

BETTENDORF COMMUNITY SCHOOL DISTRICT  
INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021

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**Bettendorf Community School District**

**Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
<b>Board of Education</b>		
Rebecca Eastman	President	2023
Adam Holland	Vice President	2021
Andrew Champion	Board Member	2021
Paul Castro	Board Member	2023
Joanna Doerder	Board Member	2023
Richard Lynch	Board Member	2021
Michael Pyevich	Board Member	2023
<b>School Officials</b>		
Dr. Michelle Morse	Superintendent	2021
Colleen Skolrood	Board Secretary	2021
David Farmer	Board Treasurer	2021
Brietta Collier	Director of Finance	2021
Lane & Waterman LLP	Attorney	2021

**NOLTE, CORNMAN & JOHNSON P.C.**  
**Certified Public Accountants**  
(a professional corporation)  
117 West 3rd Street North, Newton, Iowa 50208-3040  
Telephone (641) 792-1910

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Education of Bettendorf Community School District:**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Bettendorf Community School District, Bettendorf, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Bettendorf Community School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 16 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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.

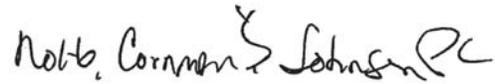
### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bettendorf Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. Another auditor previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 8, including the Schedule of Expenditures of Federal Awards 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), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, including the Schedule of Expenditures of Federal Awards, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information, including the Schedule of Expenditures of Federal Awards, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2022 on our consideration of Bettendorf 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 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 Bettendorf Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

January 19, 2022  
Newton, Iowa

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Bettendorf 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, 2021. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### 2021 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$50,806,385 in fiscal year 2020 to \$53,156,968 in fiscal year 2021, while General Fund expenditures increased from \$52,062,550 in fiscal year 2020 to \$52,965,231 in fiscal year 2021. The overall result was an increase in the District's General Fund balance from \$11,904,337 at June 30, 2020 to \$12,096,074 at June 30, 2021, a 1.61% increase from the prior year.
- The increase in General Fund revenues was mainly due to an increase in state source revenue received compared to the prior year. The increase in expenditures was due primarily to increased negotiated salaries and benefits.
- The District's total net position decreased from \$62,166,278 at June 30, 2020, to \$61,843,769 at June 30, 2021. Total revenues increased from \$62,271,342 in fiscal year 2020 to \$63,296,417 in fiscal year 2021, a 1.65% increase, while total expenses decreased from \$65,146,971 in fiscal year 2020 to \$64,120,386 in fiscal year 2021, a 1.58% decrease compared to the prior year. The increase in revenues was primarily due to an increase in unrestricted state grant revenues during the year. Expenses decreased primarily due to a decrease in instruction expense compared to the prior year.

### 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 Bettendorf Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type services were financed in the short term as well as what remains for future spending. Fund financial statements report Bettendorf 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 Bettendorf Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to 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, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

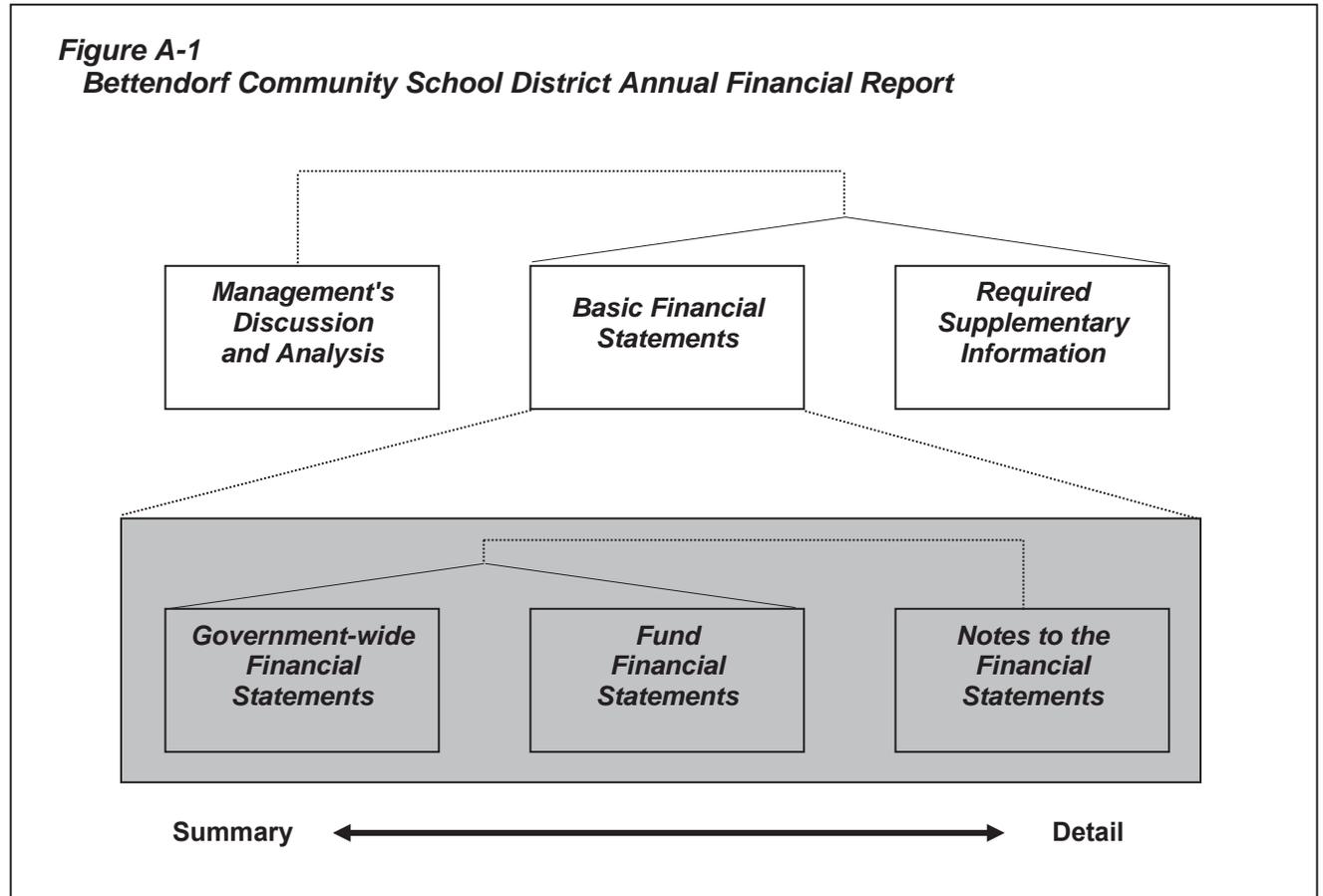


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**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 service	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>· Statement of net position</li> <li>· Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>· Balance sheet</li> <li>· Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>· Statement of net position</li> <li>· Statement of revenues, expenses and changes in fund net position</li> <li>· Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>· Statement of fiduciary net position</li> <li>· Statement of changes in fiduciary net position</li> </ul>
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 deferred outflow / inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period.
Type of inflow/ outflow information	All revenues and expenses during 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

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-wide Financial Statements

The government-wide financial 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, liabilities and deferred inflows of resources, with the difference reported as net position. 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 financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or

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deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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 tax 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 program is 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:

- 1) *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Capital Projects Fund and the 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.

- 2) *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 government-wide financial 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 one Enterprise Fund, the School Nutrition Fund. The District's Internal Service Fund, another type of proprietary fund, is the same as its governmental activities but provides more detail and additional information, such as cash flows. The Internal Service Fund is used to track the self-funded insurance of the District.

The required financial statements for the proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. This fund is the Private Purpose Trust Fund.

Private Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2021 compared to June 30, 2020.

	Governmental Activities		Business Type Activities		Total District		Total Change June 30, 2020-21
	June 30,		June 30,		June 30,		
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 67,221,389	61,940,818	1,122,170	1,204,605	68,343,559	63,145,423	8.23%
Capital assets	81,755,088	83,649,069	64,264	59,747	81,819,352	83,708,816	-2.26%
Total assets	<u>148,976,477</u>	<u>145,589,887</u>	<u>1,186,434</u>	<u>1,264,352</u>	<u>150,162,911</u>	<u>146,854,239</u>	<u>2.25%</u>
Deferred outflows of resources	9,190,205	8,698,368	149,194	144,719	9,339,399	8,843,087	5.61%
Long-term liabilities	64,530,305	58,824,107	612,360	534,108	65,142,665	59,358,215	9.74%
Other liabilities	9,763,302	9,030,414	151,293	117,009	9,914,595	9,147,423	8.39%
Total liabilities	<u>74,293,607</u>	<u>67,854,521</u>	<u>763,653</u>	<u>651,117</u>	<u>75,057,260</u>	<u>68,505,638</u>	<u>9.56%</u>
Deferred inflows of resources	22,572,835	24,942,084	28,446	83,326	22,601,281	25,025,410	-9.69%
Net position:							
Net investment in capital assets	57,100,088	56,269,069	64,264	59,747	57,164,352	56,328,816	1.48%
Restricted	18,627,373	17,566,616	-	-	18,627,373	17,566,616	6.04%
Unrestricted	(14,427,221)	(12,344,035)	479,265	614,881	(13,947,956)	(11,729,154)	-18.92%
Total net position	<u>\$ 61,300,240</u>	<u>61,491,650</u>	<u>543,529</u>	<u>674,628</u>	<u>61,843,769</u>	<u>62,166,278</u>	<u>-0.52%</u>

The District's total net position decreased by 0.52%, or \$322,509, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$1,060,757, or 6.04% from the prior year. The increase was primarily the result of the increase in the amount restricted for physical plant and equipment as compared to the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased \$2,218,802, or 18.92%. This decrease in unrestricted net position was primarily a result of the increase in the net pension liability.

The District's deficit unrestricted net position in the governmental activities is due to GASB Statement No. 68 net pension liability and related deferred outflow and inflow reporting requirements.

Figure A-4 shows the changes in net position for the year ended June 30, 2021 compared to the year ended June 30, 2020.

	Figure A-4 Changes in Net Position						
	Governmental Activities		Business Type Activities		Total District		Total Change
	2021	2020	2021	2020	2021	2020	2020-21
Revenues:							
Program revenues:							
Charges for service	\$ 6,642,072	6,623,782	81,894	656,218	6,723,966	7,280,000	-7.64%
Operating grants, contributions and restricted interest	5,091,648	4,578,610	1,428,936	1,259,467	6,520,584	5,838,077	11.69%
Capital grants, contributions and restricted interest	46,350	11,278	-	-	46,350	11,278	310.98%
General revenues:							
Property tax	20,238,997	20,216,255	-	-	20,238,997	20,216,255	0.11%
Statewide sales, services and use tax	4,164,699	4,334,436	-	-	4,164,699	4,334,436	-3.92%
Unrestricted state grants	25,463,658	24,325,513	-	-	25,463,658	24,325,513	4.68%
Nonspecific program federal grants	18,011	17,060	-	-	18,011	17,060	5.57%
Unrestricted investment earnings	44,593	132,981	849	390	45,442	133,371	-65.93%
Other	72,364	109,968	2,487	5,384	74,851	115,352	-35.11%
Total revenues	<u>61,782,392</u>	<u>60,349,883</u>	<u>1,514,166</u>	<u>1,921,459</u>	<u>63,296,558</u>	<u>62,271,342</u>	<u>1.65%</u>
Program expenses:							
Instruction	39,181,032	40,199,791	-	-	39,181,032	40,199,791	-2.53%
Support services	17,249,610	17,459,665	1,076	-	17,250,686	17,459,665	-1.20%
Non-instructional programs	20,219	19,498	1,552,574	1,800,893	1,572,793	1,820,391	-13.60%
Other expenses	6,115,875	5,667,124	-	-	6,115,875	5,667,124	7.92%
Total expenses	<u>62,566,736</u>	<u>63,346,078</u>	<u>1,553,650</u>	<u>1,800,893</u>	<u>64,120,386</u>	<u>65,146,971</u>	<u>-1.58%</u>
Excess (Deficiency) of revenues over (under) expenses	(784,344)	(2,996,195)	(39,484)	120,566	(823,828)	(2,875,629)	-71.35%
Transfers	91,615	92,886	(91,615)	(92,886)	-	-	0.00%
Change in net position before extraordinary item	(692,729)	(2,903,309)	(131,099)	27,680	(823,828)	(2,875,629)	-71.35%
Extraordinary item (see Note 15)	501,319	-	-	-	501,319	-	100.00%
Change in net position	(191,410)	(2,903,309)	(131,099)	27,680	(322,509)	(2,875,629)	-88.78%
Net position beginning of year	61,491,650	64,394,959	674,628	646,948	62,166,278	65,041,907	-4.42%
Net position end of year	<u>\$ 61,300,240</u>	<u>61,491,650</u>	<u>543,529</u>	<u>674,628</u>	<u>61,843,769</u>	<u>62,166,278</u>	<u>-0.52%</u>

In fiscal year 2021, property tax and unrestricted state grants account for 73.97% of the revenue from governmental activities while charges for service and operating grants account for 99.78% of the revenue from business type activities.

The District's total revenues were approximately \$63.30 million of which approximately \$61.78 million was for governmental activities and approximately \$1.52 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 1.65% increase in revenues and a 1.58% decrease in expenses. The increase in revenue was primarily due to an increase in unrestricted state grant

revenue received compared to the prior year. The decrease in expenses is primarily due to a decrease in the instruction expenses incurred compared to the prior year.

### Governmental Activities

Revenues for governmental activities were \$61,782,392 and expenses were \$62,566,736 for the year ended June 30, 2021.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2021 compared to those expenses for the year ended June 30, 2020.

	Total Cost of Services			Net Cost of Services		
	2021	2020	Change 2020-21	2021	2020	Change 2020-21
Instruction	\$ 39,181,032	40,199,791	-2.53%	29,734,639	31,028,357	-4.17%
Support services	17,249,610	17,459,665	-1.20%	16,870,340	17,311,178	-2.55%
Non-instructional programs	20,219	19,498	3.70%	20,219	18,004	12.30%
Other expenses	6,115,875	5,667,124	7.92%	4,161,468	3,774,869	10.24%
Total	<u>\$ 62,566,736</u>	<u>63,346,078</u>	<u>-1.23%</u>	<u>50,786,666</u>	<u>52,132,408</u>	<u>-2.58%</u>

For the year ended June 30, 2021:

- The cost financed by users of the District's programs was \$6,642,072.
- Federal and state governments along with contributions from local sources subsidized certain programs and projects with grants and contributions totaling \$5,137,998.
- The net cost of governmental activities was financed with \$20,238,997 in property tax, \$4,164,699 in statewide sales, services and use tax, \$25,463,658 in unrestricted state grants, \$18,011 in nonspecific program federal grants, \$44,593 in interest income, and \$72,364 in other general revenues.

### Business Type Activities

Revenues for business type activities during the year ended June 30, 2021 were \$1,514,166, representing a 21.20% decrease from the prior year, and expenses were \$1,553,650, representing a 13.73% decrease from the prior year. The District's business type activities include the School Nutrition. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

### INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$32,915,548, above last year's ending combined fund balances of \$28,909,344. The primary reason for the increase in combined fund balances is due to the increase in ending fund balance of the Debt Service Fund.

### Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. The fund balance of the General Fund increased from \$11,904,337 at June 30, 2020 to \$12,096,074 at June 30, 2021.

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Increases during the year in state source revenues resulted in an increase in total revenues. Expenditures increased primarily in the instruction functional area. The District's General Fund balance increased 1.61%, or \$191,737.

- The Capital Projects Fund balance increased from \$10,547,646 at June 30, 2020 to \$11,460,770 at June 30, 2021. Expenditures decreased compared to the prior year, primarily due to increased spending in a prior year from revenue bonds issued to finance construction projects.
- The Management Levy Fund balance increased from \$5,530,603 at June 30, 2020 to \$5,705,250 at June 30, 2021. Revenues decreased during the year primarily due to a decrease in local tax revenues. Expenditures decreased from the prior year primarily due to decreases in the support services functional area.

### **Proprietary Fund Highlights**

The net position of the Enterprise: School Nutrition Fund decreased from a net position of \$674,628 at June 30, 2020 to a net position of \$543,529 at June 30, 2021, representing a decrease of 19.43%. Both total expenses and total revenues for the year decreased as compared to the prior year. Total expenses outpaced total revenues resulting in a decreased net position.

### **BUDGETARY HIGHLIGHTS**

The District's revenues were \$1,100,800 less than budgeted revenues, a variance of 1.71%. The most significant variance resulted from the District receiving less from local source revenues than originally anticipated.

Total expenditures were less than budgeted, primarily due to the District's budget for the General Fund. It is the District's practice to budget expenditures using realistic projections based from prior year expenditures with a buffer built as to not exceed the annual budget. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

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

#### **Capital Assets**

At June 30, 2021, the District had invested approximately \$81.82 million, 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 decrease of 2.26% from last year. More detailed information about the District's capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$3,876,578.

The original cost of the District's capital assets was \$135,171,645. Governmental activities accounted for \$134,640,571 of this total with the remainder of \$531,074 accounted for in the Enterprise, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$477,375 at June 30, 2021, compared to \$16,775,958 reported at June 30, 2020. This decrease was the result of completion of work on a new elementary building.

Figure A-6  
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
Land	\$ 1,102,422	1,102,422	-	-	1,102,422	1,102,422	0.00%
Construction in progress	477,375	16,775,958	-	-	477,375	16,775,958	-97.15%
Buildings	73,446,359	58,742,878	-	-	73,446,359	58,742,878	25.03%
Land improvements	4,673,256	4,987,290	-	-	4,673,256	4,987,290	-6.30%
Machinery and equipment	2,055,676	2,040,521	64,264	59,747	2,119,940	2,100,268	0.94%
Total	\$ 81,755,088	83,649,069	64,264	59,747	81,819,352	83,708,816	-2.26%

### Long-Term Debt

At June 30, 2021, the District had \$27,380,000 of total long-term debt outstanding. This is unchanged compared to the prior year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The District had outstanding revenue bonds of \$27,380,000 payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund.

Figure A-7  
Outstanding Long-Term Obligations

	Total District		Total Change
	June 30,		June 30,
	2021	2020	2020-21
Revenue bonds	\$ 27,380,000	27,380,000	0.00%

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

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The Iowa Legislature set Supplemental State Aid (SSA) at 2.4% for the 2021-2022 fiscal year. This is an increase of 0.1% over the 2020-2021 SSA amount.
- The District's Certified Enrollment is 4,071 for the 2021-2022 fiscal year and 4,044 for the 2022-2023 fiscal year. This is the third year of decreased enrollment for the District.
- Historically low SSA, along with declining enrollment and inflation will present challenges for the District to maintain appropriate levels of staffing and increased wages.
  - The District received multiple sources of Federal funding through the ESSER, ARP, GEERS and CRSSA programs. These have been used to provide additional safety measures for our schools as well as support for our students to address mental health needs and unfinished learning due to prior year school closings. These funds are one-time in nature and will gradually phase out through fiscal year 2023-2024.
- There continues to be economic development in both Bettendorf and Davenport, which feed into the Bettendorf Community School District. A new Amazon distribution center is slotted for construction in northwest Davenport. This new employer could have an impact on the District.

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## **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 Brietta Collier, Director of Finance, Bettendorf Community School District, 3311 18<sup>th</sup> St., Bettendorf, IA 52722.

## **Basic Financial Statements**

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 39,089,700	1,048,524	40,138,224
Receivables:			
Property tax:			
Delinquent	139,230	-	139,230
Succeeding year	20,721,688	-	20,721,688
Accounts	115,028	175	115,203
Due from other governments	4,043,340	45,114	4,088,454
Inventories	-	28,357	28,357
Prepays	3,112,403	-	3,112,403
Capital assets not being depreciated:			
Land and construction in progress	1,579,797	-	1,579,797
Capital assets, net of accumulated depreciation:			
Buildings and land improvements and machinery and equipment	80,175,291	64,264	80,239,555
<b>Total assets</b>	<b>148,976,477</b>	<b>1,186,434</b>	<b>150,162,911</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	6,381,063	110,174	6,491,237
OPEB related deferred outflows	2,809,142	39,020	2,848,162
<b>Total deferred outflows of resources</b>	<b>9,190,205</b>	<b>149,194</b>	<b>9,339,399</b>
<b>Liabilities</b>			
Accounts payable	2,091,439	48,713	2,140,152
Salaries and benefits payable	6,259,795	7,263	6,267,058
Incurred but not reported claims	1,039,842	-	1,039,842
Accrued interest payable	372,226	-	372,226
Unearned revenue	-	95,317	95,317
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	2,725,000	-	2,725,000
Termination benefits payable	100,200	-	100,200
Compensated absences	399,995	2,178	402,173
Portion due after one year:			
Revenue bonds	24,655,000	-	24,655,000
Termination benefits payable	171,000	-	171,000
Net pension liability	27,859,272	490,450	28,349,722
Total OPEB liability	8,619,838	119,732	8,739,570
<b>Total liabilities</b>	<b>74,293,607</b>	<b>763,653</b>	<b>75,057,260</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	20,721,688	-	20,721,688
Pension related deferred inflows	831,286	14,634	845,920
OPEB related deferred inflows	994,332	13,812	1,008,144
Other	25,529	-	25,529
<b>Total deferred inflows of resources</b>	<b>22,572,835</b>	<b>28,446</b>	<b>22,601,281</b>
<b>Net Position</b>			
Net investment in capital assets	57,100,088	64,264	57,164,352
Restricted for:			
Categorical funding	1,176,325	-	1,176,325
Debt service	283	-	283
Management levy purposes	5,434,050	-	5,434,050
Student activities	555,945	-	555,945
School infrastructure	5,763,053	-	5,763,053
Physical plant and equipment	5,697,717	-	5,697,717
Unrestricted	(14,427,221)	479,265	(13,947,956)
<b>Total net position</b>	<b>\$ 61,300,240</b>	<b>543,529</b>	<b>61,843,769</b>

SEE NOTES TO FINANCIAL STATEMENTS.

**BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
Instruction:							
Regular	\$ 25,868,998	4,824,540	650,188	-	(20,394,270)	-	(20,394,270)
Special	7,224,392	1,209,331	632,489	-	(5,382,572)	-	(5,382,572)
Other	6,087,642	578,471	1,551,374	-	(3,957,797)	-	(3,957,797)
	<u>39,181,032</u>	<u>6,612,342</u>	<u>2,834,051</u>	<u>-</u>	<u>(29,734,639)</u>	<u>-</u>	<u>(29,734,639)</u>
Support services:							
Student	2,458,836	-	24,555	-	(2,434,281)	-	(2,434,281)
Instructional staff	1,403,891	-	64,352	-	(1,339,539)	-	(1,339,539)
Administration	7,018,882	-	42,992	-	(6,975,890)	-	(6,975,890)
Operation and maintenance of plant	5,341,626	-	105,148	46,350	(5,190,128)	-	(5,190,128)
Transportation	1,026,375	29,730	66,143	-	(930,502)	-	(930,502)
	<u>17,249,610</u>	<u>29,730</u>	<u>303,190</u>	<u>46,350</u>	<u>(16,870,340)</u>	<u>-</u>	<u>(16,870,340)</u>
Non-instructional programs:							
Food service operations	20,219	-	-	-	(20,219)	-	(20,219)
Long-term debt interest	746,052	-	-	-	(746,052)	-	(746,052)
Other expenditures:							
AEA flowthrough	1,954,407	-	1,954,407	-	-	-	-
Depreciation (unallocated)*	3,415,416	-	-	-	(3,415,416)	-	(3,415,416)
	<u>5,369,823</u>	<u>-</u>	<u>1,954,407</u>	<u>-</u>	<u>(3,415,416)</u>	<u>-</u>	<u>(3,415,416)</u>
Total governmental activities	<u>62,566,736</u>	<u>6,642,072</u>	<u>5,091,648</u>	<u>46,350</u>	<u>(50,786,666)</u>	<u>-</u>	<u>(50,786,666)</u>
Business type activities:							
Support services:							
Administration	710	-	-	-	-	(710)	(710)
Operation and maintenance of plant	366	-	-	-	-	(366)	(366)
	<u>1,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,076)</u>	<u>(1,076)</u>
Non-instructional programs:							
Food service operations	1,552,574	81,894	1,428,936	-	-	(41,744)	(41,744)
Total business type activities	<u>1,553,650</u>	<u>81,894</u>	<u>1,428,936</u>	<u>-</u>	<u>-</u>	<u>(42,820)</u>	<u>(42,820)</u>
Total	<u>\$ 64,120,386</u>	<u>6,723,966</u>	<u>6,520,584</u>	<u>46,350</u>	<u>(50,786,666)</u>	<u>(42,820)</u>	<u>(50,829,486)</u>
<b>General Revenues and Transfers:</b>							
Property tax levied for:							
General purposes				\$ 17,513,172	-		17,513,172
Capital outlay				2,725,825	-		2,725,825
Statewide sales, services and use tax				4,164,699	-		4,164,699
Unrestricted state grants				25,463,658	-		25,463,658
Nonspecific program federal revenues				18,011	-		18,011
Unrestricted investment earnings				44,593	849		45,442
Other				72,364	2,487		74,851
Transfers				91,615	(91,615)		-
Total general revenues and transfers				<u>50,093,937</u>	<u>(88,279)</u>		<u>50,005,658</u>
Changes in net position before extraordinary item				(692,729)	(131,099)		(823,828)
Extraordinary item (Note 15)				501,319	-		501,319
Change in net position				(191,410)	(131,099)		(322,509)
Net position beginning of year				61,491,650	674,628		62,166,278
Net position end of year				<u>\$ 61,300,240</u>	<u>543,529</u>		<u>61,843,769</u>

\* This amount excludes the depreciation that is included in the direct expense of various programs.

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General	Capital Projects	Management Levy	Nonmajor	Total
<b>Assets</b>					
Cash and pooled investments	\$ 16,000,219	11,286,345	5,702,524	513,549	33,502,637
Receivables:					
Property tax:					
Delinquent	112,207	18,716	8,307	-	139,230
Succeeding year	16,758,586	2,813,104	1,149,998	-	20,721,688
Accounts	56,259	-	41	58,584	114,884
Due from other governments	3,694,741	348,596	-	3	4,043,340
Prepays	15,177	-	-	3,097,226	3,112,403
<b>Total assets</b>	<b>\$ 36,637,189</b>	<b>14,466,761</b>	<b>6,860,870</b>	<b>3,669,362</b>	<b>61,634,182</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,497,205	192,887	5,622	15,908	1,711,622
Salaries and benefits payable	6,259,795	-	-	-	6,259,795
Total liabilities	7,757,000	192,887	5,622	15,908	7,971,417
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	16,758,586	2,813,104	1,149,998	-	20,721,688
Other	25,529	-	-	-	25,529
Total deferred inflows of resources	16,784,115	2,813,104	1,149,998	-	20,747,217
Fund balances:					
Nonspendable	15,177	-	-	3,097,226	3,112,403
Restricted for:					
Categorical funding	1,176,325	-	-	-	1,176,325
Debt service	-	-	-	283	283
Management levy purposes	-	-	5,705,250	-	5,705,250
Student activities	-	-	-	555,945	555,945
School infrastructure	-	5,763,053	-	-	5,763,053
Physical plant and equipment	-	5,697,717	-	-	5,697,717
Unassigned	10,904,572	-	-	-	10,904,572
Total fund balances	12,096,074	11,460,770	5,705,250	3,653,454	32,915,548
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 36,637,189</b>	<b>14,466,761</b>	<b>6,860,870</b>	<b>3,669,362</b>	<b>61,634,182</b>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2021

<b>Total fund balances of governmental funds (page 20)</b>	\$	32,915,548
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		81,755,088
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government funds.		(372,226)
Blending of the Internal Service Funds to be reflected on an entity-wide basis.		4,167,548
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:		
Deferred outflows of resources	\$ 9,190,205	
Deferred inflows of resources	<u>(1,825,618)</u>	7,364,587
Long-term liabilities, including bonds payable, termination benefits, compensated absences payable, net pension liability and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(64,530,305)</u>
<b>Net position of governmental activities (page 18)</b>	<b>\$</b>	<b><u>61,300,240</u></b>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	General	Capital Projects	Management Levy	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 16,306,342	2,725,825	1,206,830	-	20,238,997
Tuition	5,635,020	-	-	-	5,635,020
Other	660,880	76,611	24,205	552,050	1,313,746
State sources	28,325,753	4,253,951	41,512	-	32,621,216
Federal sources	1,973,413	-	-	-	1,973,413
Total revenues	<u>52,901,408</u>	<u>7,056,387</u>	<u>1,272,547</u>	<u>552,050</u>	<u>61,782,392</u>
Expenditures:					
Current:					
Instruction:					
Regular	23,796,230	630,485	312,453	-	24,739,168
Special	7,050,035	-	6,475	-	7,056,510
Other	5,288,334	-	-	565,090	5,853,424
	<u>36,134,599</u>	<u>630,485</u>	<u>318,928</u>	<u>565,090</u>	<u>37,649,102</u>
Support services:					
Student	2,309,379	-	19,030	-	2,328,409
Instructional staff	1,043,483	-	2,700	-	1,046,183
Administration	6,376,311	227,165	75,609	-	6,679,085
Operation and maintenance of plant	4,233,459	283,606	608,046	3,190	5,128,301
Transportation	893,593	177,431	53,368	-	1,124,392
	<u>14,856,225</u>	<u>688,202</u>	<u>758,753</u>	<u>3,190</u>	<u>16,306,370</u>
Non-instructional programs:					
Food service operations	-	-	20,219	-	20,219
Capital outlay	-	1,740,461	-	-	1,740,461
Long-term debt:					
Interest and fiscal charges	-	-	-	746,052	746,052
Other expenditures:					
AEA flowthrough	1,954,407	-	-	-	1,954,407
Total expenditures	<u>52,945,231</u>	<u>3,059,148</u>	<u>1,097,900</u>	<u>1,314,332</u>	<u>58,416,611</u>
Excess (Deficiency) of revenues over (under) expenditures	(43,823)	3,997,239	174,647	(762,282)	3,365,781
Other financing sources (uses):					
Insurance proceeds	163,029	381,337	-	442	544,808
Proceeds from the sale of equipment	-	4,000	-	-	4,000
Transfer in	92,531	-	-	3,489,452	3,581,983
Transfer out	(20,000)	(3,469,452)	-	(916)	(3,490,368)
Total other financing sources (uses)	<u>235,560</u>	<u>(3,084,115)</u>	<u>-</u>	<u>3,488,978</u>	<u>640,423</u>
Change in fund balances	191,737	913,124	174,647	2,726,696	4,006,204
Fund balances beginning of year	11,904,337	10,547,646	5,530,603	926,758	28,909,344
Fund balances end of year	<u>\$ 12,096,074</u>	<u>11,460,770</u>	<u>5,705,250</u>	<u>3,653,454</u>	<u>32,915,548</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF 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, 2021

**Change in fund balances - total governmental funds (page 22)** \$ 4,006,204

***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 not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures, depreciation expense and loss on disposal in the current year are as follows:

Capital outlay	\$ 1,996,497	
Depreciation expense	(3,866,973)	
Loss on disposal	<u>(23,505)</u>	(1,893,981)

Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis. (82,047)

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 2,985,127

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:

Termination benefits	43,200	
Compensated absences	(40,230)	
Pension expense	(4,367,536)	
Total OPEB liability and related expenses	<u>(842,147)</u>	<u>(5,206,713)</u>

**Change in net position of governmental activities (page 19)** \$ (191,410)

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
	School Nutrition	
<b>Assets</b>		
Current assets:		
Cash and pooled investments	\$ 1,048,524	5,587,063
Accounts receivable	175	144
Due from other governments	45,114	-
Inventories	28,357	-
Total current assets	<u>1,122,170</u>	<u>5,587,207</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	64,264	-
<b>Total assets</b>	<u>1,186,434</u>	<u>5,587,207</u>
<b>Deferred Outflows of Resources</b>		
Pension related deferred outflows	110,174	-
OPEB related deferred outflows	39,020	-
<b>Total Deferred Outflows of Resources</b>	<u>149,194</u>	<u>-</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	48,713	379,817
Salaries and benefits payable	7,263	-
Incurred but not reported claims	-	1,039,842
Unearned revenue	95,317	-
Total current liabilities	<u>151,293</u>	<u>1,419,659</u>
Noncurrent liabilities:		
Compensated absences	2,178	-
Net pension liability	490,450	-
Total OPEB liability	119,732	-
Total noncurrent liabilities	<u>612,360</u>	<u>-</u>
<b>Total liabilities</b>	<u>763,653</u>	<u>1,419,659</u>
<b>Deferred Inflows of Resources</b>		
Pension related deferred inflows	14,634	-
OPEB related deferred inflows	13,812	-
<b>Total Deferred Inflows of Resources</b>	<u>28,446</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	64,264	-
Unrestricted	479,265	4,167,548
<b>Total net position</b>	<u>\$ 543,529</u>	<u>4,167,548</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business Type Activities: Enterprise Funds	Governmental Activities:
	School Nutrition	Internal Service Funds
Operating revenues:		
Local sources:		
Charges for service	\$ 81,894	-
Miscellaneous	2,487	7,376,418
Total operating revenues	<u>84,381</u>	<u>7,376,418</u>
Operating expenses:		
Support Services:		
Student:		
Services	-	36,957
Administration:		
Services	710	1,277,435
Operation and maintenance of plant:		
Services	366	-
Total support services	<u>1,076</u>	<u>1,314,392</u>
Non-instructional programs:		
Food service operations:		
Salaries	524,222	-
Benefits	200,145	-
Services	1,386	-
Supplies	817,075	-
Depreciation	9,605	-
	<u>1,552,433</u>	<u>-</u>
Other enterprise operations:		
Benefits	-	6,163,300
Total non-instructional programs	<u>1,552,433</u>	<u>6,163,300</u>
Total operating expenses	<u>1,553,509</u>	<u>7,477,692</u>
Operating loss	<u>(1,469,128)</u>	<u>(101,274)</u>
Non-operating revenues:		
State sources	4,465	-
Federal sources	1,424,471	-
Interest income	849	19,227
Loss on asset disposal	(141)	-
Total non-operating revenues	<u>1,429,644</u>	<u>19,227</u>
Change in net position before other financing uses	(39,484)	(82,047)
Other financing uses:		
Transfer out	(91,615)	-
Change in net position	(131,099)	(82,047)
Net position beginning of year	<u>674,628</u>	<u>4,249,595</u>
Net position end of year	<u>\$ 543,529</u>	<u>4,167,548</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
	School Nutrition	
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 110,209	-
Cash received from miscellaneous	2,487	7,376,418
Cash payments to employees for services	(712,398)	(6,163,300)
Cash payments to suppliers for goods or services	(664,765)	(1,123,403)
Net cash provided by (used in) operating activities	<u>(1,264,467)</u>	<u>89,715</u>
Cash flows from non-capital financing activities:		
Transfer to General Fund	(184,501)	-
State grants received	1,639	-
Federal grants received	1,346,479	-
Net cash provided by non-capital financing activities	<u>1,163,617</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(14,263)	-
Cash flows from investing activities:		
Interest on investments	849	19,086
Net increase (decrease) in cash and pooled investments	(114,264)	108,801
Cash and pooled investments beginning of year	1,162,788	5,478,262
Cash and pooled investments end of year	<u>\$ 1,048,524</u>	<u>5,587,063</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>		
Operating loss	\$ (1,469,128)	(101,274)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Commodities consumed	132,807	-
Depreciation	9,605	-
Change in assets and liabilities:		
Inventories	8,032	-
Accounts receivable	1,036	-
Accounts payable	13,933	145,185
Salaries and benefits payable	(6,928)	-
Incurred but not reported claims	-	45,804
Net pension liability	66,990	-
Deferred outflows of resources	(4,475)	-
Deferred inflows of resources	(54,880)	-
Unearned revenue	27,279	-
Compensated absences	(1,962)	-
Total OPEB liability	13,224	-
Net cash provided by (used in) operating activities	<u>\$ (1,264,467)</u>	<u>89,715</u>

**Non-cash investing, capital and related financing activities:**

During the year ended June 30, 2021, the District received \$132,807 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2021

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
<b>Assets</b>	
Cash and pooled investments	\$ 24,500
<b>Liabilities</b>	<u>-</u>
<b>Net Position</b>	
Held in trust for scholarships	<u>\$ 24,500</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 YEAR ENDED JUNE 30, 2021

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 1,525
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	2,000
Supplies	650
Administration:	
Supplies	220
Total deductions	2,870
Change in net position	(1,345)
Net position beginning of year	25,845
Net position end of year	\$ 24,500

SEE NOTES TO FINANCIAL STATEMENTS.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**(1) Summary of Significant Accounting Policies**

Bettendorf 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. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Bettendorf, Iowa, and an area in Scott County. The District is governed by a Board of Education whose members are elected on a non-partisan basis. Management of the District is appointed and is accountable to the Board of Education.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**A. Reporting Entity**

For financial reporting purposes, Bettendorf 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 Bettendorf 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 does 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.

**B. 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. For the most part, the effect of interfund activity has been removed from these statements. 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 service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following 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 attributable to the acquisition, construction, or improvement of those assets.

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

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management on which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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 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 nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

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 revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

The Management Levy Fund is used to account for management fund tax levies and for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

The District reports the following nonmajor proprietary funds:

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

The Internal Service Fund is used to account for the District's self-funded health insurance and dental insurance plan. The Internal Service Fund is charged back to the governmental activities and shown combined in the Statement of Net Position and the Statement of Activities.

The District also reports the following fiduciary fund which focuses on net position and changes in net position.

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

### **C. Measurement Focus and Basis of Accounting**

The government-wide, proprietary and fiduciary fund 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. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Under the 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 are 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.

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 – committed, assigned and then unassigned fund balances.

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 principal ongoing operations. The principal 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 non-operating revenues and expenses.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position**

The following accounting policies are followed in preparing the financial statements:

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 investment in the Iowa Schools Joint Investment Trust 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 Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. 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 District is required to certify its budget in April 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 reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Prepays - Prepaid expenses represent costs already paid by the District but which will be recognized in the succeeding fiscal year.

Capital Assets - Capital assets, which include property, machinery and equipment and intangibles acquired after July 1, 1980 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 if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable 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.

Asset Class	Amount
Land	\$ 2,000
Buildings	5,000
Land improvements	5,000
Intangibles	200,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenue - Unearned revenues are monies collected for student fees and 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 balance sheet in the Enterprise, School Nutrition Fund.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The compensated absences liability attributable to the business type activities will be paid primarily by the School Nutrition Fund.

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. The net pension liability attributable to the governmental activities will be paid primarily from the General Fund.

Total OPEB Liability - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid by the General Fund and that which is attributable to business type activities by the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable not collected within sixty days after year end.

Deferred inflows of resources on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unrecognized items not yet charge to pension and OPEB expense.

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

Nonspendable - Amounts which cannot be spent because they are legally or contractually required to be maintained intact, expected to be converted to cash or have already been spent.

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 are imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in the preceding classification.

**E. Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

**(2) Cash and Pooled Investments**

The District's deposits in banks at June 30, 2021 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 ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences 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.

At June 30, 2021, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$2,010,646. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard and Poor's Financial Services.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Student Activity	General	\$ 20,000
General	Special Revenue: Student Activity	916
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	3,469,452
General	Enterprise Fund: School Nutrition	91,615
Total		<u>\$ 3,581,983</u>

The transfer from the General Fund to the Student Activity Fund was for safety equipment.

The transfer from the Student Activity Fund to the General Fund was for reclassification of revenue.

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax to the Debt Service Fund was for principal and interest payments on the District's revenue bonded indebtedness.

The transfer from the School Nutrition Fund to the General Fund was to reimburse for indirect costs.

#### (4) Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,102,422	-	-	1,102,422
Construction in progress	16,775,958	1,185,609	17,484,192	477,375
Total capital assets not being depreciated	17,878,380	1,185,609	17,484,192	1,579,797
Capital assets being depreciated:				
Buildings	98,824,437	17,779,824	47,371	116,556,890
Land improvements	7,010,070	25,039	-	7,035,109
Machinery and equipment	9,348,498	490,217	369,940	9,468,775
Total capital assets being depreciated	115,183,005	18,295,080	417,311	133,060,774
Less accumulated depreciation for:				
Buildings	40,081,559	3,076,343	47,371	43,110,531
Land improvements	2,022,780	339,073	-	2,361,853
Machinery and equipment	7,307,977	451,557	346,435	7,413,099
Total accumulated depreciation	49,412,316	3,866,973	393,806	52,885,483
Total capital assets being depreciated, net	65,770,689	14,428,107	23,505	80,175,291
Governmental activities capital assets, net	\$ 83,649,069	15,613,716	17,507,697	81,755,088
<b>Business type activities:</b>				
Machinery and equipment	\$ 517,656	14,263	845	531,074
Less accumulated depreciation	457,909	9,605	704	466,810
Business type activities capital assets, net	\$ 59,747	4,658	141	64,264

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 25,513
Other	57,980
Support Services:	
Student	8,173
Instructional staff	130,139
Administration	48,271
Operation and maintenance of plant	18,830
Transportation	162,651
	451,557
Unallocated depreciation	3,415,416
Total governmental activities depreciation expense	\$ 3,866,973
Business type activities:	
Food service operations	\$ 9,605

**(5) Long-Term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2021 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 27,380,000	-	-	27,380,000	2,725,000
Termination benefits	314,400	-	43,200	271,200	100,200
Compensated absences	359,765	399,995	359,765	399,995	399,995
Net pension liability	23,102,109	4,757,163	-	27,859,272	-
Total OPEB liability	7,667,833	952,005	-	8,619,838	-
Total	<u>\$ 58,824,107</u>	<u>6,109,163</u>	<u>402,965</u>	<u>64,530,305</u>	<u>3,225,195</u>
<b>Business type activities:</b>					
Compensated absences	\$ 4,140	2,178	4,140	2,178	2,178
Net pension liability	423,460	66,990	-	490,450	-
Total OPEB liability	106,508	13,224	-	119,732	-
Total	<u>\$ 534,108</u>	<u>82,392</u>	<u>4,140</u>	<u>612,360</u>	<u>2,178</u>

**Revenue Bonds**

Details of the District's June 30, 2021 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Revenue Bond issued July 25, 2018			Revenue Bond Issued June 18, 2019			Total		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2022	3.03 %	\$ 1,000,000	287,850	2.54 %	\$ 1,725,000	419,545	2,725,000	707,395	3,432,395
2023	3.03	1,200,000	254,520	2.54	1,600,000	377,317	2,800,000	631,837	3,431,837
2024	3.03	1,200,000	218,160	2.54	1,675,000	335,724	2,875,000	553,884	3,428,884
2025	3.03	1,100,000	183,315	2.54	1,855,000	290,894	2,955,000	474,209	3,429,209
2026	3.03	1,100,000	149,985	2.54	1,935,000	242,760	3,035,000	392,745	3,427,745
2027-2030	3.03	4,400,000	266,640	2.54	8,590,000	447,421	12,990,000	714,061	13,704,061
Total		<u>\$ 10,000,000</u>	<u>1,360,470</u>		<u>\$ 17,380,000</u>	<u>2,113,661</u>	<u>27,380,000</u>	<u>3,474,131</u>	<u>30,854,131</u>

The District has pledged future statewide sales, services and use tax revenues to repay \$27,380,000 of revenue bonds issued July 2018 and June 2019. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. The debt, however, is subject to the constitutional debt limitation of the District. Annual principal and interest payments are expected to require approximately 82% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$30,854,131. For the current year, interest of \$744,452 was paid on the bonds and total statewide sales, services and use tax revenues were \$4,164,699.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

## Termination Benefits

In prior years, the District offered a voluntary early retirement plan to its certified, administrative and classified employees. Eligible employees must have been at least age 55 and have completed 15 years of consecutive full-time service to the District.

The total retirement benefit for eligible employees under the program is \$13,500 deposited into a Health Reimbursement Arrangement (HRA) divided into five equal payments to be made over a period of five years. In addition, an amount equivalent to the total of unused sick leave days at \$60 per day was deposited into the HRA on a one-time basis for employees.

At June 30, 2021, the District had obligations to 35 retirees with a total liability of \$271,200. Actual early retirement expenditures for the year ended June 30, 2021 totaled \$43,200.

## **(6) Pension Plan**

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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information 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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2021 were \$3,035,517.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported a liability of \$28,349,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 0.403570%, which was a decrease of 0.002698% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$4,427,086. At June 30, 2021, 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	\$ 31,318	671,961
Changes of assumptions	1,455,182	-
Net difference between projected and actual earnings on IPERS' investments	1,593,705	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	375,515	173,959
District contributions subsequent to the measurement date	3,035,517	-
<b>Total</b>	<b>\$ 6,491,237</b>	<b>845,920</b>

\$3,035,517 reported as deferred outflows of resources 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 ending June 30, 2022. 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,	Amount
2022	\$ 412,274
2023	595,901
2024	618,788
2025	976,262
2026	6,575
<b>Total</b>	<b>\$ 2,609,800</b>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2020 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% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' 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 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 47,270,769	28,349,722	12,484,713

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

**(7) Other Postemployment Benefits (OPEB)**

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by Bettendorf Community School District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Active employees	<u>443</u>
Total	<u><u>462</u></u>

Total OPEB Liability - The District's total OPEB liability of \$8,739,570 was measured as of June 30, 2021, and was determined by an actuarial valuation dated July 1, 2019.

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	2.50% per annum.
Rates of salary increase	4.00% per annum.
Discount rate	2.18% compounded annually, including inflation.
Healthcare cost trend rate	6.50% for FY2021 decreasing to an ultimate rate of 4.50% in 2035.

Discount Rate - The discount rate used to measure the total OPEB liability was 2.18% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 combined annuitant mortality table for males and females. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 7,774,341
Changes for the year:	
Service cost	641,365
Interest	203,777
Changes in assumptions	347,172
Benefit payments	<u>(227,085)</u>
Net changes	<u>965,229</u>
Total OPEB liability end of year	<u>\$ 8,739,570</u>

Changes of assumptions reflect a change in the discount rate from 2.66% in fiscal year 2020 to 2.18% in fiscal year 2021.

Sensitivity of the District's 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% lower (1.18%) or 1% higher (3.18%) than the current discount rate.

	1% Decrease (1.18%)	Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB liability	\$ 9,447,356	8,739,570	8,081,663

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates  
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 healthcare cost trend rates that are 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare cost trend rates.

	1% Decrease (5.50%)	Healthcare Cost Trend Rate (6.50%)	1% Increase (7.50%)
Total OPEB liability	\$ 7,744,241	8,739,570	9,921,926

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the District recognized OPEB expense of \$1,080,932. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,275,990	-
Changes in assumptions	1,572,172	1,008,144
Total	<u>\$ 2,848,162</u>	<u>1,008,144</u>

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

Year Ended June 30,	Amount
2022	\$ 235,789
2023	235,789
2024	235,789
2025	235,789
2026	235,789
Thereafter	<u>661,073</u>
Total	<u>\$ 1,840,018</u>

**(8) 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 \$1,954,407 for the year ended June 30, 2021 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(9) Risk Management**

The District has a self-funded health and dental insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$75,000 in insured claims for any one covered individual. Settle claims have not exceeded the commercial coverage in any of the past three 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 net position was \$4,167,548 at June 30, 2021. The incurred but not recorded and unpaid claims liability of \$1,039,842 reported in the plan at June 30, 2021 based on the requirements of GASB Statement Number 10 is set up as a liability on the Statement of Net Position.

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. The District assumes liability for any deductibles and claims in excess of coverage limits. 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.

**(10) Construction Commitments**

The District has entered into various contracts totaling \$4,233,500 for construction projects around the District. As of June 30, 2021, costs of \$477,375 had been incurred against these contracts. The balance remaining on these projects will be paid as work on the projects progresses.

**(11) Categorical Funding**

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2021.

Program	Amount
Gifted and Talented Programs	\$ 360,111
Teacher Leadership State Aid	310,559
Four-Year-Old Preschool State Aid	191,086
Textbook Aid for Nonpublic Students	12,877
Successful Progression for Early Readers	16,385
Professional Development	285,307
Total	<u>\$ 1,176,325</u>

**(12) Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position**

Reconciliation of certain governmental fund balances to the Statement of Net Position is as follows:

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	283	5,705,250	10,904,572
Capital assets, net of accumulated depreciation	81,755,088	-	-	-
Revenue bond capitalized indebtedness	(27,380,000)	-	-	-
Accrued interest payable	-	(372,226)	-	-
Termination benefits	-	-	(271,200)	-
Prepays	2,725,000	372,226	-	15,177
Internal service fund balance	-	-	-	4,167,548
Compensated absences	-	-	-	(399,995)
Pension related deferred outflows	-	-	-	6,381,063
Pension related deferred inflows	-	-	-	(831,286)
Net pension liability	-	-	-	(27,859,272)
Total OPEB liability	-	-	-	(8,619,838)
OPEB related deferred outflows	-	-	-	2,809,142
OPEB related deferred inflows	-	-	-	(994,332)
Net position (Exhibit A)	<u>\$ 57,100,088</u>	<u>283</u>	<u>5,434,050</u>	<u>(14,427,221)</u>

**(13) Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise 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.

Tax Abatements of Other Entities

Property tax revenues of the District were reduced the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Bettendorf	Urban Renewal and Economic Development Projects	\$ 716,788

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, 2021, this reimbursement amounted to \$62,478.

**(14) Extraordinary Item**

During the year ended June 30, 2021, the District received insurance proceeds from EMC totaling \$501,319 for the complete replacement of the high school roof which was damaged by the derecho on August 10, 2020.

**(15) Prospective Accounting Change**

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

**(16) COVID-19**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the Bettendorf Community School District, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Bettendorf Community School District. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Bettendorf Community School District.

## **Required Supplementary Information**

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND  
 CHANGES IN BALANCES -  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS  
 AND PROPRIETARY FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 YEAR ENDED JUNE 30, 2021

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to
	Funds	Funds		Original	Final	Actual
	Actual	Actual				Variance
Revenues:						
Local sources	\$ 27,187,763	85,230	27,272,993	28,348,799	28,348,799	(1,075,806)
State sources	32,621,216	4,465	32,625,681	33,182,747	33,182,747	(557,066)
Federal sources	1,973,413	1,424,471	3,397,884	2,865,812	2,865,812	532,072
Total revenues	61,782,392	1,514,166	63,296,558	64,397,358	64,397,358	(1,100,800)
Expenditures/Expenses:						
Instruction	37,649,102	-	37,649,102	39,252,637	39,252,637	1,603,535
Support services	16,306,370	1,076	16,307,446	17,170,022	17,170,022	862,576
Non-instructional programs	20,219	1,552,433	1,572,652	1,991,422	1,991,422	418,770
Other expenditures	4,440,920	-	4,440,920	13,178,319	13,178,319	8,737,399
Total expenditures/expenses	58,416,611	1,553,509	59,970,120	71,592,400	71,592,400	11,622,280
Excess (Deficiency) of revenues over (under) expenditures/expenses	3,365,781	(39,343)	3,326,438	(7,195,042)	(7,195,042)	10,521,480
Other financing sources (uses), net	640,423	(91,756)	548,667	5,000	5,000	543,667
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	4,006,204	(131,099)	3,875,105	(7,190,042)	(7,190,042)	11,065,147
Balances beginning of year	28,909,344	674,628	29,583,972	29,021,753	29,021,753	562,219
Balances end of year	\$ 32,915,548	543,529	33,459,077	21,831,711	21,831,711	11,627,366

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2021

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental 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 Private-Purpose Trust and Agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

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

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST SEVEN YEARS \*  
REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.403570%	0.406268%	0.397603%	0.399602%	0.402847%	0.403126%	0.402844%
District's proportionate share of the net pension liability	\$ 28,349,722	23,525,569	25,161,291	26,619,000	25,352,000	19,916,000	15,976,000
District's covered payroll	\$ 32,088,316	30,971,790	29,921,613	29,854,423	28,947,368	27,614,782	26,360,582
District's proportionate share of the net pension liability as a percentage of its covered payroll	88.35%	75.96%	84.09%	89.16%	87.58%	72.12%	60.61%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST TEN YEARS  
REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 3,035,517	3,029,137	2,923,737	2,672,000	2,666,000	2,585,000	2,466,000	2,354,000	2,179,000	2,012,000
Contributions in relation to the statutorily required contribution	(3,035,517)	(3,029,137)	(2,923,737)	(2,672,000)	(2,666,000)	(2,585,000)	(2,466,000)	(2,354,000)	(2,179,000)	(2,012,000)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 32,155,900	32,088,316	30,971,790	29,921,613	29,854,423	28,947,368	27,614,782	26,360,582	25,132,641	24,931,846
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY  
YEAR ENDED JUNE 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES  
FOR THE LAST FOUR YEARS  
REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018
Service cost	\$ 641,365	550,381	412,352	396,988
Interest cost	203,777	185,643	202,409	195,675
Differences between expected and actual experiences	-	1,611,252	-	-
Changes in assumptions	347,172	174,889	167,514	(120,999)
Benefit payments	(227,085)	(180,522)	(334,878)	(291,565)
Net change in total OPEB liability	965,229	2,341,643	447,397	180,099
Total OPEB liability beginning of year	7,774,341	5,432,698	4,985,301	4,805,202
Total OPEB liability end of year	<u>\$ 8,739,570</u>	<u>7,774,341</u>	<u>5,432,698</u>	<u>4,985,301</u>
Covered-employee payroll	\$ 26,209,071	22,610,354	23,895,000	23,086,647
Total OPEB liability as a percentage of covered-employee payroll	33.35%	34.38%	22.74%	21.59%

**Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios**

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2021	2.18%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT

## **Supplementary Information**

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

	<u>Special Revenue</u>		
	Student Activity	Debt Service	Total Nonmajor
<b>Assets</b>			
Cash and pooled investments	\$ 512,166	1,383	513,549
Receivables:			
Property tax:			
Accounts	58,584	-	58,584
Due from other governments	3	-	3
Prepays	-	3,097,226	3,097,226
<b>Total assets</b>	<b>\$ 570,753</b>	<b>3,098,609</b>	<b>3,669,362</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 14,808	1,100	15,908
Deferred inflows of resources:	-	-	-
Fund balances:			
Nonspendable	-	3,097,226	3,097,226
Restricted for:			
Debt service	-	283	283
Student activities	555,945	-	555,945
Total fund balances	555,945	3,097,509	3,653,454
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 570,753</b>	<b>3,098,609</b>	<b>3,669,362</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>		
	Student	Debt	Total
	Activity	Service	Nonmajor
Revenues:			
Local sources:			
Other	\$ 551,092	958	552,050
Expenditures:			
Current:			
Instruction:			
Other	565,090	-	565,090
Support services:			
Operation and maintenance of plant	3,190	-	3,190
Long-term debt:			
Interest and fiscal charges	-	746,052	746,052
Total expenditures	568,280	746,052	1,314,332
Deficiency of revenues under expenditures	(17,188)	(745,094)	(762,282)
Other financing sources:			
Insurance proceeds	442	-	442
Transfer in	20,000	3,469,452	3,489,452
Transfer out	(916)	-	(916)
Total other financing sources (uses)	19,526	3,469,452	3,488,978
Change in fund balances	2,338	2,724,358	2,726,696
Fund balances beginning of year	553,607	373,151	926,758
Fund balances end of year	\$ 555,945	3,097,509	3,653,454

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUND ACCOUNTS  
 JUNE 30, 2021

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 5,581,164	5,705,181	11,286,345
Receivables:			
Property tax:			
Delinquent	-	18,716	18,716
Succeeding year	-	2,813,104	2,813,104
Due from other governments	348,596	-	348,596
<b>Total assets</b>	<b>\$ 5,929,760</b>	<b>8,537,001</b>	<b>14,466,761</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 166,707	26,180	192,887
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	2,813,104	2,813,104
Fund balances:			
School infrastructure	5,763,053	-	5,763,053
Physical plant and equipment	-	5,697,717	5,697,717
Total fund balances	5,763,053	5,697,717	11,460,770
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,929,760</b>	<b>8,537,001</b>	<b>14,466,761</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	2,725,825	2,725,825
Other	6,836	69,775	76,611
State sources	4,164,699	89,252	4,253,951
Total revenues	<u>4,171,535</u>	<u>2,884,852</u>	<u>7,056,387</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	630,485	630,485
Support services:			
Administration	-	227,165	227,165
Operation and maintenance of plant	-	283,606	283,606
Transportation	-	177,431	177,431
Capital outlay	1,185,609	554,852	1,740,461
Total expenditures	<u>1,185,609</u>	<u>1,873,539</u>	<u>3,059,148</u>
Excess of revenues over expenses	2,985,926	1,011,313	3,997,239
Other financing sources (uses):			
Insurance proceeds	-	381,337	381,337
Proceeds from the sale of equipment	-	4,000	4,000
Transfer out	(3,469,452)	-	(3,469,452)
Total other financing sources (uses)	<u>(3,469,452)</u>	<u>385,337</u>	<u>(3,084,115)</u>
Change in fund balances	(483,526)	1,396,650	913,124
Fund balances beginning of year	<u>6,246,579</u>	<u>4,301,067</u>	<u>10,547,646</u>
Fund balances end of year	<u>\$ 5,763,053</u>	<u>5,697,717</u>	<u>11,460,770</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
YEAR ENDED JUNE 30, 2021

Account	Balance Beginning of Year	Revenues	Expenditures	Interfund Transfer	Balance End of Year
Drama	\$ -	17,129	17,129	-	-
Debate	5,696	5,889	3,510	-	8,075
Vocal Music	-	1,817	1,817	-	-
Vocal Music 1	202	-	-	-	202
Vocal Music 2	6,329	550	-	-	6,879
Instrumental	7,798	11,693	10,377	-	9,114
Orchestra	8,803	460	420	-	8,843
Show Choir	-	3,770	3,770	-	-
Rhythm on the River Bend	-	300	-	-	300
Co-Ed Athletics	158,265	111,266	96,897	-	172,634
HS Co-Ed Athletics	-	1,443	1,443	-	-
Misc Club Revenue	13,215	-	-	-	13,215
Sports Uniforms	4,253	5,529	7,071	-	2,711
Boy's Basketball	-	10,743	10,743	-	-
Boy's Football	-	30,757	48,257	17,500	-
Boy's Soccer	-	6,812	6,812	-	-
Boy's Baseball	-	11,156	13,656	2,500	-
Baseball Fund Raiser	1,788	231	1,713	-	306
Boy's Track	-	9,962	9,962	-	-
Boys Cross County	-	2,184	2,184	-	-
Boy's Tennis	-	448	448	-	-
Boy's Golf	28	3,088	3,098	-	18
Boy's Swimming	-	8,005	8,005	-	-
Boy's Bowling	8	2,816	2,809	-	15
Boy's Wrestling	-	16,735	16,735	-	-
Girl's Basketball	-	6,438	6,438	-	-
Girl's Volleyball	-	11,321	11,321	-	-
Girl's Soccer	-	11,103	11,103	-	-
Girl's Softball	-	18,092	18,092	-	-
Girl's Track	-	10,572	10,572	-	-
Girls Cross County	-	2,642	2,641	-	1
Girl's Tennis	-	1,210	1,184	-	26
Girl's Golf	-	6,414	6,414	-	-
Girl's Swimming	-	8,901	8,899	-	2
Girl's Bowling	-	2,881	2,866	-	15
Girl's Wrestling	-	559	559	-	-
FCCLA	838	584	638	-	784
GSA Club	1,050	-	-	-	1,050
Golf Outing	15,803	12,825	11,387	-	17,241
Black Voices Matter	-	934	193	-	741
Health Club	172	-	-	-	172
Interest	3,576	1,236	1,704	-	3,108
Arts Education	8,563	-	350	-	8,213
Amicus	1,395	772	453	-	1,714
Honors English	175	120	24	-	271
FBLA	7,220	3,551	4,303	-	6,468
Business Principles	2,603	-	-	-	2,603
BHS England Trip	9,404	-	-	-	9,404
Activity Tickets	1,726	15,306	16,254	-	778
BHS SIT	1,555	250	194	-	1,611
Yearbook/Photo Club	4,037	10,330	7,600	-	6,767
Robotics Club	2,546	2,149	2,429	-	2,266
Science Club	694	452	250	-	896
Scholastic Bowl	776	-	-	-	776
Yearbook-Beacon	56,165	43,635	37,476	-	62,324
Growl newspaper	10,694	226	253	-	10,667
Foreign Language Club	2	-	-	-	2
Special Education Activities	74	-	74	-	-
National History Day Club	28	-	28	-	-
Student Council	18,752	15,550	16,925	-	17,377
Cheerleaders	12,941	25,360	25,627	-	12,674
Computer Club	1	-	-	-	1

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Account	Balance Beginning of Year	Revenues	Expenditures	Interfund Transfer	Balance End of Year
Living Skills Club	222	-	-	-	222
Peer Educators	2,299	452	1,004	-	1,747
School Paper	1,929	-	-	-	1,929
Functional Skills	1,471	-	-	-	1,471
Spanish Club	1,625	-	-	-	1,625
Sail/TAG Fundraiser	1,216	-	-	-	1,216
National Honor Society	1,733	722	414	-	2,041
Art Club	176	-	-	-	176
German Club	2,526	712	225	-	3,013
Bulldog Way	179	-	-	-	179
French Club	1,560	589	72	-	2,077
French Honors Society	26	410	413	-	23
Goldusters	10,143	21,228	28,338	-	3,033
Dusterettes	540	-	-	-	540
Art Club	1,512	-	-	-	1,512
Key Club	213	452	441	-	224
Club Vending	5,077	1,974	5,076	-	1,975
PR Club Vending	5,390	500	637	-	5,253
Class of 2021	294	1,418	1,712	-	-
Class of 2022	395	2,204	1,640	-	959
Class of 2023	310	937	-	-	1,247
Class of 2024	-	1,231	1,035	-	196
N.A. Fundraiser	671	637	637	-	671
N.A. Bookstore	4,112	-	-	-	4,112
Student Council	416	-	-	(416)	-
N.A. Shooting Stars	590	-	-	-	590
Hoover Fundraiser	1,745	340	-	-	2,085
TJ Student Council	210	-	-	-	210
P.N. Bookstore	2,922	-	-	-	2,922
M.T. Bookstore	1,529	-	-	-	1,529
G.W. Fundraiser	4,238	-	-	-	4,238
G.W. Bookstore	3,667	-	-	-	3,667
G.W. Memorial Fund	31	-	-	-	31
Student Needs	527	250	-	-	777
N.A. Student	379	-	-	-	379
Elm - Orchestra	54	-	-	-	54
Backpack Snack Program	11,302	-	-	-	11,302
Therapy Dog	1,225	-	-	-	1,225
MT Fundraiser	2,174	-	-	-	2,174
6-House I	1,682	500	223	-	1,959
6-House II	2,378	1,120	305	-	3,193
6-House III	1,345	2,644	200	-	3,789
7-House I	1,011	225	891	-	345
7-House II	1,242	469	750	-	961
7-House III	86	460	331	-	215
8-House I	2,188	-	200	-	1,988
8-House II	1,247	-	160	-	1,087
8-House III	2,587	-	258	-	2,329
School Fundraising	7,052	1,580	1,393	(500)	6,739
Student Needs	1,153	-	195	-	958
BWCA	307	-	-	-	307
MS Parent Link	15,188	2,896	3,161	-	14,923
After Prom	11,113	1,250	10,558	-	1,805
Edison Food Pantry	306	20	50	-	276
BHS Fine Arts Trip	3,450	-	-	-	3,450
Fine Arts Uniforms	13,514	371	-	-	13,885
BHS Fine Arts	28,788	26,369	25,729	-	29,428
BHS Football Moms	12,618	2,895	8,144	-	7,369
BHS Mat Moms	4,549	41	981	-	3,609
Insurance Claim Loss	-	442	-	-	442
Total	\$ 553,607	551,534	568,280	19,084	555,945

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN PRIVATE PURPOSE TRUST FUND  
SCHOLARSHIP ACCOUNTS  
YEAR ENDED JUNE 30, 2021

Account	Net Position Beginning of Year	Additions	Deductions	Intrafund Transfers	Net Position End of Year
Golf Outing Scholarship	\$ 1,007	-	1,000	-	7
TJ Before the Bell	346	-	-	(346)	-
Class of 55 Donation	318	-	-	-	318
Student Needs	3,598	700	650	-	3,648
Noack Donation	201	-	-	-	201
Donation for After School - Armstrong	100	-	-	-	100
Donation for After School - Mark Twain	100	-	-	1,706	1,806
Professional Development Donation	2,006	-	-	-	2,006
Spain Memorial	919	-	-	-	919
B.H.S Memorial	1,017	-	-	-	1,017
G.W. Pieff Tutor	164	-	-	-	164
B.M.S Johnson Memorial	-	400	-	-	400
B.S.C.F. Debate	8,257	-	-	-	8,257
Dollars for Doers	82	-	-	-	82
GW Sign Tutoring	2,669	-	-	-	2,669
Koufer Memorial	26	-	-	-	26
Funk Memorial	14	-	-	-	14
TJ Trust Fund	1,360	-	-	(1,360)	-
Ann Orlandea Memorial	1	-	-	-	1
Thiessen Scholarship	1,796	-	1,000	-	796
Phillips Scholarship	251	-	-	-	251
Stansbury Scholarship	716	-	-	-	716
IGHSAU Scholarship	753	-	-	-	753
Sparling Memorial	51	-	-	-	51
RSAC Sunshine	58	-	-	-	58
Administrator Sunshine	35	425	220	-	240
Total	<u>\$ 25,845</u>	<u>1,525</u>	<u>2,870</u>	<u>-</u>	<u>24,500</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

**BETTENDORF COMMUNITY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS**  
**FOR THE LAST TEN YEARS**

	Modified Accrual Basis									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
<b>Local sources:</b>										
Local tax	\$ 20,238,997	20,216,255	21,024,379	19,875,840	19,403,387	19,280,650	19,029,135	22,820,270	22,886,176	21,977,114
Tuition	5,635,020	5,334,947	5,736,477	5,779,146	5,487,479	5,598,345	4,680,371	4,184,888	4,082,291	3,804,224
Other	1,313,746	1,707,464	2,041,204	2,055,217	1,964,185	2,270,209	1,875,163	1,900,221	1,737,113	1,932,720
Intermediate sources	-	-	-	10,599	1,405	32,378	12,965	626	200	576
State sources	32,621,216	31,576,829	30,265,985	29,709,591	28,982,066	27,685,128	27,375,345	22,189,361	21,598,101	21,310,902
Federal sources	1,973,413	1,514,388	1,710,455	1,789,314	1,735,593	1,769,933	1,867,500	1,744,313	1,622,543	2,289,034
<b>Total</b>	<b>\$ 61,782,392</b>	<b>60,349,883</b>	<b>60,778,500</b>	<b>59,219,707</b>	<b>57,574,115</b>	<b>56,636,643</b>	<b>54,840,479</b>	<b>52,839,679</b>	<b>51,926,424</b>	<b>51,314,570</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	\$ 24,739,168	24,263,225	23,858,785	23,682,801	23,648,644	23,507,593	22,308,962	20,327,836	19,685,330	18,366,813
Special	7,056,510	7,053,933	6,612,900	6,169,204	5,731,522	5,622,285	5,477,174	5,687,617	5,349,062	5,142,445
Other	5,853,424	6,257,807	6,181,303	6,287,690	6,001,847	4,998,926	4,461,856	5,281,988	4,579,520	4,855,728
<b>Support services:</b>										
Student	2,328,409	2,161,989	2,159,960	2,047,739	1,956,039	1,920,112	1,861,282	1,823,326	1,795,943	1,742,974
Instructional staff	1,046,183	1,060,985	802,616	736,604	801,708	817,556	767,954	665,587	616,969	753,188
Administration	6,679,085	6,970,862	6,515,134	6,324,612	6,449,214	6,273,984	6,356,301	5,994,504	6,215,174	6,446,347
Operation and maintenance of plant	5,128,301	5,080,738	5,058,307	4,799,074	4,523,772	4,573,231	4,487,569	4,309,240	3,801,998	3,570,952
Transportation	1,124,392	1,224,360	1,019,757	1,149,880	1,099,577	1,207,579	942,322	963,209	858,898	755,039
Non-instructional programs	20,219	19,498	21,019	22,260	20,135	34,329	13,785	18,310	9,771	11,657
Capital outlay	1,740,461	10,862,244	20,172,948	8,657,701	3,285,443	2,125,287	3,923,853	6,784,283	8,165,454	9,840,071
<b>Long-term debt:</b>										
Principal	-	-	-	-	72,565	71,186	516,776	-	-	-
Interest	746,052	389,768	426,942	-	1,405	2,784	14,202	-	-	-
<b>Other expenditures:</b>										
AEA flowthrough	1,954,407	1,892,255	1,810,173	1,777,461	1,686,385	1,647,856	1,631,664	1,605,145	1,546,987	1,501,447
<b>Total</b>	<b>\$ 58,416,611</b>	<b>67,237,664</b>	<b>74,639,844</b>	<b>61,655,026</b>	<b>55,278,256</b>	<b>52,802,708</b>	<b>52,763,700</b>	<b>53,461,045</b>	<b>52,625,106</b>	<b>52,986,661</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

**BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	FY 21	\$ 135,528 *
COVID-19 - National School Lunch Program	10.555	FY 21	174,751
Total National School Lunch Program			<u>310,279</u>
Summer Food Service Program for Children	10.559	FY 21	<u>1,097,676</u>
			<u>1,407,955</u>
Fresh Fruit and Vegetable Program	10.582	FY 21	<u>16,516</u>
U.S. Department of Treasury:			
Scott County Auditor:			
Coronavirus Relief Fund	21.019	FY 21	<u>36,703</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 21	<u>499,981</u>
Twenty-first Century Community Learning Centers	84.287	FY 21	<u>71,024</u>
Supporting Effective Instruction State Grants	84.367	FY 21	<u>104,251</u>
Student Support and Academic Enrichment Program	84.424	FY 21	<u>19,548</u>
Education Stabilization Fund:			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY 21	132,904
COVID-19 Elementary and Secondary School Relief (ESSER) Funds	84.425D	FY 20	236,067
COVID-19 Elementary and Secondary School Relief (ESSER) Funds	84.425D	FY 21	169,828
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY 21	<u>66,744</u>
Total Education Stabilization Fund			<u>605,543</u>
U.S. Department of Education:			
Mississippi Bend Area Education Agency:			
Special Education - Grants to States	84.027	FY 21	<u>237,550</u>
Career and Technical Education - Basic Grants to States	84.048	FY 21	<u>9,683</u>
<b>TOTAL</b>			<u><u>\$ 3,008,754</u></u>

\* - Includes \$132,807 of non-cash awards

**Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Bettendorf Community School District under programs of the federal government for the year ended June 30, 2021. The information on 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 selected portion of the operations of Bettendorf Community School District, it is not intended to and does not represent the financial position, changes in financial position or cash flows of Bettendorf Community School District.

**Summary of Significant Accounting Policies** - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Indirect Cost Rate** - Bettendorf Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

**NOLTE, CORNMAN & JOHNSON P.C.**  
**Certified Public Accountants**  
(a professional corporation)  
117 West 3rd Street North, Newton, Iowa 50208-3040  
Telephone (641) 792-1910

**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 of Bettendorf Community School District:**

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Bettendorf Community School District as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bettendorf Community School District's internal control over financial reporting to determine the audit procedures 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 Bettendorf Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bettendorf Community School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of the 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 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 which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bettendorf Community School 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, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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, 2021 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.

### **Bettendorf Community School District's Responses to Findings**

Bettendorf Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Bettendorf Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 result 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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Bettendorf Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



NOLTE, CORNMAN & JOHNSON, P.C.

January 19, 2022  
Newton, Iowa

**NOLTE, CORNMAN & JOHNSON P.C.**  
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(a professional corporation)  
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**Independent Auditor's Report on Compliance**  
**for Each Major Federal Program and on Internal Control over Compliance**  
**Required by the Uniform Guidance**

To the Board of Education of Bettendorf Community School District:

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

We have audited Bettendorf Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. Bettendorf Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Bettendorf Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bettendorf Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Bettendorf Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Bettendorf Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bettendorf Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bettendorf Community School District's internal control over compliance.

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

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

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.



NOLTE, CORNMAN & JOHNSON, P.C.

January 19, 2022  
Newton, Iowa

BETTENDORF COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021

**Part I: Summary of the Independent Auditor's Results:**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)
- (g) Major programs were as follows:
  - Education Stabilization Fund
  - Assistance Listing Number 84.010 - Title I Grants to local Educational Agencies
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Bettendorf Community School District did qualify as a low-risk auditee.

BETTENDORF COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2021

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

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

IV-A-21 Certified Budget - District expenditures for the year ended June 30, 2021 did not exceed the certified budgeted amounts.

IV-B-21 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-21 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-21 Business Transactions - Business transactions between the District and District employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mike Dynes - Teacher Co-owner of Studio D3	Services	\$ 865
Chris Howard - Manager of Performing Arts Center In-Laws own Boylers Ornamental Iron	Supplies	144
Rebecca Eastman - Board Member Employed by United Way of Iowa No involvement with department which handles tutoring	Tutoring Services	47,600

In accordance with an Attorney General's Opinion dated July 2, 1990, the above transactions with the District employee do not appear to represent a conflict of interest.

In accordance with an Attorney General's Opinion dated November 9, 1976, the above transactions with relatives of the District employee do not appear to represent a conflict of interest.

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions the District's Board Member do not represent a conflict of interest.

IV-E-21 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-21 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions.

IV-G-21 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

IV-H-21 Certified Enrollment - We noted the basic enrollment data certified to the Iowa Department of Education was overstated by 0.8 students.

Recommendation - The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response - The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management on behalf of the District to resolve this matter

Conclusion - Response accepted.

IV-I-21 Supplementary Weighting - We noted no variances regarding the supplementary weighting certified to the Iowa Department of Education.

IV-J-21 Deposits and Investments - We noted 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.

IV-K-21 Certified Annual Report - The Certified Annual Report was certified timely to the Department of Education and we noted no deficiencies in amounts reported.

IV-L-21 Categorical Funding - No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-M-21 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in 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, services and use 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, 2021, the following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 6,246,579
Revenues:		
Sales tax revenues	\$ 4,164,699	
Other local revenues	<u>6,836</u>	<u>4,171,535</u>
Expenditures/transfers out:		
School infrastructure construction	1,167,230	
Equipment	18,379	
Transfers to other funds:		
Debt service fund	<u>3,469,452</u>	<u>4,655,061</u>
Ending balance		<u>\$ 5,763,053</u>

For the year ended June 30, 2021, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-N-21 Board Policies - We noted during our audit instances of District board policies which do not appear to have been reviewed and/or updated within the past five years. According to Iowa Administrative Code Chapter 281-12.3(2), "Policies shall be reviewed at least every five years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions."

Recommendation - The District should review its official board policies and update all policies that have not been updated within the last five years. The District should also review procedures and take steps to ensure board policies are reviewed in a timely manner in accordance with Chapter 281-12.3(2) of the Iowa Administrative Code.

Response - The District updated over 150 policies during the FY21 year in an effort to update out-of-date items. The District will continue to review and update board policies beyond the five year review cycle in a continued effort to bring this item into compliance. The District now uses a policy review cycle to ensure compliance.

Conclusion - Response accepted.