bonds, Series 2024	25,000,000	-	520,000	24,480,000	890,000
Premium on general obligation bonds	1,996,442	-	105,075	1,891,367	-
IT subscription obligation	58,094	18,200	37,470	38,824	25,882
Early retirement	-	305,000	-	305,000	76,250
Compensated absences	4,415,096	244,188	-	4,659,284	2,795,570
Total OPEB liability	1,111,855	75,039	-	1,186,894	50,929
Net pension liability	12,360,618	-	2,636,272	9,724,346	-
Total	\$ 71,292,377	\$ 642,427	\$ 4,482,363	\$ 67,452,441	\$ 5,043,631
Business-type activities:					
Compensated absences	\$ 139,525	\$ -	\$ 1,483	\$ 138,042	\$ 82,826
Total OPEB liability	31,558	2,545	-	34,103	1,362
Net pension liability	333,865	-	4,090	329,775	-
Total	\$ 504,948	\$ 2,545	\$ 5,573	\$ 501,920	\$ 84,188

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 \$2,910,000.
- 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 \$2,180,000.
- On January 13, 2023, The District issued \$20,000,000 in School Infrastructure Sale, Services and Use Tax Revenue Bonds to finance school infrastructure projects. The bonds bear an interest rate of 3.78 percent and have an unpaid balance of \$20,000,000.

The Series 2013, Series 2014 and Series 2023 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 2042. 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.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 6. General Long-Term Debt (Continued)

The total principal and interest remaining to be paid on the bonds is \$33,812,722. During the year ended June 30, 2025, principal of \$1,165,000 and interest of \$939,633 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,992,148.

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, 2025, there was \$176,065 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 2013 and 2014 bonds if insufficient money is available in the sinking account. At June 30, 2025, 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.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 6. General Long-Term Debt (Continued)

Annual debt service requirement on the outstanding indebtedness as of June 30, 2025, are as follows:

Series 2013:

Year ending June 30:	Rate	Principal	Interest	Total
2026	3.00%	\$ 690,000	\$ 89,570	\$ 779,570
2027	3.00%	715,000	68,870	783,870
2028	3.00%	740,000	47,420	787,420
2029	3.20%	765,000	24,480	789,480
Total		\$ 2,910,000	\$ 230,340	\$ 3,140,340

Series 2014:

Year ending June 30:	Rate	Principal	Interest	Total
2026	2.50%	\$ 515,000	\$ 62,207	\$ 577,207
2027	2.75%	535,000	49,332	584,332
2028	2.75%	555,000	34,619	589,619
2029	2.75%	575,000	17,969	592,969
Total		\$ 2,180,000	\$ 164,127	\$ 2,344,127

Private Placement, Series 2023:

Year ending June 30:	Rate	Principal	Interest	Total
2026	3.78%	\$ -	\$ 756,000	\$ 756,000
2027	3.78%	-	756,000	756,000
2028	3.78%	-	756,000	756,000
2029	3.78%	-	756,000	756,000
2030	3.78%	1,220,000	732,942	1,952,942
2031-2035	3.78%	6,830,000	2,923,233	9,753,233
2306-2040	3.78%	8,210,000	1,505,385	9,715,385
2041-2042	3.78%	3,740,000	142,695	3,882,695
Total		\$ 20,000,000	\$ 8,328,255	\$ 28,328,255

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 6. General Long-Term Debt (Continued)

General Obligation Bonds:

On February 8, 2024 the District issued \$25,000,000 General Obligation School Bonds, Series 2024, for the purpose of providing funds to construct, build, furnish and equip a Regional Innovation Center and improve the site; to construct, build, furnish, and equip a welding/metal lab at the high school building and to improve the site; to renovate, remodel, repair, improve, furnish, and equip the music wing at the junior high building; to construct, build, furnish and equip an addition to Neil Armstrong Elementary; to renovate, repair, improve, furnish and equip Lancer Stadium; to implement various energy savings projects at District facilities and to acquire property. The bond has an interest rate ranging from 4.0 percent to 5.0 percent. Principal is due each June 1st and ranges from \$520,000 to \$1,895,000 until final payment on June 1, 2042. The outstanding balance at June 30, 2025 totaled \$24,480,000.

Year ending June 30:	Rate	Principal	Interest	Total
2026	5.00%	\$ 890,000	\$ 1,077,550	\$ 1,967,550
2027	5.00%	935,000	1,033,050	1,968,050
2028	5.00%	985,000	986,300	1,971,300
2029	5.00%	1,030,000	937,050	1,967,050
2030	5.00%	1,085,000	885,550	1,970,550
2031-2035	5.0-4.0%	6,295,000	3,557,750	9,852,750
2036-2040	4.00%	7,795,000	2,053,000	9,848,000
2041-2042	4.00%	5,465,000	443,000	5,908,000
Total		\$ 24,480,000	\$ 10,973,250	\$ 35,453,250

Subscription-Based Information Technology Arrangements:

The District has entered into several subscription based information technology arrangements (SBITA). The arrangements expire June 30, 2027. The details of the arrangements are as follows:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2026	\$ 25,882	\$ 1,613	\$ 21,130
2027	12,942	563	7,140
Total	\$ 38,824	\$ 2,176	\$ 28,270

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 6. General Long-Term Debt (Continued)

Early Retirement:

In order to hasten early retirement, the District offered an early retirement plan benefit to its employees in 2025.

To be eligible to participate in this Plan, an employee must (1) have completed at a minimum 10 years of consecutive service (2) have obtained the age of 55 as of June 30, 2025; (3) have applied for retirement on or before March 14, 2025; and (4) early retirement is not available to any employee who is under consideration for contract termination or has received a notice of staff reduction prior to submitting the request for acceptance of resignation.

Benefits to eligible employees include a benefit based on years of continuous service ranging from \$25,000 to \$50,000. The cash benefit will be paid in four equal installments September 2025, September 2026, September 2027, and September 2028 in the name of the employee into a Medical Reimbursement Premium Plan or a 403(b) Special Pay Plan depending on the election the employee made.

As of June 30, 2025, there were seven participants in the plan and the liability is \$305,000. There were no payments on the early retirement liability made in 2025.

Legal Debt Margin:

The June 30, 2025 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 2,920,948,852</u>
Debt limit, 5% of total assessed valuation	\$ 146,047,443
Amount of debt applicable to debt limit:	
Revenue bonds	\$ 25,090,000
General obligation bonds	24,480,000
IT subscription obligation	<u>38,824</u>
Excess of debt limit over bonded debt outstanding, legal debt margin	<u>\$ 96,438,619</u>

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

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, 2024 for each plan are as shown below:

	Rate Tier	Medical
Single		\$ 657
Family		1,365

Employees covered by benefit terms: At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	402
	413

Total OPEB Liability: The District's total OPEB liability of \$1,220,997 and was determined by an actuarial valuation as of June 30, 2023 with a measurement date of June 30, 2024 rolled forward to June 30, 2025.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per annum
Salary increases	3.25% per annum
Discount rate	3.97% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.6% gradually decreasing over several decades to and ultimate rate of 3.9% in FY2076 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, 2025 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2024	\$ 1,143,413
Changes for the year:	
Service cost	82,941
Interest	46,536
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(10,352)
Benefit payments	(41,541)
Net changes	77,584
Balance at June 30, 2025	<u>\$ 1,220,997</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.86% per annum in 2024 to 3.97% per annum in 2025.

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

	1% Decrease	Discount Rate	1% Increase
	2.97%	3.97%	4.97%
Total OPEB liability	\$ 1,317,569	\$ 1,220,997	\$ 1,130,132

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
	6.60%	7.60%	8.60%
Total OPEB liability	\$ 1,075,272	\$ 1,220,997	\$ 1,393,289

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$63,013. At June 30, 2025, 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	\$ 84,619	\$ (184,098)
Changes of assumptions or other inputs	38,723	(388,364)
Net difference between projected and actual investments	-	-
Contributions between measurement date and reporting date	-	-
Total	\$ 123,342	\$ (572,462)

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:

2026	\$ (66,464)
2027	(64,892)
2028	(59,757)
2029	(58,679)
2030	(55,363)
Thereafter	(143,965)
	<u>\$ (449,120)</u>

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 120 percent of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$120,000 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, 2025 and 2024 is as follows:

	2025	2024
Balance, beginning of year	\$ 427,000	\$ 252,510
Incurred claims and claim adjustments	3,608,953	3,765,974
Payment of claims	3,637,953	3,591,484
Balance, end of year	<u>\$ 398,000</u>	<u>\$ 427,000</u>

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 8. Risk Management (Continued)

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.

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

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 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.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 9. Pension and Retirement Benefits (Continued)

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 2025, 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, 2025 were \$2,461,199.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$10,054,121 its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the District’s proportion was 0.276099 percent, which was a decrease of 0.005147 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,050,025. At June 30, 2025, 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	\$ 800,015	\$ 6,246
Changes of assumptions	-	141
Net difference between projected and actual earnings on pension plan investments	125,743	-
Changes in proportion and differences between District contributions and proportionate share of contributions	96,754	218,733
District contributions subsequent to the measurement date	2,461,199	-
Total	\$ 3,483,711	\$ 225,120

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 9. Pension and Retirement Benefits (Continued)

Deferred outflows of resources of \$2,461,199 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, 2026. 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,	
2026	\$ (1,377,179)
2027	2,439,529
2028	92,320
2029	(351,503)
2030	(5,775)
Total	<u><u>\$ 797,392</u></u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2024 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, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 9. Pension and Retirement Benefits (Continued)

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	21.0%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	<u>100%</u>	

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	\$ 24,672,632	\$ 10,054,121	\$ (2,188,959)

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

Payables to the Pension Plan – At June 30, 2025, the District reported payables to the defined benefit pension plan of \$203,569 for legally required employer contributions and \$135,641 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

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 \$1,215,399 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by districts will be received directly by the districts and the portion remitted to the AEA will be determined by the services provided to the district. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2025 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 137,956
Professional development	157,171
Four-year old preschool	3,976
Successful progression for early readers	36,516
Home school assistance program	81,160
Teacher leadership	60,016
Other	16,445
Total restricted for categorical funding	\$ 493,240

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 12. 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, 2025 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	\$ 57,902
City of Davenport, Iowa	Urban renewal and economic development projects	467,109

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, 2025, this reimbursement amounted to \$334,895.

Note 13. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, issued June 2022. 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.

North Scott Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 13. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The above statements did not have a significant impact to the District except for GASB Statement No. 101 required the District to restate beginning net position of the governmental activities, business-type activities, and major enterprise funds, School Nutrition Fund and nonmajor enterprise fund, Child Care Fund net position.

As of June 30, 2025, 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. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

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

North Scott Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2025**

Note 14. Restatement

The District implemented GASB Statement No. 101, *Compensated Absences*, which required the District to restate net position as of June 30, 2024, as follows:

	Governmental Activities	Business-type Activities	School Nutrition	Childcare
Net position June 30, 2024, as previously reported	\$ 70,507,375	\$ 3,404,677	\$ 2,806,728	\$ 103,610
Compensated absences previously reported	104,248	5,952	5,718	234
Compensated absences liability, change in accounting principle	(4,415,096)	(139,525)	(98,640)	(40,885)
Net position June 30, 2024, as restated	<u>\$ 66,196,527</u>	<u>\$ 3,271,104</u>	<u>\$ 2,713,806</u>	<u>\$ 62,959</u>

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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, 2025**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 25,484,265	\$ 1,766,908
State sources	26,148,116	12,734
Federal sources	1,307,720	995,003
Total revenues	<u>52,940,101</u>	<u>2,774,645</u>
Expenditures/expenses:		
Instruction	27,569,745	-
Support services	15,342,218	176,534
Noninstructional programs	3,655	2,525,256
Other expenditures	22,902,967	1,156
Total expenditures/expenses	<u>65,818,585</u>	<u>2,702,946</u>
Excess of revenues over (under) expenditures/expenses	<u>(12,878,484)</u>	<u>71,699</u>
Other financing sources (uses):		
Issuance of long-term debt	18,200	-
Proceeds from sale of capital assets	12,590	-
Interfund transfers in	2,244,972	-
Interfund transfers (out)	(2,169,977)	(74,995)
Total other financing sources (uses)	<u>105,785</u>	<u>(74,995)</u>
Net change in fund balance/net position	<u>(12,772,699)</u>	<u>(3,296)</u>
Fund balance/net position, beginning of year	38,910,682	3,271,104
Fund balance/net position, end of year	<u>\$ 26,137,983</u>	<u>\$ 3,267,808</u>

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 27,251,173	\$ 27,760,634	\$ 27,760,634	\$ (509,461)
26,160,850	25,588,769	25,588,769	572,081
2,302,723	2,125,500	2,125,500	177,223
<u>55,714,746</u>	<u>55,474,903</u>	<u>55,474,903</u>	<u>239,843</u>
27,569,745	27,543,962	27,908,962	339,217
15,518,752	15,135,095	16,623,095	1,104,343
2,528,911	2,202,800	3,256,800	727,889
22,904,123	29,519,621	29,519,621	6,615,498
<u>68,521,531</u>	<u>74,401,478</u>	<u>77,308,478</u>	<u>8,786,947</u>
<u>(12,806,785)</u>	<u>(18,926,575)</u>	<u>(21,833,575)</u>	<u>9,026,790</u>
18,200	-	-	18,200
12,590	122,500	122,500	(109,910)
2,244,972	2,191,433	2,191,433	53,539
<u>(2,244,972)</u>	<u>(2,191,433)</u>	<u>(2,191,433)</u>	<u>(53,539)</u>
<u>30,790</u>	<u>122,500</u>	<u>122,500</u>	<u>(91,710)</u>
<u>(12,775,995)</u>	<u>\$ (18,804,075)</u>	<u>\$ (21,711,075)</u>	<u>\$ 8,935,080</u>
42,181,786			
<u>\$ 29,405,791</u>			

North Scott Community School District

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

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	\$ 82,941	\$ 85,335
Interest	46,536	48,968
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(132,642)
Changes in assumptions or other inputs	(10,352)	(73,810)
Benefit payments	(41,541)	(52,305)
Net changes in total OPEB liability	77,584	(124,454)
Total OPEB liability - beginning	1,143,413	1,267,867
Total OPEB liability - ending	<u>\$ 1,220,997</u>	<u>\$ 1,143,413</u>
Covered employee payroll	\$ 22,601,958	\$ 22,116,496
Total OPEB liability as a percentage of covered employee payroll	5.40%	5.17%

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:

3.97%	3.86%
-------	-------

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.

	2023	2022	2021	2020	2019	2018
\$	109,396	\$ 127,760	\$ 108,938	\$ 110,958	\$ 106,135	\$ 111,509
	27,820	39,500	45,126	50,871	47,012	37,740
	-	-	-	-	-	-
	-	(125,760)	-	215,473	-	-
	(182,096)	(119,785)	78,403	(263,432)	(6,347)	(63,968)
	(53,682)	(79,514)	(82,061)	(68,737)	(65,092)	(38,523)
	(98,562)	(157,799)	150,406	45,133	81,708	46,758
	1,366,429	1,524,228	1,373,822	1,328,689	1,246,981	1,200,223
\$	1,267,867	\$ 1,366,429	\$ 1,524,228	\$ 1,373,822	\$ 1,328,689	\$ 1,246,981
\$	22,195,956	\$ 19,423,846	\$ 18,435,919	\$ 18,435,919	\$ 17,695,558	\$ 17,601,302
	5.71%	7.03%	8.27%	7.45%	7.51%	7.08%
	3.69%	1.92%	2.45%	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 Ten Fiscal Years

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.276099%	0.281246%	0.290392%	-0.110451%
District's proportionate share of the net pension liability	\$ 10,054,121	\$ 12,694,483	\$ 10,971,437	\$ 381,307
District's covered payroll	\$ 25,465,357	\$ 24,688,468	\$ 23,384,768	\$ 22,082,016
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.48%	51.42%	46.92%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

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

See Notes to Required Supplementary Information.

2021*	2020*	2019*	2018*	2017*	2016*
0.275345%	0.280581%	0.285766%	0.283696%	0.284000%	0.277835%
\$ 19,342,229	\$ 16,247,482	\$ 18,083,956	\$ 18,897,741	\$ 17,875,601	\$ 13,726,395
\$ 21,851,887	\$ 21,353,267	\$ 21,480,034	\$ 21,176,537	\$ 20,384,011	\$ 19,030,701
88.52%	76.09%	84.19%	89.24%	87.69%	72.13%
82.90%	85.45%	83.62%	82.21%	85.19%	85.19%

North Scott Community School District

**Required Supplementary Information
 Schedule of District Contributions
 Iowa Public Employees' Retirement System
 Last Ten Fiscal Years**

	2025	2024	2023	2022
Statutorily required contribution	\$ 2,461	\$ 2,405	\$ 2,332	\$ 2,208
Contributions in relation to the statutorily required contribution	\$ (2,461)	\$ (2,405)	\$ (2,332)	\$ (2,208)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 26,072	\$ 25,465	\$ 24,688	\$ 23,385
Contributions as a percentage of covered payroll	9.44%	9.44%	9.45%	9.44%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

	2021		2020		2019		2018		2017		2016
\$	2,084	\$	2,062	\$	2,015	\$	1,918	\$	1,891	\$	1,820
\$	(2,084)	\$	(2,062)	\$	(2,015)	\$	(1,918)	\$	(1,891)	\$	(1,820)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	22,082	\$	21,852	\$	21,353	\$	21,480	\$	21,177	\$	20,384
	9.44%		9.44%		9.44%		8.93%		8.93%		8.93%

North Scott Community School District

Notes to Required Supplementary Information Year Ended June 30, 2025

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, which increased total expenditures \$2,907,000.

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 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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, 2025**

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%.

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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, 2025**

	Special Revenue				Total
	Management Fund	Student Activity	Public Education and Recreation Levy	Debt Service	
Assets					
Cash and pooled investments	\$ 2,734,396	\$ 510,513	\$ 991,354	\$ 337,308	\$ 4,573,571
Receivables:					
Property tax:					
Delinquent	-	-	881	8,211	9,092
Succeeding year	650,007	-	211,016	1,967,543	2,828,566
Accounts	-	38,178	-	-	38,178
Due from other governments	19	-	11	95	125
Prepaid items	-	8,692	-	-	8,692
Total assets	\$ 3,384,422	\$ 557,383	\$ 1,203,262	\$ 2,313,157	\$ 7,458,224
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 385	\$ 87,004	\$ -	\$ -	\$ 87,389
Accrued liabilities	-	7,712	-	-	7,712
Total liabilities	385	94,716	-	-	95,101
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	650,007	-	211,016	1,967,543	2,828,566
Fund balances					
Nonspendable, prepaid items	-	8,692	-	-	8,692
Restricted for:					
Debt service	-	-	-	345,614	345,614
Management levy purposes	2,734,030	-	-	-	2,734,030
Student activities	-	453,975	-	-	453,975
Public education and recreation	-	-	992,246	-	992,246
Total fund balances	2,734,030	462,667	992,246	345,614	4,534,557
Total liabilities, deferred inflows of resources and fund balances	\$ 3,384,422	\$ 557,383	\$ 1,203,262	\$ 2,313,157	\$ 7,458,224

North Scott Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2025

	Special Revenue				Total
	Management Fund	Student Activity	Public Education and Recreation Levy	Debt Service	
Revenues:					
Local sources:					
Property tax	\$ -	\$ -	\$ 191,231	\$ 1,917,984	\$ 2,109,215
Utility excise tax	-	-	5,704	50,377	56,081
Other tax	19	-	95	856	970
Other	140,111	839,699	41,601	38,050	1,059,461
State appropriation	-	-	3,089	27,970	31,059
Total revenues	140,130	839,699	241,720	2,035,237	3,256,786
Expenditures:					
Current:					
Instruction:					
Regular	-	28,106	-	-	28,106
Special	109,290	4,463	-	-	113,753
Other	-	796,703	-	-	796,703
Support services:					
Student	8,100	7,954	-	-	16,054
Instructional staff	9,467	7,872	-	-	17,339
Administration	48,168	100	-	-	48,268
Operation and maintenance of plant	523,527	5,117	-	-	528,644
Transportation	62,690	28,190	-	-	90,880
Debt service:					
Principal	-	-	-	1,722,470	1,722,470
Interest and fees	-	-	-	2,394,171	2,394,171
Total expenditures	761,242	878,505	-	4,116,641	5,756,388
Excess (deficiency) of revenues over (under) expenditures before transfers	(621,112)	(38,806)	241,720	(2,081,404)	(2,499,602)
Transfers in	-	25,000	-	2,144,977	2,169,977
Net change in fund balances	(621,112)	(13,806)	241,720	63,573	(329,625)
Fund balances, beginning of year	3,355,142	476,473	750,526	282,041	4,864,182
Fund balances, end of year	\$ 2,734,030	\$ 462,667	\$ 992,246	\$ 345,614	\$ 4,534,557

North Scott Community School District

**Schedule of Combining Balance Sheet
Capital Projects Fund - By Account
June 30, 2025**

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Capital Projects Fund	
Assets				
Cash and pooled investments	\$ 3,356,850	\$ 1,110,271	\$ 4,088,009	\$ 8,555,130
Restricted cash and equivalents	1,382,449	-	-	1,382,449
Receivables:				
Property tax:				
Delinquent	-	8,733	-	8,733
Succeeding year	-	2,203,086	-	2,203,086
Due from other governments	2,522,964	104	-	2,523,068
Inventory	-	338,754	-	338,754
Prepaid items	-	106,471	-	106,471
Total assets	\$ 7,262,263	\$ 3,767,419	\$ 4,088,009	\$ 15,117,691
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities, accounts payable	\$ 38,051	\$ 160,032	\$ 145,789	\$ 343,872
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	2,203,086	-	2,203,086
Other	2,100,000	-	-	2,100,000
Total deferred inflows of resources	2,100,000	2,203,086	-	4,303,086
Fund Balances:				
Nonspendable:				
Inventory	-	338,754	-	338,754
Prepaid	-	106,471	-	106,471
Restricted for:				
School infrastructure	3,741,763	-	3,942,220	7,683,983
Debt service	1,382,449	-	-	1,382,449
Physical plant and equipment	-	959,076	-	959,076
Total fund balances	5,124,212	1,404,301	3,942,220	10,470,733
Total liabilities, deferred inflows of resources and fund balances	\$ 7,262,263	\$ 3,767,419	\$ 4,088,009	\$ 15,117,691

North Scott Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2025

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Capital Projects Fund	
Revenues:				
Local sources:				
Property tax	\$ -	\$ 2,039,831	\$ -	\$ 2,039,831
Utility excise tax	-	54,928	-	54,928
Other tax	-	906	-	906
Other	1,473,851	44,464	371,112	1,889,427
State appropriations	3,992,148	29,747	-	4,021,895
Total revenues	5,465,999	2,169,876	371,112	8,006,987
Expenditures:				
Current:				
Support services:				
Instructional staff	75,312	255,806	-	331,118
Administration	-	297,876	-	297,876
Operation and maintenance of plant	-	26,000	-	26,000
Transportation	-	379,442	-	379,442
Other expenditures:				
Facilities acquisition	5,890,811	1,000,361	10,679,755	17,570,927
Total expenditures	5,966,123	1,959,485	10,679,755	18,605,363
Excess (deficiency) of revenues over (under) expenditures	(500,124)	210,391	(10,308,643)	(10,598,376)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	10,008	-	10,008
Issuance of IT subscription obligation	-	18,200	-	18,200
Transfers (out)	(2,105,311)	(39,666)	-	(2,144,977)
Total other financing sources (uses)	(2,105,311)	(11,458)	-	(2,116,769)
Net change in fund balance	(2,605,435)	198,933	(10,308,643)	(12,715,145)
Fund balance, beginning of year	7,729,647	1,205,368	14,250,863	21,980,510
Fund balance, end of year	\$ 5,124,212	\$ 1,404,301	\$ 3,942,220	\$ 10,470,733

North Scott Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2025

	Child Care	Student Construction	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 133,953	\$ 313,740	\$ 447,693
Receivables, accounts	15,256	-	15,256
Assets held for resale	-	381,850	381,850
Total assets	149,209	695,590	844,799
Deferred Outflows of Resources:			
OPEB related deferred outflows	1,453	-	1,453
Pension related deferred outflows	29,960	-	29,960
Total deferred outflows of resources	31,413	-	31,413
Liabilities			
Current liabilities:			
Accounts payable	1,481	16,429	17,910
Salaries and benefits payable	8,451	-	8,451
Compensated absences	24,427	-	24,427
Total OPEB liability	357	-	357
Total current liabilities	34,716	16,429	51,145
Noncurrent liabilities:			
Compensated absences	16,284	-	16,284
Total OPEB liability	2,950	-	2,950
Net pension liability	86,465	-	86,465
Total noncurrent liabilities	105,699	-	105,699
Total liabilities	140,415	16,429	156,844
Deferred Inflows of Resources:			
OPEB related deferred inflows	4,993	-	4,993
Pension related deferred inflows	1,936	-	1,936
Total deferred inflows of resources	6,929	-	6,929
Net Position			
Unrestricted	33,278	679,161	712,439
Total net position	\$ 33,278	\$ 679,161	\$ 712,439

North Scott Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2025

	Child Care	Student Construction	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 280,501	\$ -	\$ 280,501
Miscellaneous	-	175,394	175,394
Total operating revenues	280,501	175,394	455,895
Operating expenses:			
Support services:			
Administration:			
Purchased Services	126	-	126
Transportation:			
Salaries	1,190	-	1,190
Benefits	203	-	203
Noninstructional programs:			
Salaries	226,791	-	226,791
Benefits	64,740	-	64,740
Purchased services	90	1,194	1,284
Supplies	16,174	114	16,288
Other	10,179	-	10,179
Total operating expenses	319,493	1,308	320,801
Operating income (loss)	(38,992)	174,086	135,094
Nonoperating revenues:			
Federal sources	1,768	-	1,768
Interest on investments	7,543	10,736	18,279
Total nonoperating revenues	9,311	10,736	20,047
Change in net position	(29,681)	184,822	155,141
Net position, beginning of year, as restated	62,959	494,339	557,298
Net position, end of year	\$ 33,278	\$ 679,161	\$ 712,439

North Scott Community School District

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2025**

	Child Care	Student Construction	Total
Cash flows from operating activities:			
Cash received from:			
Charges for services	\$ 272,126	\$ -	\$ 272,126
Proceeds from sale of student construction homes	-	908,111	908,111
Cash payments to:			
Employees for services	(284,488)	-	(284,488)
Suppliers for goods and services	(26,893)	(453,887)	(480,780)
Net cash provided by (used in) operating activities	(39,255)	454,224	414,969
Cash flows from noncapital financing activities:			
Payment to other funds	-	(151,220)	(151,220)
Federal grants received	1,768	-	1,768
Net cash provided by (used in) noncapital financing activities	1,768	(151,220)	(149,452)
Cash flows from investing activities, interest on investments	7,543	10,736	18,279
Net increase (decrease) in cash and cash equivalents	(29,944)	313,740	283,796
Cash and cash equivalents:			
Beginning of year	163,897	-	163,897
End of year	\$ 133,953	\$ 313,740	\$ 447,693
(Continued)			

North Scott Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2025

	Child Care	Student Construction	Total
Reconciliation of operating income (loss)			
to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (38,992)	\$ 174,086	\$ 135,094
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	(8,375)	-	(8,375)
Assets held for sale	-	278,750	278,750
Prepaid expenses	590	-	590
Increase (decrease) in:			
Accounts payable	(914)	1,388	474
Salaries and benefits payable	(776)	-	(776)
Net OPEB benefits	185	-	185
Net pension liability	9,201	-	9,201
Compensated absences payable	(174)	-	(174)
Net cash provided by (used in) operating activities	\$ (39,255)	\$ 454,224	\$ 414,969

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STATISTICAL SECTION

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North Scott Community School District

Statistical Section Contents

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
Financial Trends	78-91
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
Revenue Capacity	92-96
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
Debt Capacity	97-103
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	104-105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments	
Operating Information	106-115
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	
Miscellaneous Information	116-132
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			
	2016	2017	2018	2019
Governmental activities:				
Net investment in				
capital assets	\$ 24,761,641	\$ 26,866,583	\$ 31,471,058	\$ 34,773,981
Restricted	13,484,499	13,011,813	10,693,400	10,530,257
Unrestricted	(5,674,346)	(5,418,428)	(4,389,974)	(3,711,989)
Business-type activities				
Net investment in				
capital assets	188,246	209,174	760,303	685,021
Unrestricted	620,999	665,014	165,430	288,565
Total primary				
government net position	\$ 33,381,039	\$ 35,334,156	\$ 38,700,217	\$ 42,565,835

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 37,521,436	\$ 36,689,158	\$ 44,123,373	\$ 47,720,427	\$ 49,808,850	\$ 56,791,995	
10,709,426	12,800,339	11,091,389	10,778,432	14,817,128	13,414,950	
(3,921,991)	(4,429,643)	(1,371,755)	2,614,568	5,881,397	3,060,695	
664,836	616,780	567,572	634,850	1,081,490	1,149,189	
737,442	1,290,733	2,292,575	2,614,276	2,323,187	2,118,619	
\$ 45,711,149	\$ 46,967,367	\$ 56,703,154	\$ 64,362,553	\$ 73,912,052	\$ 76,535,448	

North Scott Community School District

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
Regular instruction	\$ 15,018,027	\$ 15,226,755	\$ 15,208,231	\$ 15,928,205
Special instruction	5,117,267	3,722,635	3,997,791	5,294,084
Other instruction	2,688,013	4,592,874	4,682,336	3,214,355
Student services	1,490,651	1,557,232	1,574,595	1,605,249
Instructional staff services	1,536,639	2,508,038	2,441,964	2,087,919
Administration services	3,570,064	3,537,991	3,790,929	3,993,048
Operation and maintenance of plant services	1,939,011	3,416,517	2,609,387	2,803,533
Transportation services	1,492,815	1,681,881	1,647,218	1,730,198
Food service operations	-	-	-	-
Noninstructional	14,158	7,322	7,253	20,911
Interest on long-term debt	-	-	-	-
AEA flowthrough	1,247,226	1,279,320	1,318,145	1,319,381
Debt service	383,459	364,360	344,959	321,309
Total governmental activities	34,497,329	37,894,925	37,622,808	38,318,192
Business-type activities:				
Nutrition services	1,565,582	1,545,279	1,614,897	1,609,856
Child care services	288,059	281,135	321,698	337,322
Student construction	-	-	-	-
Total business-type activities	1,853,641	1,826,414	1,936,595	1,947,178
Total primary government expenses	36,350,970	39,721,339	39,559,403	40,265,370
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular instruction	1,019,052	1,154,046	1,172,062	1,098,188
Special instruction	152,817	183,978	262,594	222,318
Other instruction	343,472	437,055	418,657	313,200
Support services	95,139	103,315	84,213	75,683
Operating grants and contributions	6,541,950	5,461,241	5,466,292	5,573,722
Capital grants and contributions	47,509	-	114,209	370,066
Total governmental activities	8,199,939	7,339,635	7,518,027	7,653,177
Business-type activities:				
Charges for services:				
Nutrition	916,142	925,751	975,751	953,765
Child care	292,231	257,394	316,811	358,267
Student construction	-	-	-	-
Operating grants and contributions	700,926	726,895	692,284	698,264
Total business-type activities	1,909,299	1,910,040	1,984,846	2,010,296
Total primary government revenues	10,109,238	9,249,675	9,502,873	9,663,473
Net (expense) revenues:				
Total governmental activities	(26,297,390)	(30,555,290)	(30,104,781)	(30,665,015)
Total business-type activities	55,658	83,626	48,251	63,118
Total primary government revenues	\$ (26,241,732)	\$ (30,471,664)	\$ (30,056,530)	\$ (30,601,897)

Source: District financial records

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	15,700,559	\$	16,512,955	\$	14,526,074	\$	16,084,078	\$	16,840,006	\$	17,759,030
	4,143,677		3,949,960		5,462,605		6,014,501		5,861,927		5,965,694
	4,755,060		4,851,630		3,622,644		3,718,471		3,865,196		4,964,326
	1,597,632		1,663,594		1,528,067		1,772,675		1,779,031		1,855,513
	2,440,185		2,730,931		2,391,876		2,881,760		3,738,256		3,121,511
	3,760,468		3,804,089		3,514,627		3,888,693		4,204,393		4,560,715
	2,352,668		3,416,075		2,917,670		3,480,066		3,322,506		4,615,866
	2,234,326		1,429,305		1,968,824		1,966,975		1,913,824		2,209,863
	15,033		16,154		8,654		8,279		2,854		3,655
	1,370,500		1,371,111		1,433,468		1,483,088		1,492,585		1,215,399
	321,972		270,509		245,144		742,962		1,352,896		2,265,728
	38,692,080		40,016,313		37,619,653		42,041,548		44,373,474		48,537,300
	1,713,827		1,771,980		1,898,398		2,098,495		2,143,600		2,382,145
	339,628		319,441		297,504		332,808		281,831		319,493
	5,315		1,175		230		3,231		5,136		1,308
	2,058,770		2,092,596		2,196,132		2,434,534		2,430,567		2,702,946
	40,750,850		42,108,909		39,815,785		44,476,082		46,804,041		51,240,246
	1,258,950		1,237,441		1,144,105		1,985,460		2,408,051		4,124,136
	276,187		324,702		558,310		635,121		797,329		701,917
	422,090		211,592		36,546		-		723,871		805,653
	60,042		181,215		1,260,377		1,267,803		569,127		366,957
	5,268,541		6,212,149		7,107,322		7,881,747		7,925,971		6,247,212
	257,012		366,104		209,664		1,000,000		1,697,578		3,200,000
	7,542,822		8,533,203		10,316,324		12,770,131		14,121,927		15,445,875
	740,710		230,382		299,865		1,229,156		1,238,541		1,210,332
	274,612		176,095		267,328		283,883		264,933		280,501
	-		-		20,000		86,474		-		175,394
	1,243,865		2,065,336		2,595,776		1,190,852		1,035,478		1,007,737
	2,259,187		2,471,813		3,182,969		2,790,365		2,538,952		2,673,964
	9,802,009		11,005,016		13,499,293		15,560,496		16,660,879		18,119,839
	(31,149,258)		(31,483,110)		(27,303,329)		(29,271,417)		(30,251,547)		(33,091,425)
	200,417		379,217		986,837		355,831		108,385		(28,982)
\$	(30,948,841)	\$	(31,103,893)	\$	(26,316,492)	\$	(28,915,586)	\$	(30,143,162)	\$	(33,120,407)

North Scott Community School District

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

	Fiscal Year			
	2016	2017	2018	2019
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general and other purposes*	\$ 11,695,160	\$ 11,831,951	\$ 12,562,452	\$ 13,702,458
Property taxes levied for capital projects and other	1,292,849	1,316,439	1,381,514	1,475,020
Unrestricted intergovernmental	309,807	627,197	411,621	904,097
Sales tax	2,903,548	3,150,169	2,840,343	3,114,143
Unrestricted grants and contributions	14,076,931	15,188,270	15,196,967	14,515,809
Miscellaneous	128,211	135,763	79,524	116,852
Investment earnings	89,234	141,958	302,943	602,218
Transfers	-	51,717	47,117	52,183
Total governmental activities	30,495,740	32,443,464	32,822,481	34,482,780
Business-type activities:				
Miscellaneous	10,528	28,120	22,681	19,340
Investment earnings	1,871	4,914	10,575	17,578
Transfers	-	(51,717)	(47,117)	(52,183)
Total business-type activities	12,399	(18,683)	(13,861)	(15,265)
Total primary government	30,508,139	32,424,781	32,808,620	34,467,515
Change in net position:				
Total governmental activities	4,198,350	2,338,683	2,717,700	3,817,765
Total business-type activities	68,057	29,568	34,390	47,853
Total primary government	\$ 4,266,407	\$ 2,368,251	\$ 2,752,090	\$ 3,865,618

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

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 12,864,339	\$ 13,132,806	\$ 12,105,245	\$ 13,010,888	\$ 13,121,882	\$ 15,205,562	
1,627,608	1,718,719	2,420,414	1,816,676	1,837,119	2,039,831	
977,008	1,282,353	894,332	801,006	1,057,753	1,270,631	
3,187,492	3,026,194	3,773,089	3,737,782	5,080,660	3,992,148	
14,954,654	14,915,773	14,718,228	15,862,387	16,334,096	15,929,205	
4,582	-	13,741	53,223	-	-	
446,073	103,963	114,468	1,151,257	2,144,585	1,650,166	
(195,876)	54,285	46,965	54,815	69,400	74,995	
33,865,880	34,234,093	34,086,482	36,488,034	39,645,495	40,162,538	
14,268	173,539	-	-	-	-	
18,131	6,764	12,762	88,029	116,566	100,681	
195,876	(54,285)	(46,965)	(54,815)	(69,400)	(74,995)	
228,275	126,018	(34,203)	33,214	47,166	25,686	
34,094,155	34,360,111	34,052,279	36,521,248	39,692,661	40,188,224	
2,716,622	2,750,983	6,783,153	7,216,617	9,393,948	7,071,113	
428,692	505,235	952,634	389,045	155,551	(3,296)	
\$ 3,145,314	\$ 3,256,218	\$ 7,735,787	\$ 7,605,662	\$ 9,549,499	\$ 7,067,817	

North Scott Community School District

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund:				
Nonspendable	\$ 172,358	\$ 178,036	\$ 117,281	\$ 126,526
Restricted	635,402	689,907	757,288	797,644
Assigned	188,588	292,056	292,056	506,288
Unassigned	4,508,003	4,911,348	5,799,491	6,824,523
Total General Fund	5,504,351	6,071,347	6,966,116	8,254,981
All other governmental funds:				
Nonspendable	630	12,566	54,592	38,006
Restricted for:				
Capital projects funds	11,036,798	8,890,096	6,327,715	6,862,001
Debt service	1,504,282	1,510,855	1,522,845	157,369
Special revenue funds	1,575,251	1,790,955	1,968,552	2,597,243
Total all other governmental funds	14,116,961	12,204,472	9,873,704	9,654,619
Total governmental funds	\$ 19,621,312	\$ 18,275,819	\$ 16,839,820	\$ 17,909,600

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 108,296	\$ 111,033	\$ 113,968	\$ 97,952	\$ 303,473	\$ 167,502	
920,481	1,202,986	1,398,582	894,782	609,012	493,240	
574,714	509,925	544,786	566,889	566,853	621,914	
7,299,371	7,236,578	6,809,444	7,774,903	9,381,284	9,850,037	
8,902,862	9,060,522	8,866,780	9,334,526	10,860,622	11,132,693	
316,164	329,969	26,933	414,070	696,435	453,917	
5,040,967	6,140,543	3,623,374	19,097,560	21,114,724	8,643,059	
1,551,625	1,555,175	1,557,859	1,641,328	1,664,490	1,728,063	
2,761,189	3,466,459	3,995,364	4,184,895	4,574,411	4,180,251	
9,669,945	11,492,146	9,203,530	25,337,853	28,050,060	15,005,290	
\$ 18,572,807	\$ 20,552,668	\$ 18,070,310	\$ 34,672,379	\$ 38,910,682	\$ 26,137,983	

North Scott Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
Local sources:				
Property taxes	\$ 12,988,009	\$ 13,148,390	\$ 13,943,966	\$ 15,177,478
Income surtax	203,230	199,503	204,267	223,421
Interest income	76,503	119,134	302,943	602,218
Other revenues	2,047,102	2,689,164	2,301,756	2,999,091
Total local sources	15,314,844	16,156,191	16,752,932	19,002,208
State sources:				
State education finance program	14,076,931	15,196,967	15,196,967	17,052,679
Statewide sales, services and use tax	2,903,548	2,840,343	2,840,343	3,114,143
Other state grants	4,830,872	4,542,646	4,517,277	1,943,840
Total state sources	21,811,351	22,579,956	22,554,587	22,110,662
Federal sources, federal grants	1,491,761	908,484	931,759	834,152
Total revenues	\$ 38,617,956	\$ 39,644,631	\$ 40,239,278	\$ 41,947,022

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 14,491,947	\$ 14,851,525	\$ 14,525,659	\$ 14,824,564	\$ 14,959,001	\$ 17,245,393	
236,688	224,316	235,350	273,456	274,363	243,738	
446,073	80,053	90,207	953,433	1,881,628	1,389,022	
2,588,510	2,898,726	3,332,259	4,402,578	7,705,149	6,606,112	
17,763,218	18,054,620	18,183,475	20,454,031	24,820,141	25,484,265	
17,121,938	17,562,872	16,348,360	15,862,387	16,334,096	15,929,205	
3,187,492	3,026,194	3,773,089	3,737,782	5,080,660	3,992,148	
2,606,473	5,137,962	4,382,963	6,187,150	5,991,591	6,226,763	
22,915,903	22,700,834	24,504,412	25,787,319	27,406,347	26,148,116	
790,805	1,627,663	1,642,719	2,205,834	2,142,117	1,307,720	
\$ 41,469,926	\$ 42,383,117	\$ 44,330,606	\$ 48,447,184	\$ 54,368,605	\$ 52,940,101	

North Scott Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
Regular instruction	\$ 14,810,509	\$ 14,242,364	\$ 14,068,181	\$ 14,777,803
Special instruction	5,220,416	3,706,249	4,025,833	5,281,294
Other instruction	2,531,419	4,363,770	4,435,216	2,874,529
Student services	1,514,943	1,534,895	1,554,900	1,568,666
Instructional staff services	1,561,680	2,484,224	2,416,569	2,038,398
Administration services	3,566,564	3,392,127	3,625,690	3,834,287
Operation and maintenance of plant	2,830,472	2,955,046	2,850,981	2,857,653
Transportation services	1,219,237	1,361,800	1,333,283	1,388,925
Noninstructional programs	14,158	7,322	7,253	20,911
Capital outlay, facilities acquisition	2,356,208	4,421,410	4,763,834	3,639,670
AEA flowthrough	1,247,226	1,279,320	1,318,145	1,319,381
Debt service:				
Principal	955,000	970,000	980,000	995,000
Interest and fiscal charges	402,005	382,906	363,505	339,855
Total expenditures	\$ 38,229,837	\$ 41,101,433	\$ 41,743,390	\$ 40,936,372
Debt service as a percentage of noncapital expenditures	3.91%	3.68%	3.69%	3.62%

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 14,338,674	\$ 15,247,481	\$ 16,312,403	\$ 17,186,764	\$ 17,124,725	\$ 17,294,292	
4,165,387	3,976,949	5,517,771	6,030,050	5,886,192	5,931,949	
4,412,317	4,509,983	3,289,111	3,360,720	3,391,716	4,343,504	
1,558,246	1,622,555	1,712,444	1,899,589	1,855,464	1,914,547	
2,400,794	2,683,705	2,615,238	3,030,295	3,833,726	3,141,217	
3,598,605	3,639,552	3,869,480	4,070,135	4,055,355	4,320,525	
3,009,894	2,937,867	3,428,893	3,525,350	3,804,619	4,261,092	
1,855,275	1,021,441	1,662,101	1,625,049	1,531,870	1,704,837	
15,033	16,154	8,654	8,279	2,854	3,655	
2,554,345	2,099,588	5,607,118	7,886,810	31,731,263	17,570,927	
1,370,500	1,371,111	1,433,468	1,483,088	1,492,585	1,215,399	
1,020,000	1,040,000	1,070,000	1,179,603	1,222,634	1,722,470	
316,355	291,155	265,955	700,613	1,281,869	2,394,171	
\$ 40,615,425	\$ 40,457,541	\$ 46,792,636	\$ 51,986,345	\$ 77,214,872	\$ 65,818,585	
3.61%	3.46%	3.30%	4.30%	5.61%	8.54%	

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			
	2016	2017	2018	2019
Excess (deficiency) of revenues over (under) expenditures	\$ 388,119	\$ (1,456,802)	\$ (1,504,112)	\$ 1,010,650
Other financing sources (uses):				
Sale of capital assets	76,444	59,592	20,996	6,947
Issuance of IT subscription obligation	-	-	-	-
Issuance of bonds	-	-	-	-
Premium on issuance	-	-	-	-
Transfers in	1,355,663	1,427,839	1,390,929	1,411,013
Transfers out	(1,355,663)	(1,376,122)	(1,343,812)	(1,358,830)
Total other financing sources (uses)	76,444	111,309	68,113	59,130
Net change in fund balances	\$ 464,563	\$ (1,345,493)	\$ (1,435,999)	\$ 1,069,780

Source: District financial records

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 854,501	\$ 1,925,576	\$ (2,462,030)	\$ (3,539,161)	\$ (22,846,267)	\$ (12,878,484)	
4,582	-	13,741	53,223	18,728	12,590	
-	-	-	33,192	-	18,200	
-	-	-	20,000,000	25,000,000	-	
-	-	-	-	1,996,442	-	
1,373,990	1,426,903	1,456,746	1,873,331	2,284,592	2,244,972	
(1,569,866)	(1,372,618)	(1,409,781)	(1,818,516)	(2,215,192)	(2,169,977)	
(191,294)	54,285	60,706	20,141,230	27,084,570	105,785	
\$ 663,207	\$ 1,979,861	\$ (2,401,324)	\$ 16,602,069	\$ 4,238,303	\$ (12,772,699)	

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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			
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
2022	712,075,528	302,918,822	206,033,331	1,492,712	1,219,534,969	11.64722
2023	737,318,483	322,946,854	206,447,671	1,442,708	1,265,270,300	11.47542
2024	769,755,794	316,250,474	191,912,890	1,396,408	1,276,522,750	11.46863
2025	792,987,131	429,115,007	201,725,971	6,895,345	1,416,932,764	11.67880

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
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
2022	10.34722	1.30000	-	11.64722	6.04197	0.92357	12.80000
2023	10.17542	1.30000	-	11.47542	5.95000	0.94542	12.65000
2024	10.16863	1.30000	-	11.46863	5.95000	0.94840	12.65000
2025	9.15645	1.30000	1.22235	11.67880	5.95000	0.94840	13.11000

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.

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	\$ 7.22036	\$ 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
16.78000	8.36992	6.44034	7.02670	9.62550	5.99993	10.61954	10.00266
16.78000	7.96819	6.82903	7.40732	9.62879	6.00004	10.07802	9.98495
16.78000	8.09652	6.89805	7.95954	9.60289	5.99994	10.98851	8.23916
16.61059	7.86070	6.69713	7.97926	9.60040	5.88223	14.02226	8.23915

North Scott Community School District

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

Name of Taxpayer	2025			2016		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Sterilite Corporation	\$ 59,846,960	1	4.22%			
CF Caiman DVN LLC	58,837,621	2	4.15%			
Kraft Heinz Foods Company	44,762,673	3	3.16%			
Midamerican Energy Company	35,825,942	4	2.53%			
John Deere Construction & Forestry	30,469,890	5	2.15%	\$ 23,985,124	5	2.72%
Deere & Company, Inc.	21,918,044	6	1.55%			
200 East 90th St LLC	13,807,911	7	0.97%			
Murray Enterprises LTD	11,082,738	8	0.78%			
Alliance Pipeline	10,507,449	9	0.74%			
LLPT Trails Road LLC	9,321,845	10	0.66%			
Iowa American Water Company				60,249,318	1	6.83%
Macerich North Park Mall LLC				52,533,450	2	5.95%
Isle of Capri Bettendorf				45,000,000	3	5.10%
Aluminum Company of America				38,041,097	4	4.31%
Qwest Corp				21,176,189	6	2.40%
Northern Border Pipeline				21,099,127	7	2.39%
Continental Cement Company LLC				20,385,547	8	2.31%
Continental 203 Fund LLC				19,050,314	9	2.16%
Falls Plaza LLC				18,972,450	10	2.15%
	<u>\$ 296,381,073</u>		<u>20.92%</u>	<u>\$ 320,492,616</u>		<u>36.32%</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
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%
2022	14,750,107	14,744,672	99.96%	1,654	14,744,672	99.97%
2023	15,864,468	15,349,779	96.76%	-	15,349,779	96.76%
2024	15,973,415	15,708,342	98.34%	-	15,708,342	98.34%
2025	18,255,298	17,887,983	97.99%	-	17,887,983	97.99%

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

North Scott Community School District

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Line of Credit	IT Subscription Obligation	Total Primary Government	Percentage of Personal Income*	Per Capita*
2016	\$ -	\$ 14,798,640	\$ -	\$ -	\$ 14,798,640	3.24%	\$ 973
2017	-	13,810,094	-	-	13,810,094	2.94%	908
2018	-	12,811,548	-	-	12,811,548	2.38%	843
2019	-	11,798,002	-	-	11,798,002	2.15%	776
2020	-	10,759,456	250,000	-	11,009,456	1.94%	724
2021	-	9,700,910	-	-	9,700,910	1.55%	600
2022	-	8,612,364	-	34,059	8,612,364	1.36%	547
2023	-	27,385,000	-	150,728	27,535,728	3.49%	1,750
2024	26,996,442	26,350,272	-	58,094	53,404,808	N/A	3,372
2025	26,371,366	25,166,726	-	38,824	51,576,916	N/A	N/A

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 104 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 General Bonded Debt to Assessed Values
Last Ten Fiscal Years
(Unaudited)**

Year of Collection	Estimated Actual Value of Taxable Property	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita*
2016-17	\$ 975,457,521	\$ -	-	\$ -
2017-18	1,027,794,598	-	-	-
2018-19	1,061,816,489	-	-	-
2019-20	1,154,042,949	-	-	-
2020-21	1,282,869,553	-	-	-
2021-22	1,334,999,359	-	-	-
2022-23	1,375,866,355	-	-	-
2023-24	1,442,752,839	-	-	-
2024-25	1,457,986,367	26,996,442	1.17%	1,716
2025-26	1,459,463,506	26,371,366	1.81%	1,665

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 104 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 Fund 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 Fund Expenditures
2016	\$ -	\$ -	\$ -	\$ 32,308,297	-
2017	-	-	-	33,283,869	-
2018	-	-	-	33,596,992	-
2019	-	-	-	33,582,796	-
2020	-	-	-	34,022,343	-
2021	-	-	-	35,149,950	-
2022	-	-	-	37,169,574	-
2023	-	-	-	39,602,529	-
2024	-	-	-	40,325,542	-
2025	-	-	-	41,456,834	-

Source: District financial records.

North Scott Community School District

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019
Debt limit	\$ 48,772,876	\$ 51,389,730	\$ 53,090,824	\$ 57,702,147
Total net debt applicable to limit	14,555,000	13,585,000	12,605,000	11,798,002
Legal debt margin	\$ 34,217,876	\$ 37,804,730	\$ 40,485,824	\$ 45,904,145
Total net debt applicable to the limit as a percentage of debt limit	29.84%	26.44%	23.74%	20.45%

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

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	<u>\$ 2,920,948,852</u>
Debt limit (5% of assessed value)	\$ 146,047,443
Debt applicable to limit	49,608,824
Legal debt margin	<u>\$ 96,438,619</u>

2020	2021	2022	2023	2024	2025
\$ 64,143,478	\$ 66,749,968	\$ 68,793,318	\$ 111,767,366	\$ 115,059,746	\$ 146,047,443
11,009,456	9,700,910	8,612,364	27,649,546	53,404,808	49,608,824
\$ 53,134,022	\$ 57,049,058	\$ 60,180,954	\$ 84,117,820	\$ 61,654,938	\$ 96,438,619
17.16%	14.53%	12.52%	24.74%	46.41%	33.97%

North Scott Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 10,075,010	13.50%	\$ 1,360,126
Eastern Iowa Community College	47,060,000	8.85%	4,164,810
City of Bettendorf	141,336,000	17.00%	24,027,120
City of Davenport	201,445,000	6.95%	14,000,428
City of Donahue	-	100.00%	-
City of Eldridge	14,092,263	100.00%	14,092,263
City of Long Grove	2,072,000	100.00%	2,072,000
City of Maysville	-	100.00%	-
City of McCausland	42,916	100.00%	42,916
City of Princeton	-	100.00%	-
Subtotal, overlapping debt			<u>59,759,663</u>
District direct debt			<u>51,538,093</u>
Total direct and overlapping debt			<u><u>\$ 111,297,756</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; 2025 assessed values are used.)

North Scott Community School District

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

Fiscal Year	Revenue Bonds*			Coverage
	Revenue	Debt Service		
		Principal	Interest	
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
2023	4,253,992	1,095,000	527,375	38.14
2024	5,080,660	1,130,000	968,308	41.30
2025	3,992,148	1,165,000	939,633	52.72

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) *
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	16,159	624,983,884	34,817	5.8
2022	15,733	632,430,114	35,715	3.3
2023	15,733	789,551,924	62,421	2.9
2024	15,837	N/A	64,357	2.9
2025	15,837	N/A	N/A	3.0

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	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Deere & Company	6,700	1	1.19 %	7,625	1	3.32 %
Rock Island Arsenal	6,300	2	1.12	5,602	2	2.44
Unity Point - Trinity	6,100	3	1.08	4,468	4	1.95
MercyOne Genesis	4,700	4	0.83	4,805	3	2.10
HyVee	4,200	5	0.74	4,378	5	1.91
HNI Corporation	3,200	6	0.57	3,700	6	1.61
Walmart	3,600	7	0.64	2,821	7	1.23
Arconic	2,550	8	0.45			
Tyson Fresh Meats	2,400	9	0.43	2,400	8	1.05
Amazon	1,500	10	0.27			
Unity Point						
Davenport CSD				2,279	9	0.99
Alcoa				2,194	10	0.96
Total	<u>41,250</u>		<u>7.31 %</u>	<u>40,272</u>		<u>17.56 %</u>
Total Regional Employees	564,090			229,331		

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

*Quad Cities Chamber Region includes Clinton, Muscatine, and Scott Counties in Iowa, and Henry, Mercer, and Rock
Note: "Percent of Total Employment" is derived from the proportion of a firm's employees divided by the total employees in the region. These employees may represent workers who commute outside of the study region, and are

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			
	2016	2017	2018	2019
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Assistant superintendent	-	-	-	-
Principals	6.9	6.8	7.0	7.0
Assistant principals	3.0	2.6	3.0	5.0
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
Total supervisory	14.2	13.7	14.3	16.3
Instruction:				
Classroom teachers	172.0	170.0	164.4	166.3
Special education teachers	24.8	25.8	26.0	26.5
Special programs	13.5	17.2	19.5	17.1
Vocational teachers	11.8	11.0	11.0	13.5
Teacher aides	65.3	66.7	66.9	67.6
Instructional technology technicians	3.0	3.0	3.0	4.0
Other instruction programs	3.0	8.4	9.0	9.0
Total instruction	293.4	302.1	299.8	303.9
Student services:				
Social workers	1.0	1.0	1.0	1.0
Counselors	10.5	10.5	10.5	10.5
Library/media specialists	5.8	4.9	5.0	5.0
Nurses	5.8	6.0	6.1	6.1
Total student services	23.1	22.4	22.6	22.6
Support and administration:				
Other support services	1.2	1.2	1.2	1.2
Office/clerical personnel	23.5	22.3	22.3	22.3
Other professional employees	1.0	1.0	1.0	1.0
Technology specialist	1.0	1.0	1.0	1.0
Other technical personnel	2.0	2.0	2.0	2.0
Crafts and trades personnel	6.5	5.5	5.5	5.5
Laborers	3.0	3.0	3.0	3.0
Service workers	56.5	55.8	51.1	59.9
Operative personnel	13.8	13.0	12.6	12.0
Total support and administration	108.5	104.8	99.6	107.9
Total	439.2	443.0	436.3	450.7

Source: District financial records

Full-Time Equivalent Employees as of June 30							Percentage Change
2020	2021	2022	2023	2024	2025	2016-2025	
1.0	1.0	1.0	1.0	1.0	1.0	- %	
1.0	1.0	-	-	-	-	100.00	
7.0	7.0	7.0	7.0	7.0	7.0	1.45	
5.0	5.0	5.0	5.0	5.0	5.0	66.67	
0.3	0.3	0.3	0.3	0.3	0.3	-	
1.0	1.0	1.0	1.0	1.0	1.0	-	
2.0	2.0	2.0	2.0	2.0	2.0	-	
17.3	17.3	16.3	16.3	16.3	16.3	14.79	
162.5	162.8	164.4	171.7	166.0	173.1	0.64	
28.5	27.0	28.0	33.0	35.5	35.0	41.13	
17.7	15.1	15.1	19.1	19.0	19.0	40.74	
12.0	13.0	13.5	15.2	14.8	14.6	23.73	
68.1	65.2	67.2	75.3	65.9	70.2	7.50	
3.0	3.0	3.0	3.0	3.0	3.0	-	
11.0	11.0	11.0	11.0	12.0	12.0	300.00	
302.7	297.1	302.2	328.4	316.2	326.9	11.42	
1.0	1.0	1.0	1.0	1.0	1.0	-	
10.5	10.5	10.5	10.5	11.2	10.5	-	
5.4	5.4	6.0	5.3	6.0	6.0	3.45	
6.2	6.0	7.0	7.0	7.0	7.0	20.69	
23.0	22.9	24.5	23.8	25.2	24.5	6.06	
1.2	1.9	1.9	4.3	4.3	4.9	306.67	
22.3	21.2	21.2	21.5	22.0	22.2	(5.53)	
1.0	1.0	1.0	1.0	1.0	1.0	100.00	
1.0	1.0	1.0	1.0	1.0	1.0	-	
2.0	0.5	0.5	0.5	0.5	0.5	-	
5.5	5.0	5.0	4.0	4.0	4.0	(38.46)	
3.0	3.0	3.0	3.0	4.0	4.0	33.33	
55.6	53.3	53.3	54.1	58.4	58.9	4.25	
12.0	15.4	13.5	13.0	13.7	13.7	(0.51)	
103.6	102.3	100.4	102.4	108.9	110.2	1.58	
446.6	439.5	443.4	470.9	466.5	477.9	8.81 %	

North Scott Community School District

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

Fiscal Year	Daily Average Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change
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
2022	3,020	37,169,574	12,308	1.78
2023	3,088	39,602,529	12,825	4.20
2024	3,047	40,325,542	13,235	3.20
2025	3,077	41,456,834	13,474	1.81

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

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

Governmental Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
\$ 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
46,792,636	15,494	11.32	244.5	12.35
51,986,345	16,835	8.65	254.8	12.12
77,214,872	25,341	50.53	252.6	12.06
65,818,585	21,391	(15.58)	251.2	12.25

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North Scott Community School District

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

Fiscal Year	Reduced Students	Reduced Percentage	Free Students	Free Percentage	Total Free and Reduced Students	Total Free and Reduced Percentage
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
2022	102	2.95	795	23.02	897	25.98
2023	107	3.10	827	23.95	934	27.05
2024	138	3.99	814	23.54	952	27.53
2025	173	5.06	765	22.39	938	27.45

Source: District financial records.

North Scott Community School District

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

School	Fiscal Year			
	2016	2017	2018	2019
Armstrong				
Square feet	41,095	41,095	41,095	41,095
Capacity*	720	720	720	720
Enrollment	351	370	368	372
Playgrounds	2	2	2	2
Glenn				
Square feet	30,177	30,177	30,177	30,177
Capacity*	528	528	528	528
Enrollment	249	258	252	236
Playgrounds	2	2	2	2
Grissom				
Square feet	29,209	29,209	29,209	29,209
Capacity*	480	480	480	480
Enrollment	194	185	203	199
Playgrounds	2	2	2	2
Shepard				
Square feet	46,900	46,900	46,900	46,900
Capacity*	870	870	870	870
Enrollment	422	422	422	428
Playgrounds	2	2	2	2
White				
Square feet	67,546	67,546	67,546	67,546
Capacity*	990	990	990	990
Enrollment	588	561	526	528
Playgrounds	2	2	2	2
Jr. High				
Square feet	105,714	105,714	105,714	105,714
Capacity*	960	960	960	960
Enrollment	489	483	487	528
Playgrounds	-	-	-	-
High School				
Square feet	205,000	205,000	205,000	205,000
Capacity*	1,740	1,740	1,740	1,740
Enrollment	962	956	985	956
Playgrounds	-	-	-	-

Source: District records.

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

Fiscal Year					
2020	2021	2022	2023	2024	2025
41,095	41,095	41,095	41,095	41,095	56,445
720	720	720	720	720	720
375	363	371	378	369	369
2	2	2	2	2	2
30,177	30,177	30,177	30,177	30,177	30,177
528	528	528	528	528	528
228	214	208	192	184	180
2	2	2	2	2	2
29,209	29,209	29,209	29,209	29,209	29,209
480	480	480	480	480	480
198	195	184	197	177	155
2	2	2	2	2	2
46,900	46,900	46,900	46,900	46,900	59,100
870	870	870	870	870	870
442	427	441	452	472	467
2	2	2	2	2	2
67,546	67,546	67,546	67,546	67,546	67,546
990	990	990	990	990	990
506	548	579	579	558	556
2	2	2	2	2	2
105,714	105,714	105,714	105,714	105,714	112,214
960	960	960	960	960	960
501	496	499	544	556	533
-	-	-	-	-	-
205,000	205,000	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
988	1,018	1,041	1,072	1,056	1,092
-	-	-	-	-	-

North Scott Community School District

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

School	Fiscal Year			
	2016	2017	2018	2019
Elementary				
Buildings	5	5	5	5
Square feet	214,927	214,927	214,927	214,927
Capacity	3,588	3,588	3,588	3,588
Enrollment	1,804	1,796	1,771	1,763
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	489	483	487	528
High School				
Buildings	2	2	2	2
Square feet	205,000	205,000	205,000	205,000
Capacity	1,740	1,740	1,740	1,740
Enrollment	962	956	985	956
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
Regional Innovation Center	-	-	-	-
Athletics				
Lancer Athletic Building	-	1	1	1
Square feet	-	24,000	24,000	24,000
Indoor Practice Facility	-	-	-	-
Square feet	-	-	-	-
Wrestling 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					
2020	2021	2022	2023	2024	2025
5	5	5	5	5	5
214,927	214,927	214,927	214,927	214,927	242,477
3,588	3,588	3,588	3,588	3,588	3,588
1,749	1,747	1,783	1,798	1,760	1,727
10	10	10	10	10	10
1	1	1	1	1	1
105,714	105,714	105,714	105,714	105,714	112,214
960	960	960	960	960	960
501	496	499	544	544	544
2	2	2	2	2	2
205,000	205,000	205,000	205,000	205,000	205,000
1,740	1,740	1,740	1,740	1,740	1,740
988	1,018	1,041	1,072	1,072	1,072
1	1	1	1	1	1
5,188	5,188	5,188	5,188	5,188	5,188
1	1	1	1	1	1
9,900	9,900	9,900	9,900	9,900	9,900
20	20	20	20	20	20
1	1	1	1	1	1
25,351	25,351	25,351	25,351	25,351	25,351
40	40	40	40	40	40
-	-	-	-	86,265	86,265
1	1	1	1	1	1
24,000	24,000	24,000	24,000	24,000	24,000
-	1	1	1	1	1
-	15,552	15,552	15,552	15,552	15,552
-	-	-	1	1	1
-	-	-	20,500	20,500	20,500
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	3	3
1	1	1	1	1	1

North Scott Community School District

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

Year	Insured Property Values	Expenditures for Construction	Bank Deposit*
2015-16	\$ 117,555,405	\$ 15,649,202	\$ 6,599,043
2016-17	119,576,825	6,615,029	5,415,715
2017-18	124,662,825	4,286,334	15,765,345
2018-19	127,709,918	5,714,786	21,533,792
2019-20	138,773,492	2,251,106	18,781,893
2020-21	140,128,492	2,763,255	18,870,348
2021-22	146,432,999	5,275,293	20,781,753
2022-23	221,342,897	13,492,071	22,878,409
2023-24	222,710,785	31,696,827	24,605,218
2024-25	233,790,650	8,738,078	24,169,065

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

Sources: District financial and insurance records.

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.

SCHOOLS	24-25	23-24	22-23	21-22	20-21	19-20	18-19	17-18	16-17	15-16
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
Edward White Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Edward White Elem.		PS	PS	PS	PS					
John Glenn Elem.	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6	PreK-6
Neil Armstrong Elem.	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Neil Armstrong Elem.	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS
Virgil Grissom Elem.	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6	PS-6
Junior High	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8
High School	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12

*Approximately 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. In 2023 a major building addition began at the Alan Shepard Elementary School including a new multipurpose room, service kitchen, teacher's lounge, art room and additional restrooms.

A major sports complex was completed in the fall of 2002, which includes 12 lighted tennis courts and a lighted soccer complex. This complex was expanded to include a softball field, expanded parking, concession stand and restrooms in 2023. A District-wide web-based HVAC control system upgrade was started in the spring of 2009. In 2022 the District completed a community YMCA with the City of Eldridge. A new softball field complex was completed in 2024.

The District completed several building expansions and improvements in 2025. Expansions were completed at Neil Armstrong Elementary, Alan Shepard Elementary, the Jr. High and High School welding lab. A new Regional Innovation Center was constructed. This new facility will increase the number of career pathways for students which include agriculture, diesel, construction, electricity, plumbing, plant and animal sciences and veterinary assistance. A wrestling facility was purchased and renovated and major improvements were made to Lancer Stadium.

Staff and Curriculum

The North Scott Schools take pride in their excellent workforce. The seven buildings and central office are staffed by 16.0 FTE administrators, 251.2 FTE certified staff and 210.7 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 during the 2024-2025 school year:

- The District completed the CASA documents to report on the 2024-2025 school year and document plans for the upcoming year in implementing the Iowa Common Core.
- The District completed an internal end-of-year Teacher Leadership and Compensation (TLC) review, making an adjustment to the teacher leader job descriptions.
- 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. Buildings have developed a consistent framework for building leadership teams across the district.

- 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. We also observe several classrooms in one of the seven buildings each month. Members of the Cabinet include the Superintendent, Director of Curriculum and Instruction, Director of Student Services, a board member, all K-12 administrators, the K-12 Teacher Leader Coordinator, and all K-12 instructional coaches. We are joined by 3 members of the school board. Minutes of the Curriculum Cabinet are shared after each meeting at School Board meetings.
- All teachers were 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 along with administrators and teacher leaders.
- The District employed math and reading specialists who provide academic support in reading for students in grades K-12. The Comprehensive Intervention Model continues to be used by reading specialists throughout the district. Math interventionists use the Numeracy Project and Bridges Intervention.
- Parent/teacher conferences were held in grades kindergarten through twelve twice a year with a high parent participation rate at the K-6 level. The secondary schools continue to look for ways to support parent engagement through conferences.
- The District provided a well-articulated K-12 counseling program to address the needs of students. All buildings had full time guidance personnel.
- The District continued to provide regular professional development opportunities to all staff in the areas of reading and math, meeting the needs of diverse learners, and student feedback. In addition, secondary teachers engaged in some personalized learning.
- During this school year, four computer technicians were 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 had Google accounts. There were more than 3,000 computers across the District. The District had a 1:1 initiative using Chromebooks as the primary devices for students. The District maintained a web page that was restructured and updated in 2022 and continues to be updated through the Communications Director position.
- The District had an active mentoring program for beginning teachers. Each beginning teacher has a trained mentor for a two-year period. Training teachers has been on-going to enlarge the pool of mentors supporting beginning educators starting their careers in the District. New teachers met together monthly with a support team for additional support. The district is exploring new mentor training with Mentoring In Action.
- Each elementary and both the Junior High and High School provided student academic intervention time each school day.

Population

The population of the North Scott Community School District is estimated at approximately 16,000. The enrollment in October 2025 was 3,401 students – 1,109 senior high students, 503 junior high students, and 1,789 elementary students. These numbers include students who are open-enrolled or tuitioned into the District.

A fleet of 39 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 6 special education routes operating daily.

Total student meals served during the 2024-2025 school year was 451,706 and total adult meals served was 16,706. During the 2024-2025 school year, the District received USDA commodity funding totaling \$204,011. This was made of allowable funds of \$170,047 plus additional funding of \$33,964. The additional commodity funding allowed the District to provide higher quality fresh produce to students and offset food cost increases. With the additional revenue in the Nutrition Fund the District will continue to updating food service equipment.

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, 2015, and 2016
- Presenter – 2017 Visible Learning Conference
- Presenter – Association for Middle Level Educators
- Presenters – 2018 National Reading Recovery Council Conference
- Presenters – 2022 Iowa Choral Directors' Summer Symposium
- State of Iowa Governor's Volunteer Award for Individual Volunteerism
- Big Brothers/Big Sisters of America Big Impact Award Winner
- Edward White Elementary Model PCL School 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

- 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, 2023, 2024
- 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, 2024
- Girls Tennis MAC Coach of the Year, 2023
- Band teacher received the 2023 Karl King Distinguished Service Award via the Southeast Iowa Bandmasters Association
- Agriculture teacher received the 2023 Golden Owl Award Recipient
- Two 2023 Impact Award Recipients
- 2023 IHSSA Administrator of the Year Award
- Iowa Thespian Hall of Fame Inductee, 2025
- Mississippi Bend Regional Teacher of the Year, 2026

Building Awards

- 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, \$500,000
- State of Iowa Career Academy Incentive Fund, \$1,000,000
- State of Iowa SLFRF School Safety Improvement Grant, \$350,000
- Harbor Freight Tools for Schools, \$50,000
- Arconic Foundation Grant, \$150,000
- Therapeutic Classroom Incentive Grant, \$174,500
- Stem BEST Program Grant, \$40,000
- Community Project Funding Grant, \$2,000,000

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.

YMCA, 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

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

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

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

2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
257.0	262.0	271.0	246.0	232.0	260.0
212.0	219.0	221.0	250.0	216.0	195.0
216.0	210.0	232.0	236.0	244.0	217.0
235.0	215.0	222.0	242.0	244.0	249.0
237.0	250.0	226.0	240.0	243.0	246.0
247.0	241.0	259.0	230.0	247.0	245.0
239.0	254.0	258.0	261.0	245.0	248.0
244.0	244.0	257.0	279.0	272.0	254.0
255.0	249.0	240.0	262.0	281.0	277.0
261.0	266.0	252.0	257.0	271.0	298.0
230.0	261.0	261.0	260.0	244.0	271.0
236.0	223.0	273.0	266.0	261.0	247.0
244.0	254.0	242.0	276.0	272.0	265.0
3,113.0	3,148.0	3,214.0	3,305.0	3,272.0	3,272.0
3,029.6	3,071.0	3,113.0	3,097.6	3,018.2	2,991.3

North Scott Community School District

**Schedule of Insurance Coverage
July 1, 2024- June 30, 2025
(Unaudited)**

Detail of Coverage	Number	From	To
PROPERTY			
Coverage A - Buildings	5A1-37-59-25	7/1/2024	7/1/2025
Coverage B - Personal property			
Coverage C - Extra expense			
LIABILITY			
Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefits, additional insured.	5D1-37-59-25	7/1/2024	7/1/2025
FLEET			
Bodily injury, property damage, medical uninsured motorist, comprehensive, collision. Includes non-owned.	5E1-37-59-25	7/1/2024	7/1/2025
WORKERS' COMPENSATION			
	B062984 01	7/1/2024	7/1/2025
INLAND MARINE			
All risk coverage based on statement of values.	5C1-37-59-25	7/1/2024	7/1/2025
COMMERCIAL UMBRELLA (EXCESS LIABILITY)			
	5J1-37-59-25	7/1/2024	7/1/2025
SCHOOL DISTRICT LEGAL LIABILITY			
Includes prior acts, 36-month discovery period extension, teacher negotiation-covers school board and all employees.	5K1-37-59-25	7/1/2024	7/1/2025
PUBLIC SCHOOL EMPLOYEES BLANKET BOND			
	5F1-37-59-25	7/1/2024	7/1/2025
POLLUTION			
	5Z1-37-59-25	7/1/2024	7/1/2025
GROUP EXCESS LIABILITY			
	1459908	7/1/2024	7/1/2025
DATA COMPROMISE			
	107860032	7/1/2024	7/1/2025

Source: School District insurance records.

Liability Limits	Premium
Coverages A and B - 90% of full replacement cost as per statement of values - \$50,000 deductible. Coverage C - As per schedule.	337,124
\$2,000,000 bodily injury and property damage each occurrence, \$4,000,000 aggregate.	36,702
\$1,000,000 combined single limit liability, \$5,000 medical payment, ACV comprehensive no deductible, buses \$1,000 deductible, small vehicles \$1,000 deductible and automobiles uninsured and underinsured motorist \$1,000,000	70,580
Statutory.	154,634
As per schedule.	42,797
\$2,000,000 occurrence and \$4,000,000 aggregate.	19,155
\$2,000 deductible, \$2,000,000 each loss, \$2,000,000 aggregate.	28,930
Blanket coverage \$1,000,000 all employees w/ \$10,000 deductible	5,224
\$1,000,000 each incident, \$1,000,000 aggregate	1,350
\$10,000,000 occurrence limit and \$10,000,000 aggregate limit	27,254
As per schedule.	19,012

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**
2016	\$ 17,230,352	\$ 17,150,827	\$ 79,525	0.46%
2017	18,978,935	18,902,895	76,040	0.40%
2018	19,033,612	18,956,147	77,465	0.41%
2019	18,374,416	18,298,603	75,813	0.41%
2020	18,985,887	18,828,806	157,081	0.83%
2021	18,977,216	18,901,181	76,035	0.40%
2022	20,015,060	19,856,796	158,264	0.79%
2023	21,345,790	21,197,245	148,545	0.70%
2024	22,034,670	21,980,927	53,743	0.24%
2025	21,551,025	21,571,997	(20,972)	-0.10%
Average	\$ 19,652,696	\$ 19,564,542	\$ 88,154	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)**

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)
2015-16	3,046.3	4.60%	3.51%	1.87%	3.15%	240.48
2016-17	3,078.2	3.32%	2.76%	1.79%	3.33%	240.30
2017-18	3,062.1	1.00%	3.45%	1.34%	2.16%	243.80
2018-19	3,035.1	0.58%	2.12%	1.20%	2.34%	238.81
2019-20	3,077.3	2.73%	2.00%	1.23%	2.51%	240.31
2020-21	3,029.6	1.00%	2.00%	2.28%	2.69%	239.56
2021-22	3,071.0	3.79%	3.30%	1.95%	2.88%	244.50
2022-23	3,112.5	3.96%	3.60%	1.93%	3.58%	254.83
2023-24	3,097.6	2.50%	3.64%	3.00%	3.94%	252.56
2024-25	3,018.2	1.00%	3.00%	2.53%	4.95%	251.56
Ten-year average	\$ 3,063	2.45%	2.94%	1.91%	3.15%	244.67
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			
	2016	2017	2018	2019
BA				
Total FTE	67.98	59.60	65.60	46.50
Average salary	39,488.71	40,397.58	41,353.20	41,709.28
BA + 15				
Total FTE	23.50	22.06	20.31	21.48
Average salary	45,889.45	45,935.03	46,724.58	46,529.97
BA + 30				
Total FTE	19.50	21.63	22.63	23.19
Average salary	51,200.49	51,875.36	52,518.64	52,954.91
MA				
Total FTE	64.00	64.01	65.38	73.88
Average salary	50,090.38	50,838.55	51,995.18	51,742.06
MA + 15				
Total FTE	25.50	30.50	29.00	31.63
Average salary	55,701.45	56,109.54	57,194.41	56,444.46
MA + 30				
Total FTE	40.00	42.50	40.88	42.13
Average salary	60,837.10	61,585.58	62,612.50	61,645.83
Grand total FTE	240.48	240.30	243.80	238.81
Total average salary	49,155.48	51,514.43	51,139.97	51,807.50

Source: District personnel records.

Notes:

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

Fiscal Year					
2020	2021	2022	2023	2024	2025*
49.98 40,914.01	54.48 41,221.87	49.75 41,925.00	53.55 41,056.21	46.55 44,275.00	47.55 51,560.00
13.00 48,383.85	15.00 48,090.00	19.63 48,033.00	17.75 48,890.03	18.73 48,134.00	17.60 57,939.00
19.69 54,985.96	18.69 55,596.56	21.63 54,082.00	19.25 55,327.27	15.00 56,297.00	16.50 62,967.00
78.88 52,223.14	76.63 52,571.89	72.00 53,746.00	77.00 54,599.09	77.00 55,999.00	70.50 64,255.00
33.63 56,854.19	30.63 58,197.35	26.00 59,627.00	25.00 61,466.00	27.00 62,383.00	26.00 70,231.00
45.13 62,126.03	44.13 63,302.35	55.50 64,402.00	62.28 66,135.00	68.28 67,397.00	73.06 75,683.00
240.31 52,397.58	239.56 52,642.00	244.51 53,955.97	254.83 54,903.57	252.56 57,037.00	251.21 65,267.00

North Scott Community School District

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

	Fiscal Year			
	2016-17	2017-18	2018-19	2019-20
Certified	2.76 %	3.45 %	2.12 %	2.00 %
Classified	2.75	1.65	1.20	2.00
Bus drivers	2.76	1.00	1.26	3.00
Administrators	2.76	2.20	1.73	2.00
Midmanagement	2.76	2.50	1.63	2.00
Print shop	2.76	2.50	N/A	N/A
Exempt	2.76	2.50	1.88	2.00

Source: District records.

		Fiscal Year					10-Year
2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Average	
2.00 %	3.30 %	3.60 %	3.64 %	3.00 %	3.00 %	2.89 %	
2.00	3.40	3.60	3.57	2.80	2.80	2.58	
2.00	3.20	3.50	3.94	3.00	3.00	2.67	
2.00	3.20	3.40	3.50	2.50	2.50	2.58	
2.00	3.20	3.40	3.60	2.50	2.50	2.61	
N/A	N/A	N/A	N/A	N/A	N/A	2.42	
2.00	3.20	3.40	3.60	2.50	2.50	2.63	

North Scott Community School District

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

Fiscal Year	Unassigned/ Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
2025	\$ 10,471,951	\$ 41,676,328	25.13%
2024	9,948,137	41,792,921	23.80%
2023	8,341,792	40,029,760	20.84%
2022	7,354,231	37,051,040	19.85%
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%

Source: District financial records.

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

COMPLIANCE SECTION

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North Scott Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025**

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
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY25 4552	\$ -	\$ 127,414
National School Lunch Program	10.555	FY25 4553	-	638,774
National School Lunch Program- Supply Chain Assistance	10.555	FY25 4014	-	23,036
Commodities -DOD (Noncash)	10.555	FY25	-	79,589
Commodities (Noncash)	10.555	FY25	-	124,422
			-	865,821
Total Child Nutrition Cluster Program			-	993,235
Child and Adult Food Care Program	10.558	FY25 4554	-	1,768
Total U.S. Department of Agriculture			-	995,003
U.S. Department of Housing and Urban Development				
Direct:				
Community Project Fund Grant	14.251	N/A	-	2,000,000
U.S. Department of Treasury				
Pass-Through Iowa Department of Homeland Security and Emergency Management:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds; School Safety Improvement Grant	21.027	SLFRF-2022-HSEM	-	103,283
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Education Agencies	84.010	FY25 4501	-	303,958
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	54,680
Student Support and Academic Enrichment Program	84.424	FY25 4669	-	18,852
Education Stabilization Fund:				
COVID-19 ARP- Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY25 4053	-	21,120
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER III)	84.425U	FY25 4045	-	25,700
Total Education Stabilization Fund			-	46,820

(Continued)

North Scott Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2025

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
U.S. Department of Education (continued)				
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY25 4521	\$ -	\$ 131,704
Career and Technical Education- Basic Grants to States	84.048	FY25 4531	-	23,069
English Language Acquisition State Grants	84.365	FY25 4644	-	81
Pass-Through Iowa Vocational Rehabilitation:				
Rehabilitation Services- Vocational Rehabilitation Grants to States				
	84.126	FY25 4598	-	143,701
Total U.S. Department of Education			-	722,865
Total Expenditures of Federal Awards			\$ -	\$ 3,821,151

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, 2025

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, 2025. 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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North Scott Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
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Other Findings Related to Required Statutory Reporting:

<p>IV-H-24: The District identified variances in certified enrollment submitted to the state in October 2023.</p>	<p>Not corrected.</p>	<p>Student data changes were not timely communicated to District. See response and corrective action plan at IV-H-25.</p>
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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 (*Government Auditing Standards*), 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, 2025, 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 12, 2025.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 101.

Report on 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.

Report on 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*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2025 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
December 12, 2025



**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 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, 2025. 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 Community School District 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, 2025.

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, regulations, 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on North Scott Community School District's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. North Scott Community School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 12, 2025

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North Scott Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

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

Federal Awards

Internal control over major programs:

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

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

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
14.251	Community Center Project Fund Grant

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

Auditee qualified as low-risk auditee?

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

North Scott Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

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:

2025-001

**U.S. Department of Agriculture
Pass-Through Iowa Department of Education**

Child Nutrition Cluster Program:

10.553 School Breakfast Program

10.555 National School Lunch Program

10.555 National School Lunch Program-Supply Chain Assistance

10.555 Commodities -DOD (Noncash)

10.555 Commodities (Noncash)

Federal Award Year: 2025

Finding: The District overcharged indirect costs to the Child Nutrition Cluster Program.

Criteria: The 2 Code of Federal Regulation (CFR) Part 200, Subpart E provides guidance on the provisions of indirect costs. Indirect cost rates are applied to modified total direct costs (MTDC). 2 CFR 200 defines MTDC as:

All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

On November 19, 2024, the Iowa Department of Education issued guidance for applying the indirect cost rate to nutrition programs. The guidance specifically states the calculation is applied to the lower of total federal revenue that allows indirect cost recovery or total MTDC.

Condition: The District applied the indirect cost rate to an estimated amount derived from a mixture of the total direct revenue base and the total direct expenditure base.

Cause: The District did not use new state provided guidance and templates when calculating the indirect costs.

Effect: The District could overcharge federal awards for indirect costs.

Questioned costs: The District overcharged the program approximately \$6,200 computed by applying the unrestricted indirect cost rate provided by the Iowa Department of Education to the lower of total federal revenue or MTDC..

(Continued)

North Scott Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Context: The overcharge represents less than one percent of the program revenue base and of the total program expenditures on the Schedule of Expenditures of Federal Awards.

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

Recommendation: We recommend the District annually prepare the indirect cost worksheet based on current state guidance and templates.

Response and Corrective Action Plan: The District will annually prepare the indirect cost charged to the program based on current state guidance and templates.

Internal control deficiencies:
No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-25

Certified Budget: Expenditures for the year ended June 30, 2025 did not exceed the certified budget for the year ended June 30, 2025.

IV-B-25

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-25

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-25

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

IV-E-25

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-25

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-25

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, 2025**

IV-H-25

Certified Enrollment: Variances regarding the basic enrollment data certified to the Iowa Department of Education were noted.

Finding: The District identified variances in certified enrollment submitted to the state in October 2024.

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

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

IV-I-25

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

IV-J-25

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-25

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

IV-L-25

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

(Continued)

North Scott Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

IV-M-25

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, 2025, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	7,729,647
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,992,148	
Other		1,473,851	5,465,999
Expenditures/transfers out:			
Support services		75,312	
School infrastructure:			
Buildings and improvements		5,890,811	
Transfers out		2,105,311	8,071,434
Ending balance		\$	<u>5,124,212</u>

For the year ended June 30, 2025, the District reduced the tax levy by not having a debt service levy of \$2.48 per \$1,000 of taxable valuation as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

IV-N-25

Flexibility Fund: A copy of the resolution for expenditures from the flexibility fund was properly provided to the Iowa Department of Education.

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North Scott Community School District

**Corrective Action Plan
Year Ended June 30, 2025**

Findings	Corrective Action Plan	Anticipated Date of Completion
Findings and Questioned Costs for Federal Awards:		
Instances of noncompliance:		
2025-001: The District overcharged indirect costs to the Child Nutrition Cluster Program.	See response and corrective action plan at 2025-001.	June 30, 2026 Jill Van Roekel
Other Findings Related to Required Statutory Reporting:		
IV-H-25: The District identified variances in certified enrollment submitted to the state in October 2024.	See response and corrective action plan at IV-H-25.	June 30, 2026 Jill Van Roekel