

**Bettendorf Community School District
Bettendorf, Iowa**

Financial and Compliance Report
Year Ended June 30, 2025

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Bettendorf Community School District

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

Board of Education

	Title	Term Expires
Paul Castro	President	2027
Ryan McGivern	Vice President	2027
Michelle Bruty	Director	2027
Eric Engels	Director	2029
Brian Hanssen	Director	2029
Patrick Larkin	Director	2027
Jessica Witter	Director	2029

School District Administration

Dr. Michelle Morse	Superintendent
Colleen Skolrood	Board Secretary
David Farmer	Board Treasurer
Tyler Reedy	School Business Official
Ahlers & Cooney, PC	Attorney
Lane & Waterman, LLP	Attorney

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Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

Independent Auditor's Report

To the Board of Education
Bettendorf Community School District
Bettendorf, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bettendorf Community School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bettendorf Community School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business-type activities and nonmajor School Nutrition Fund net position was restated.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the District's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–13 and 52-61 be presented to supplement the basic financial statements.

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

Supplementary Information

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

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

The District's basic financial statements for the years ended June 30, 2016 through 2024, which are not presented herein, were audited by other auditors whose report thereon dated April 10, 2025 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2016 through 2024 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2016 through 2024 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated (ReportDate), on our consideration of the 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 Bettendorf Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bettendorf Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

East Moline, Illinois
February 24, 2026

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Bettendorf Community School District

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

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

2024-25 FINANCIAL HIGHLIGHTS

- For the year ended June 30, 2025, the District reported an increase in combined total governmental and business-type activities net position of \$6,933,829. For the year ended June 30, 2024, the District reported an increase in combined total governmental and business-type activities net position of \$8,685,398.
- Total revenues for the fiscal year ended June 30, 2025 and 2024 of \$74,952,870 and \$73,836,666 were comprised of general revenues in the amount of \$53,033,895 and \$55,937,970 and program revenues totaling \$21,918,975 and \$17,898,696.
- As of June 30, 2025, the District's governmental funds reported combined ending fund balances of \$34,691,074, a decrease of \$1,711,502 in comparison with the prior year. As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$36,402,576, an increase of \$3,290,177 in comparison with the prior year.
- As of June 30, 2025, unassigned fund balance of the General Fund was \$13,696,544 or 23.5 percent of total General Fund expenditures. As of June 30, 2024, unassigned fund balance of the General Fund was \$12,112,678 or 21.2 percent of total General Fund expenditures.
- The District's revenue bonded debt decreased by \$5,990,000 due to principal payments made during the year.

USING THIS ANNUAL REPORT

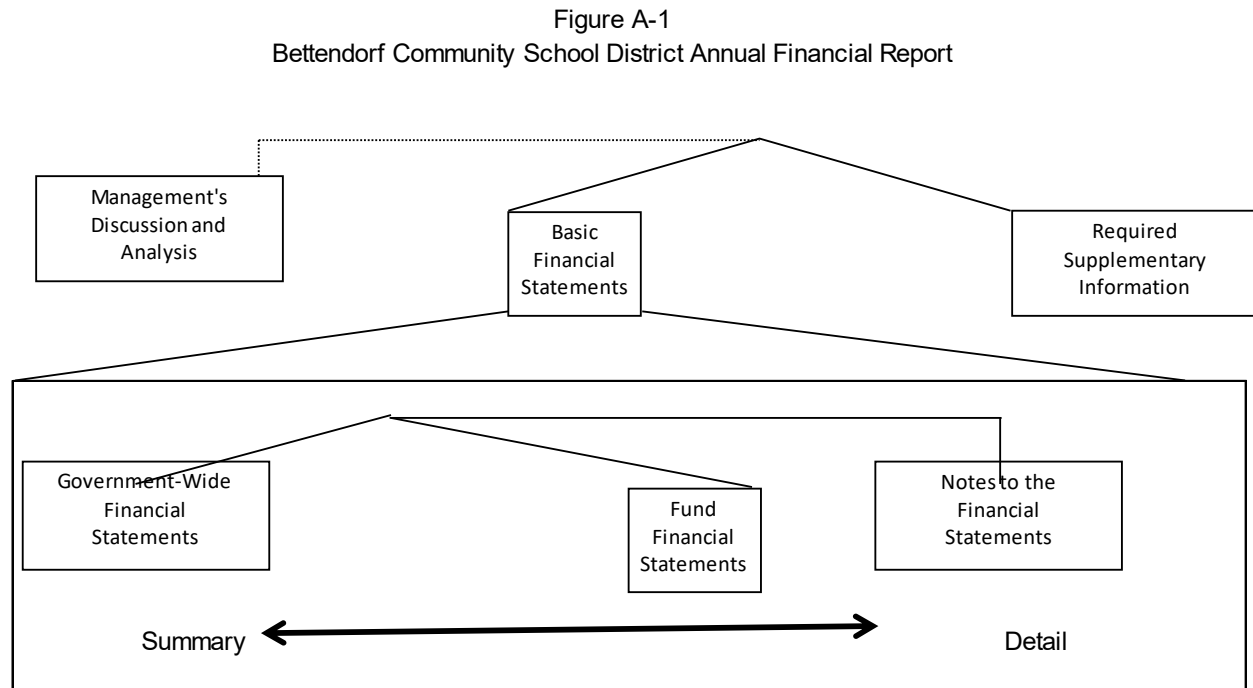
The annual report consists of a series of financial statements and other information, as follows:

- 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 services were financed in the short-term as well as what remains for future spending. Fund financial statements report the 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 and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds and the nonmajor proprietary funds.

Bettendorf Community School District

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

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



Bettendorf Community School District

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

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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: school nutrition and internal service fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, and student activity monies.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and deferred outflows of resources /liability and deferred inflows of resources information	All assets, deferred outflows of resources and liabilities and deferred inflows of resources, 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, deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Bettendorf Community School District

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

The government-wide 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 and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial position. Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating, respectively. To assess the District's overall health, additional nonfinancial 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 taxes and state aid finance most of these activities.

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's school nutrition 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. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information in the reconciliations following each of the governments fund statements explains the relationship or differences between the two statements.

The District's major governmental funds for 2024-25 were the General Fund and the Capital Projects Fund,. The nonmajor governmental funds included the Debt Service fund and special revenue funds of the Student Activity Fund and Management Levy Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Bettendorf Community School District

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

- 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, is the same as its business-type activities but provides more detail and additional information, such as cash flows. The District currently has one nonmajor Enterprise Fund, the School Nutrition Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for other District programs and activities. The District currently has one internal service fund, which is used to track the District's self-funded insurance plan.

The required financial statements for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in 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 type includes the Custodial Fund and the Private Purpose Trust Fund, as follows:

- Private Purpose Trust Fund- The District accounts for outside donations for scholarships for individual students in this fund.
- Custodial Fund- These are funds through which the District administers and accounts for revenues and expenses for outside groups as a fiscal agent.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position as of June 30, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District	
	Restated		Restated		Restated	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current and other assets	\$ 73,793,304	\$ 74,805,230	\$ 2,465,846	\$ 2,432,951	\$ 76,259,150	\$ 77,238,181
Capital assets	81,452,957	80,545,591	291,233	208,954	81,744,190	80,754,545
Total assets	155,246,261	155,350,821	2,757,079	2,641,905	158,003,340	157,992,726
Deferred outflows of resources	6,287,131	8,577,582	100,512	140,208	6,387,643	8,717,790
Noncurrent liabilities	38,174,066	47,553,591	411,220	477,878	38,585,286	48,031,469
Other liabilities	10,442,221	9,942,260	89,631	87,131	10,531,852	10,029,391
Total liabilities	48,616,287	57,495,851	500,851	565,009	49,117,138	58,060,860
Deferred inflows of resources	27,549,969	27,861,770	65,110	62,949	27,615,079	27,924,719
Net position:						
Net investment in capital assets	66,901,003	61,421,077	291,233	208,954	67,192,236	61,630,031
Restricted	22,452,106	20,765,909	-	-	22,452,106	20,765,909
Unrestricted	(3,985,973)	(3,616,204)	2,000,397	1,945,201	(1,985,576)	(1,671,003)
Total net position	\$ 85,367,136	\$ 78,570,782	\$ 2,291,630	\$ 2,154,155	\$ 87,658,766	\$ 80,724,937

The District's combined net position as of June 30, 2025, increased by \$6,933,829 (8.6 percent) over the June 30, 2024 combined restated net position. Net position in the governmental activities increased by \$6,796,354 (8.7 percent). The net position of the District's business-type activities increased by \$137,475 (6.4 percent).

Bettendorf Community School District

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

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 by \$1,686,197 from the prior year due to increases in the restrictions for physical plant and equipment levy.

The net investment in capital assets (e.g. land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$5,562,205 or 9.0 percent due to current year capital asset additions.

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 by \$314,573.

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

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District	
	Not Restated		Not Restated		Not Restated	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues:						
Program revenues:						
Charges for services	\$ 9,008,720	\$ 7,472,356	\$ 639,124	\$ 774,411	\$ 9,647,844	\$ 8,246,767
Operating grants and contributions and restricted interest	10,608,705	11,866,353	1,655,279	1,631,131	12,263,984	13,497,484
Capital grants and contributions	-	1,509,264	7,147	-	7,147	1,509,264
General revenues:						
Property tax	22,530,550	20,410,460	-	-	22,530,550	20,410,460
Utility excise tax	383,847	375,454			383,847	375,454
Other taxes	4,493	4,758			4,493	4,758
Statewide sales, services and use tax	5,227,939	5,292,106	-	-	5,227,939	5,292,106
Revenue in lieu of taxes	331,996	399,183			331,996	399,183
Unrestricted state grants	22,213,844	22,085,593	-	-	22,213,844	22,085,593
Unrestricted investment earning:	1,705,768	1,623,470	108,065	121,164	1,813,833	1,744,634
Miscellaneous	527,393	257,731	-	13,232	527,393	270,963
Total revenues	72,543,255	71,296,728	2,409,615	2,539,938	74,952,870	73,836,666
Program expenses:						
Governmental activities:						
Instruction	40,481,400	38,233,510	-	-	40,481,400	38,233,510
Support services	19,847,147	18,938,487	27,727	177	19,874,874	18,938,664
Noninstructional	754	15,147	2,131,952	2,075,153	2,132,706	2,090,300
Other expenditures	5,530,061	5,888,794	-	-	5,530,061	5,888,794
Total expenses	65,859,362	63,075,938	2,159,679	2,075,330	68,019,041	65,151,268
Revenues over (under) expenditures before transfers	6,683,893	8,220,790	249,936	464,608	6,933,829	8,685,398
Transfers	112,461	98,363	(112,461)	(98,363)	-	-
Change in net position	6,796,354	8,319,153	137,475	366,245	6,933,829	8,685,398
Beginning net position, as restated	78,570,782	73,492,428	2,154,155	1,863,736	80,724,937	75,356,164
Ending net position	\$ 85,367,136	\$ 81,811,581	\$ 2,291,630	\$ 2,229,981	\$ 87,658,766	\$ 84,041,562

Bettendorf Community School District

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

In 2024-2025, property taxes, utility excise tax, other tax, unrestricted state grants, statewide sales and services tax, and revenue in lieu of taxes accounted for 69.9 percent of the revenue from governmental activities while charges for services, operating grants and contributions, and capital grants and contributions accounted for 95.5 percent of the revenue from business-type activities

The District's expenses primarily relate to instruction and support services which account for 88.7 percent of the total expenses.

Governmental Activities

Total revenue for the District's governmental activities increased by \$1,246,527 (1.8 percent) in the fiscal year ended June 30, 2025. Revenue primarily increased in charges for services and property tax.

Total District governmental activities expenses increased by \$2,783,424 (4.4 percent), mainly attributable to increases in salaries and benefits and cost of supplies.

Figure A-5 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2025 compared to the year ended June 30, 2024.

Figure A-5 Net Cost of Governmental Activities

	Figure 10-1 Net Cost of Governmental Activities						
	Total Cost of Services			Percentage	Net Cost of Services		Percentage
	Not Restated		Change	Not Restated		Change	
	June 30, 2025	June 30, 2024	2024-2025	June 30, 2025	June 30, 2024	2024-2025	
Instruction	\$ 40,481,400	\$ 38,233,510	5.88%	\$ 24,250,997	\$ 27,097,717	-10.5%	
Support services	19,847,147	18,938,487	4.80%	18,102,180	16,578,668	9.2%	
Noninstructional	754	15,147	-95.02%	754	15,147	-95.0%	
Other expenses	5,530,061	5,888,794	-6.09%	3,888,006	3,891,252	-0.1%	
Total	\$ 65,859,362	\$ 63,075,938	4.41%	\$ 46,241,937	\$ 47,582,784	-2.8%	

For the year ended June 30, 2025:

- The cost financed by the users of the District's programs was \$9,008,720.
- Federal and state government subsidized certain programs with grants and contributions totaling \$10,608,705.
- The net cost of governmental activities was financed with \$22,918,890 in local tax, \$5,227,939 of statewide sales and services tax, \$331,996 revenue in lieu of taxes, \$22,213,844 of unrestricted state grants, \$1,705,768 in interest income and \$527,393 in other revenue.

For the year ended June 30, 2024:

- The cost financed by the users of the District's programs was \$7,472,356.
- Federal and state government subsidized certain programs with grants and contributions totaling \$8,020,798.
- The net cost of governmental activities was financed with \$20,790,672 in local tax, \$5,292,106 of statewide sales and services tax, \$27,839,595 of unrestricted state grants, \$1,623,470 in interest income and \$257,731 in other revenue.

Bettendorf Community School District

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

Business-Type Activities

The District's business-type activities include the School Nutrition Fund. Revenues of the District's business-type activities in 2024-25 were \$2,409,615, a decrease of \$130,323 from 2023-24. Expenses were \$2,159,679, an increase of \$84,349 from 2023-24. Revenues of these activities were comprised of charges for service, federal and state sources, capital contributions and interest.

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 \$34,691,074 which reflects a decrease of \$1,711,502 from last year's ending fund balances of \$36,402,576.

Governmental Fund Highlights

- The fund balance in the District's General Fund increased by \$1,521,748 from \$15,727,861 as of June 30, 2024 to \$17,249,609 as of June 30, 2025. Local tax increased \$1,592,539 and state sources decreased \$312,665. Expenditures increased \$1,167,263 due to increases in salaries and benefits and cost of supplies.
- The fund balance in the Capital Projects Fund increased \$525,229 from \$11,863,594 as of June 30, 2024 to \$12,388,823 as of June 30, 2025. Total revenues increased \$887,513 while total expenditures increased \$881,176.

Proprietary Fund Highlights

The District's School Nutrition Fund net position increased \$137,475 to \$2,291,630 as of June 30, 2025.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except internal service funds and custodial funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison. The District exceeded budgeted expenditures in the other expenditures function as of June 30, 2025 by \$2,499,032. This was primarily due to timing of revenue bond payments. In the current year July 1, 2026 bond payments were recognized in fiscal year 2025.

The District's total actual revenues were \$3,238,511 more than the total budgeted revenues primarily due to receiving more in local revenue sources, a variance of 4.6%

Bettendorf Community School District

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2024-25 fiscal year, the District had invested \$81,744,190 (net of accumulated depreciation of \$68,038,473 in a broad range of assets, including building security equipment, buildings, and a roof replacement. (See Figure A-6). This amount represents a net increase of \$989,645 or 1.2 percent from last year. Current year additions primarily consisted of Thomas Edison Academy addition and roof replacement projects. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$3,968,888.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Land and construction in progress	\$ 3,875,091	\$ 3,618,069	\$ -	\$ -	\$ 3,875,091	\$ 3,618,069
Buildings	71,432,688	70,876,567	-	-	71,432,688	70,876,567
Land improvements	3,976,082	4,009,046	-	-	3,976,082	4,009,046
Machinery and equipment	2,074,785	1,908,572	291,233	208,954	2,366,018	2,117,526
Intangible right to use lease equipment	94,311	133,337	-	-	94,311	133,337
Total	\$ 81,452,957	\$ 80,545,591	\$ 291,233	\$ 208,954	\$ 81,744,190	\$ 80,754,545

Long-Term Debt

As of June 30, 2025, the District had approximately \$39 million in revenue bond, and other long-term obligations outstanding. This represents a decrease of approximately 19.7% from last year (see figure A-7). Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

Figure A-7 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District	
	Restated		Restated		Restated	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue bonds	12,990,000	18,980,000	-	-	12,990,000	18,980,000
Lease agreement	104,378	144,514	-	-	104,378	144,514
Termination benefits	147,786	158,680	-	-	147,786	158,680
Compensated absences	4,398,998	3,735,726	90,955	76,861	4,489,953	3,812,587
Net pension liability	13,256,935	17,479,105	233,383	316,767	13,490,318	17,795,872
Total OPEB liability	7,275,969	7,055,566	86,882	84,250	7,362,851	7,139,816
Total	\$ 38,174,066	\$ 47,553,591	\$ 411,220	\$ 477,878	\$ 38,585,286	\$ 48,031,469

Bettendorf Community School District

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

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 District's Certified Enrollment is 3,953 for the 2024-2025 fiscal year and 3,826 for the 2025-2026 fiscal year.
- Historically low SSA, along with declining enrollment and inflation will present challenges for the District to maintain appropriate levels of staffing and competitive wages.
- Students First Education Accounts will continue to have an impact on the funding and enrollment for the District.
- Changes at the State level, particularly through property tax reform and unfunded mandates, are reducing funding available for the District.

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 the District Administrative Office, Bettendorf Community School District, 3311 18th St., Bettendorf, IA 52722.

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Bettendorf Community School District**Statement of Net Position****June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 45,533,885	\$ 2,569,401	\$ 48,103,286
Receivables:			
Property tax:			
Delinquent	188,704	-	188,704
Succeeding year	22,598,957	-	22,598,957
Accounts	21,086	1,472	22,558
Due from other governments	5,272,955	29,210	5,302,165
Inventories	-	43,480	43,480
Internal balances	177,717	(177,717)	-
Capital assets:			
Capital assets not being depreciated/amortized:			
Land and construction in progress	3,875,091	-	3,875,091
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization:			
Buildings	71,432,688	-	71,432,688
Land improvements	3,976,082	-	3,976,082
Machinery and equipment	2,074,785	291,233	2,366,018
Intangible right to use lease equipment	94,311	-	94,311
Total capital assets	81,452,957	291,233	81,744,190
Total assets	155,246,261	2,757,079	158,003,340
Deferred Outflows of Resources:			
OPEB related deferred outflows	1,795,724	21,443	1,817,167
Pension related deferred outflows	4,491,407	79,069	4,570,476
Total deferred outflows of resources	6,287,131	100,512	6,387,643

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	4,050,943	14,932	4,065,875
Salaries and benefits payable	5,460,678	6,889	5,467,567
Incurred but not reported claims	930,600	-	930,600
Unearned revenue	-	67,810	67,810
Noncurrent liabilities:			
Portion due within one year:			
Revenue bonds	3,120,000	-	3,120,000
Lease obligation	41,888	-	41,888
Early retirement obligation	147,786	-	147,786
Compensated absences	1,143,739	33,653	1,177,392
Total OPEB liability	224,931	2,686	227,617
Portion due after one year:			
Revenue bonds	9,870,000	-	9,870,000
Lease obligation	62,490	-	62,490
Compensated absences	3,255,259	57,302	3,312,561
Total OPEB liability	7,051,038	84,196	7,135,234
Net pension liability	13,256,935	233,383	13,490,318
Total liabilities	48,616,287	500,851	49,117,138
Deferred inflows of resources,			
deferred revenue:			
Succeeding year property tax	22,598,957	-	22,598,957
OPEB related deferred inflows	3,893,257	46,489	3,939,746
Pension related deferred inflows	1,057,755	18,621	1,076,376
Total deferred inflows of resources	27,549,969	65,110	27,615,079
Net Position:			
Net investment in capital assets	66,901,003	291,233	67,192,236
Restricted for:			
Categorical funding	3,553,065	-	3,553,065
Debt service	202,586	-	202,586
School infrastructure	2,607,009	-	2,607,009
Management levy	4,241,200	-	4,241,200
Physical plant and equipment levy	11,239,390	-	11,239,390
Student activities	608,856	-	608,856
Unrestricted	(3,985,973)	2,000,397	(1,985,576)
Total net position	\$ 85,367,136	\$ 2,291,630	\$ 87,658,766

Bettendorf Community School District

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses
Governmental activities:	
Instruction	\$ 40,481,400
Support services	19,847,147
Noninstructional programs	754
Other:	
AEA flowthrough	1,642,055
Unallocated depreciation*	3,447,017
Interest	440,989
	<u>5,530,061</u>
Total governmental activities	<u>65,859,362</u>
Business-type activities:	
Support services	27,727
Noninstructional programs,	
Food service operations	2,131,952
Total business-type activities	<u>2,159,679</u>
Total	<u><u>\$ 68,019,041</u></u>
General revenues and transfers:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Utility excise tax	
Other taxes	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Insurance recoveries	
Gain on sale of capital assets	
Transfers	
Total general revenues	
Change in net position	
Net position, beginning of year, as restated	
Net position, end of year	

* This amount excludes the depreciation included in the direct expense of the various functions/programs.

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 7,320,730	\$ 8,909,673	\$ -	(24,250,997)	-	(24,250,997)
1,687,990	56,977	-	(18,102,180)	-	(18,102,180)
-	-	-	(754)	-	(754)
-	1,642,055	-	-	-	-
-	-	-	(3,447,017)	-	(3,447,017)
-	-	-	(440,989)	-	(440,989)
-	1,642,055	-	(3,888,006)	-	(3,888,006)
9,008,720	10,608,705	-	(46,241,937)	-	(46,241,937)
-	-	-	-	(27,727)	(27,727)
639,124	1,655,279	7,147	-	169,598	169,598
639,124	1,655,279	7,147	-	141,871	141,871
\$ 9,647,844	\$ 12,263,984	\$ 7,147	(46,241,937)	141,871	(46,100,066)
			18,516,816	-	18,516,816
			3,031,466	-	3,031,466
			982,268	-	982,268
			383,847	-	383,847
			4,493	-	4,493
			5,227,939	-	5,227,939
			331,996	-	331,996
			22,213,844	-	22,213,844
			1,705,768	108,065	1,813,833
			10,883	-	10,883
			516,510	-	516,510
			112,461	(112,461)	-
			53,038,291	(4,396)	53,033,895
			6,796,354	137,475	6,933,829
			78,570,782	2,154,155	80,724,937
			\$ 85,367,136	\$ 2,291,630	\$ 87,658,766

Bettendorf Community School District

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

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash and pooled investments	\$ 20,233,360	\$ 13,271,309	\$ 5,049,472	\$ 38,554,141
Receivables:				
Property tax:				
Delinquent	153,820	26,799	8,085	188,704
Succeeding year	17,926,842	3,172,121	1,499,994	22,598,957
Accounts	12,424	-	8,662	21,086
Due from other governments	4,724,638	548,291	26	5,272,955
Due from other funds	177,717	-	-	177,717
Total assets	\$ 43,228,801	\$ 17,018,520	\$ 6,566,239	\$ 66,813,560
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,250,577	\$ 1,457,576	\$ 13,603	\$ 3,721,756
Salaries and benefits payable	5,460,678	-	-	5,460,678
Total liabilities	7,711,255	1,457,576	13,603	9,182,434
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	17,926,842	3,172,121	1,499,994	22,598,957
Other	341,095	-	-	341,095
Total deferred inflows of resources	18,267,937	3,172,121	1,499,994	22,940,052
Fund balances:				
Restricted for:				
Categorical funding	3,553,065	-	-	3,553,065
Debt service	-	-	202,586	202,586
Management levy purposes	-	-	4,241,200	4,241,200
Student activities	-	-	608,856	608,856
School infrastructure	-	1,277,805	-	1,277,805
Physical plant and equipment levy	-	11,111,018	-	11,111,018
Unassigned	13,696,544	-	-	13,696,544
Total fund balances	17,249,609	12,388,823	5,052,642	34,691,074
Total liabilities, deferred inflows of resources and fund balances	\$ 43,228,801	\$ 17,018,520	\$ 6,566,239	\$ 66,813,560

See Notes to Basic Financial Statements.

Bettendorf Community School District

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

June 30, 2025

Total fund balances of governmental funds	\$ 34,691,074
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	81,452,957
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Receivables not collected within 60 days of year-end are not available soon enough
to pay for the current period's expenditures and, therefore, are deferred inflows of
resources in the funds:

Other grants	341,095
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The Internal Service Fund is used to charge costs of the District's self-funded insurance
plan to the governmental funds. The net position of the Internal Service Fund is
therefore included under governmental activities.

5,719,957

Pension and OPEB related deferred outflows of resources and deferred inflows of
resources are not due and payable in the current year and, therefore, are not reported
in the governmental funds as follows:

OPEB related deferred outflows of resources	1,795,724
OPEB related deferred inflows of resources	(3,893,257)
Pension related deferred outflows of resources	4,491,407
Pension related deferred inflows of resources	(1,057,755)

Long-term liabilities, including bonds payable and compensated absences,
are not due and payable in the current period and, therefore, are not
reported as liabilities in the governmental funds:

Revenue bonds, current	(3,120,000)
Revenue bonds, noncurrent	(9,870,000)
Lease obligation	(104,378)
Early retirement obligations	(147,786)
Compensated absences	(4,398,998)
Total OPEB liability	(7,275,969)
Net pension liability	(13,256,935)

Net position of governmental activities

<u>\$ 85,367,136</u>

See Notes to Basic Financial Statements.

Bettendorf Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Property tax	\$ 18,516,816	\$ 3,031,466	\$ 982,268	\$ 22,530,550
Utility excise tax	317,010	49,930	16,907	383,847
Other tax	3,711	584	198	4,493
Tuition	6,614,015	-	-	6,614,015
Other	1,472,091	1,398,205	924,615	3,794,911
State appropriations	30,431,716	5,271,124	14,623	35,717,463
Federal appropriations	2,323,926	-	-	2,323,926
Total revenues	59,679,285	9,751,309	1,938,611	71,369,205
Expenditures:				
Current:				
Instruction:				
Regular	25,833,360	-	433,559	26,266,919
Special	7,789,589	-	-	7,789,589
Other	5,940,856	4,893	796,090	6,741,839
	39,563,805	4,893	1,229,649	40,798,347
Support services:				
Student	2,640,102	-	5,465	2,645,567
Instructional staff	1,187,951	-	-	1,187,951
Administration	7,085,539	871,514	132,700	8,089,753
Operation and maintenance of plant	4,974,200	238,602	1,129,949	6,342,751
Transportation	1,165,450	111,845	6,914	1,284,209
	17,053,242	1,221,961	1,275,028	19,550,231
Noninstructional programs	-	-	754	754
Other expenditures:				
Capital outlay	-	5,009,701	-	5,009,701
AEA flowthrough	1,642,055	-	-	1,642,055
Debt service:				
Principal	-	-	6,030,136	6,030,136
Interest and fiscal fees	-	-	698,205	698,205
	1,642,055	5,009,701	6,728,341	13,380,097
Total expenditures	58,259,102	6,236,555	9,233,772	73,729,429
Excess (deficiency) of revenues over (under) expenditures	1,420,183	3,514,754	(7,295,161)	(2,360,224)
Other financing sources (uses):				
Proceeds from sale of capital assets	378	525,000	-	525,378
Insurance recoveries	10,484	-	399	10,883
Transfers in	112,461	-	3,536,283	3,648,744
Transfers (out)	(21,758)	(3,514,525)	-	(3,536,283)
Total other financing sources (uses)	101,565	(2,989,525)	3,536,682	648,722
Net change in fund balances	1,521,748	525,229	(3,758,479)	(1,711,502)
Fund balances, beginning of year	15,727,861	11,863,594	8,811,121	36,402,576
Fund balances, end of year	\$ 17,249,609	\$ 12,388,823	\$ 5,052,642	\$ 34,691,074

See Notes to Basic 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, 2025**

Net change in fund balances - total governmental funds \$ (1,711,502)

Amounts reported for governmental activities in the statement of
activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation/amortization expense in the statement of activities. The amounts of capital outlays and depreciation/amortization expense in the year are as follows:

Capital outlay	\$ 4,841,671	
Depreciation/amortization expense	(3,925,437)	916,234
Proceeds from sale of capital assets	(525,378)	
Gain on disposal of assets	516,510	(8,868)

The decrease in net position of the Internal Service Fund represents an undercharge to the governmental funds and is incorporated into the change in net position of governmental activities. (41,806)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:

Other grants	341,095
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of revenue bond	5,990,000	
Payment of lease obligations	40,136	
Interest expense	257,216	6,287,352

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement obligations	10,894
Compensated absences	(663,272)
Net OPEB liability	(339,629)
Pension expense	2,005,856

Change in net position of governmental activities	\$ 6,796,354
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See Notes to Basic Financial Statements.

Bettendorf Community School District

Statement of Net Position

Proprietary Funds

June 30, 2025

	Nonmajor Enterprise School Nutrition	Governmental Activities, Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	\$ 2,569,401	\$ 6,979,744
Receivables, accounts	1,472	-
Intergovernmental receivable	29,210	-
Inventories	43,480	-
Total current assets	2,643,563	6,979,744
Noncurrent assets:		
Capital assets being depreciated, net of accumulated depreciation:		
Machinery and equipment	291,233	-
Total noncurrent assets	291,233	-
Total assets	2,934,796	6,979,744
Deferred Outflows of Resources:		
OPEB related deferred outflows	21,443	-
Pension related deferred outflows	79,069	-
Total deferred outflows of resources	100,512	-
Liabilities		
Current liabilities:		
Accounts payable	14,932	329,187
Salaries and benefits payable	6,889	-
Incurred but not reported claims	-	930,600
Unearned revenue	67,810	-
Due to other funds	177,717	-
Compensated absences	33,653	-
Total OPEB liability	2,686	-
Total current liabilities	303,687	1,259,787
Noncurrent liabilities:		
Compensated absences	57,302	-
Total OPEB liability	84,196	-
Net pension liability	233,383	-
Total noncurrent liabilities	374,881	-
Total liabilities	678,568	1,259,787
Deferred Inflows of Resources:		
OPEB related deferred inflows	46,489	-
Pension related deferred inflows	18,621	-
Total deferred inflows of resources	65,110	-
Net Position		
Investment in capital assets	291,233	-
Unrestricted	2,000,397	5,719,957
Total net position	\$ 2,291,630	\$ 5,719,957

See Notes to Basic Financial Statements.

Bettendorf Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2025**

	Nonmajor Enterprise School Nutrition	Governmental Activities, Internal Service Fund
Operating revenues:		
Local sources:		
Charges for service	\$ 630,767	\$ -
Miscellaneous	8,357	7,926,776
Total operating revenues	639,124	7,926,776
Operating expenses:		
Support services:		
Student:		
Services	-	28,154
Administration:		
Services	414	1,290,871
Operation and maintenance of plant:		
Services	27,313	-
Total support services	27,727	1,319,025
Noninstructional programs:		
Salaries	670,825	-
Benefits	165,999	-
Purchased services	10,948	-
Supplies	1,240,729	-
Depreciation	43,451	-
Other enterprise operations:		
Benefits	-	6,955,119
Total non-instructional programs	2,131,952	6,955,119
Total operating expenses	2,159,679	8,274,144
Operating (loss)	(1,520,555)	(347,368)
Nonoperating revenues:		
State sources	14,451	-
Federal sources	1,640,828	-
Interest on investments	108,065	305,562
Total nonoperating revenues	1,763,344	305,562
Income (loss) before capital contributions and transfers	242,789	(41,806)
Capital contributions	7,147	-
Transfers out	(112,461)	-
Total capital contributions and transfers	(105,314)	-
Change in net position	137,475	(41,806)
Net position, beginning of year, as restated	2,154,155	5,761,763
Net position, end of year	\$ 2,291,630	\$ 5,719,957

See Notes to Basic Financial Statements.

Bettendorf Community School District

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

	Nonmajor Enterprise School Nutrition	Governmental Activities, Internal Service Fund
Cash flows from operating activities:		
Cash received from:		
Charges for services	\$ 654,815	\$ -
Miscellaneous services	8,357	7,926,776
Cash payments to:		
Employees for services	(858,164)	-
Suppliers for goods and services	(1,084,089)	(8,278,089)
Net cash (used in)		
operating activities	<u>(1,279,081)</u>	<u>(351,313)</u>
Cash flows from noncapital financing activities:		
Payments to other funds	(112,461)	-
Proceeds from other funds	79,354	-
State grants received	14,451	-
Federal grants received	1,398,722	-
Net cash provided by		
noncapital financing activities	<u>1,380,066</u>	<u>-</u>
Cash flows from capital financing activities and related activities,		
Acquisition of capital assets	(118,583)	-
Net cash (used in) operating activities	<u>(118,583)</u>	<u>-</u>
Cash flows from investing activities,		
interest on investments	<u>108,065</u>	<u>305,562</u>
Net increase (decrease) in cash		
and cash equivalents	90,467	(45,751)
Cash and cash equivalents:		
Beginning of year	2,478,934	7,025,495
End of year	<u>\$ 2,569,401</u>	<u>\$ 6,979,744</u>

(Continued)

Bettendorf Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2025

	Nonmajor Enterprise School Nutrition	Governmental Activities, Internal Service Fund
Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	\$ (1,520,555)	\$ (347,368)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Commodities consumed	188,674	-
Depreciation	43,451	-
(Increase) decrease in:		
Inventories	(1,790)	-
Accounts receivable	(1,128)	-
Increase (decrease) in:		
Accounts payable	8,431	64,695
Salaries and benefits payable	3,461	-
Incurred but not reported claims	-	(68,640)
Compensated absences	14,094	-
Net OPEB benefits	4,056	-
Net pension liability	(42,951)	-
Unearned revenue	25,176	-
Net cash (used in) operating activities	\$ (1,279,081)	\$ (351,313)
Noncash investing, capital and financing activities:		
Federal commodities	\$ 188,674	\$ -
Capital contributions	\$ 7,147	\$ -

See Notes to Basic Financial Statements.

Bettendorf Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

	Private Purpose Trust			
	Scholarship		Custodial	
Assets				
Due from other governments	\$	6,208	\$	15,405
Liabilities				
Accounts payable		-		27
Net Position				
Restricted for organizations	\$	6,208	\$	15,378

See Notes to Basic Financial Statements.

Bettendorf Community School District

Statement of Revenues, Expenses and Changes in Net Position

Fiduciary Funds

Year Ended June 30, 2025

	Private Purpose Trust	
	Scholarship	Custodial
Additions		
Local sources:		
Gifts and contributions	\$ 1,764	\$ 14,926
Total additions	<u>1,764</u>	<u>14,926</u>
Deductions:		
Instruction:		
Regular:		
Scholarships awarded	1,000	25
Support services:		
Administration:		
Supplies	-	219
Non-instructional programs:		
Community service operations:		
Services	-	2,775
Supplies	-	15,471
Total deductions	<u>1,000</u>	<u>18,490</u>
Change in net position	764	(3,564)
Net position, beginning of year	5,444	18,942
Net position, end of year	<u>\$ 6,208</u>	<u>\$ 15,378</u>

See Notes to Basic Financial Statements.

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Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 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.

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. 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 Assessor's Conference Board.

Basis of presentation:

The District's financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) that applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 services.

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 three categories:

Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted net position: Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation as of June 30, 2025 consists of \$3,553,065 for categorical funding, \$4,241,200 for management levy purposes, \$2,607,009 for school infrastructure, \$11,239,390 for physical plant and equipment, \$202,586 for debt service, and \$608,856 for student activities.

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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other 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 District reports the following nonmajor governmental funds:

Special Revenue Funds: Account for the revenue sources that are legally restricted to expenditures for specific purposes.

The Student Activity Fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising, and other extracurricular or cocurricular activities.

The Management Levy Fund, accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

The Debt Service Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of property taxes.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

The District's proprietary funds are the Enterprise Funds and the Internal Service Funds.

The District reports the following nonmajor enterprise fund:

The School Nutrition Fund is used to account for transactions related to the school lunch, breakfast and summer food programs.

The District has the following internal service funds:

The Internal Service Fund is used to account for the District's self-funded health insurance and dental insurance plans. 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 fiduciary funds which focus on net position and changes in net position. The District's fiduciary fund includes the following:

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.

The Custodial Fund is used to account for assets held by the District as an agent for other groups.

Measurement focus and basis of accounting:

The government-wide financial statements and the 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. 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 leases and subscription obligations are reported as other financing sources.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues-exchange and nonexchange: Property taxes, other taxes, 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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Proprietary funds distinguished operating revenues and expenses from nonoperating items. Operating revenues and expense 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 is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity:

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 nonnegotiable 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, have 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 that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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 unavailable in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with 1½ percent per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

Intergovernmental receivables: Intergovernmental receivables 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 governmental commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital assets: Capital assets, which include property, furniture and equipment, 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 except for intangible right-to-use lease assets, and IT subscriptions, the measurement of which is discussed in the ensuing lease policy. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Assets	Amount
Buildings	\$ 25,000
Land improvements	25,000
Intangibles	25,000
Right-to-use leased assets	25,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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	2+ years
Right-to-use leased assets	2+ years
Machinery and equipment	5-15 years

Salaries and benefits payable: Payroll and related expenses for staff with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned revenue: The unearned revenue is resources that have been received but not earned. Unearned revenue consists primarily of meal revenues collected for the next school year and grant advances.

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

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

Long-term liabilities: In the District-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.

Leases: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs to place the asset in service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA) – When the District enters into a contract that conveys control of the right to use information technology software, the District recognizes an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

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

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

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

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

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term obligations on the statement of net position. As of June 30, 2025, the District does not have any IT subscription assets or liabilities.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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 by 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, benefit 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 primarily by the General Fund.

Fund equity: In the governmental fund financial statements fund balances are classified as follows:

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The authority to assign fund balances has been delegated to the Director of Business Services.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

When an expenditure is incurred for purposes for which amounts in the committed, assigned, or unassigned fund balance classifications could be used, the District's policy is generally to first apply the expenditure to restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

Deferred outflows/inflows of resources: In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension benefit and OPEB related deferred outflows that qualify for reporting in this category.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources in the government-wide statements consists of succeeding year property tax revenue, and unrecognized items not yet charged to pension expense and other post employment benefit expense. The District reports unavailable revenue in the governmental funds balance sheet from property tax and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Interfund activity: Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgets and budgetary control:

The budgetary comparison and related disclosures are reported as Required Supplementary Information based on the program structure of four functional areas as required by state statute for its legally adopted budget. The District exceeded budgeted expenditures in the other expenditures function by \$2,499,032.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 2. Cash, Cash Equivalents and Pooled Investments

The District's cash and pooled investment consisted of depository accounts at financial institutions.

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.

Interest rate risk: The District's investment policy as set in state statute limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but that maturities shall be consistent with the needs and use of the District.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the District's investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		<1	1-5	6-10	>10		Standard & Poor	Fitch
Iowa Schools Joint Investment Trust (ISJIT)	\$ 3,010,723	\$ 3,010,723	\$ -	\$ -	\$ -	N/A	AAAm	N/A

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$3,010,723 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a policy specific to credit risk. The credit related to the District investments are in the table above.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2025, the District had no investments subject to concentration of credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

The District is not subject to foreign-currency risk.

Bettendorf Community School District**Notes to Basic Financial Statements
Year Ended June 30, 2025****Note 3. Interfund Balances and Interfund Transfers**

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

	Transfer in	Transfer out
Major Funds:		
General Fund	\$ 112,461	\$ 21,758
Capital Projects Fund	-	3,514,525
Nonmajor Governmental Funds:		
Debt Service	3,514,525	-
Student Activity	21,758	
Nonmajor Enterprise Fund, School Nutrition Fund	-	112,461
Total	\$ 3,648,744	\$ 3,648,744

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The Capital Project Fund transferred revenue to the Debt Service Fund for payment of principal and interest on bonds. The School Nutrition Fund transfer is for program support. The Student Activity Fund transfer is for safety equipment purchases.

The detail of interfund receivables and payables at June 30, 2025 is as follows:

	Due From	Due To
Major Fund, General Fund	\$ 177,717	\$ -
Nonmajor Enterprise Fund, School Nutrition Fund	-	177,717
Total	\$ 177,717	\$ 177,717

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2025 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,579,756	\$ -	\$ -	\$ 1,579,756
Construction in progress	2,038,313	3,750,637	3,493,615	2,295,335
Total capital assets not being depreciated/amortized	3,618,069	3,750,637	3,493,615	3,875,091
Capital assets being depreciated/ amortized:				
Buildings	123,127,070	3,583,190	606,620	126,103,640
Land improvements	7,450,524	398,635	-	7,849,159
Machinery and equipment	10,353,305	602,824	38,566	10,917,563
Intangible right to use lease equipment	195,128	-	-	195,128
Total capital assets being depreciated/amortized	141,126,027	4,584,649	645,186	145,065,490
Less accumulated depreciation/ amortization for:				
Land improvements	52,250,503	3,018,201	597,752	54,670,952
Buildings and building equipment	3,441,478	431,599	-	3,873,077
Machinery and equipment	8,444,733	436,611	38,566	8,842,778
Intangible right to use lease equipment	61,791	39,026	-	100,817
Total accumulated depreciation/ amortization	64,198,505	3,925,437	636,318	67,487,624
Total capital assets being depreciated/amortized, net	76,927,522	659,212	8,868	77,577,866
Governmental activities capital assets, net	\$ 80,545,591	\$ 4,409,849	\$ 3,502,483	\$ 81,452,957
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 716,352	\$ 125,730	\$ -	\$ 842,082
Less accumulated depreciation	507,398	43,451	-	550,849
Business-type activities capital assets, net	\$ 208,954	\$ 82,279	\$ -	\$ 291,233

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 4. Capital Assets (Continued)

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular \$ 24,667

Other 56,059

Support services:

Student 7,903

Instructional staff 125,827

Administration 88,496

Operation and maintenance of plant 18,206

Transportation 157,262

Unallocated depreciation 3,447,017

Total governmental activities depreciation/amortization expense \$ 3,925,437

Business-type activities:

Food services 43,451

Total business-type activities depreciation expense \$ 43,451

Note 5. Long-Term Obligations

A summary of changes in long-term obligations for the year ended June 30, 2025 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 18,980,000	\$ -	\$ 5,990,000	\$ 12,990,000	\$ 3,120,000
Lease obligations	144,514	-	40,136	104,378	41,888
Early retirement obligations	158,680	263,710	274,604	147,786	147,786
Compensated absences	3,735,726	663,272	-	4,398,998	1,143,739
Net pension liability	17,479,105	-	4,222,170	13,256,935	-
Total OPEB liability	7,055,566	220,403	-	7,275,969	224,931
Total	<u>\$ 47,553,591</u>	<u>\$ 1,147,385</u>	<u>\$ 10,526,910</u>	<u>\$ 38,174,066</u>	<u>\$ 4,678,344</u>
Business-type activities:					
Compensated absences	\$ 76,861	\$ 14,094	\$ -	\$ 90,955	\$ 33,653
Net pension liability	316,767	-	83,384	233,383	-
Total OPEB liability	84,250	2,632	-	86,882	2,686
Total	<u>\$ 477,878</u>	<u>\$ 16,726</u>	<u>\$ 83,384</u>	<u>\$ 411,220</u>	<u>\$ 36,339</u>

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 5. Long-Term Obligations (Continued)

Lease obligation: The District has entered into a lease agreement for copiers. Details of the lease agreement are as follows:

Year ending June 30:	Lease Obligation			
	Rate	Principal	Interest	Total
2026	3.00%	\$ 41,888	\$ 3,652	\$ 45,540
2027	3.00%	43,716	1,824	45,540
2028	3.00%	18,774	201	18,975
Total		\$ 104,378	\$ 5,677	\$ 110,055

Revenue Bonds: 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 2029. 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 65% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$13,879,814. For the current year, principal of \$5,990,000 and interest of \$691,201 was paid on the bonds and total statewide sales, services and use tax revenues were \$5,227,939. Details of the District's June 30, 2025 statewide sales, service and use tax revenue bonded indebtedness are as follows:

Year ending June 30:	Rate	Revenue Bonds, Series 2018			Rate	Revenue Bonds, Series 2019		
		Principal	Interest	Total		Principal	Interest	Total
2026	3.03%	\$ 1,100,000	\$ 133,320	\$ 1,233,320	2.54%	\$ 2,020,000	\$ 218,186	\$ 2,238,186
2027	3.03%	1,100,000	99,990	1,199,990	2.54%	2,100,000	166,878	2,266,878
2028	3.03%	1,100,000	66,660	1,166,660	2.54%	2,190,000	113,538	2,303,538
2029	3.03%	1,100,000	33,330	1,133,330	2.54%	2,280,000	57,912	2,337,912
Total		\$ 4,400,000	\$ 333,300	\$ 4,733,300		\$ 8,590,000	\$ 556,514	\$ 9,146,514

Year ending June 30:	Total Revenue Bonds		
	Principal	Interest	Total
2026	\$ 3,120,000	\$ 351,506	\$ 3,471,506
2027	3,200,000	266,868	3,466,868
2028	3,290,000	180,198	3,470,198
2029	3,380,000	91,242	3,471,242
Total	\$ 12,990,000	\$ 889,814	\$ 13,879,814

Early Retirement Obligations: The District offered a voluntary early retirement plan for employees during fiscal year 2025. The District also had remaining liabilities associated with early retirement offerings in previous fiscal years. As of June 30, 2025, only District 403(b) Special Pay Deferral Plan and Health Reimbursement Arrangement (HRA) contributions remain.

At June 30, 2025, the District had obligations to 29 retirees with a total liability of \$147,786. Actual early retirement expenditures for the year ended June 30, 2024 totaled \$274,604, including \$183,711 from fiscal year 2025 retirements.

Bettendorf Community School District

Notes to Basic Financial Statements

Year Ended June 30, 2025

Note 6. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

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 for employees 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.

Benefits provided: 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.

The full monthly premium rates as of July 1, 2024 for each plan are as shown below:

	Rate Tier	
Single		\$ 740
Spouse		1,849

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

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	401
	<u>411</u>

Bettendorf Community School District**Notes to Basic Financial Statements
Year Ended June 30, 2025****Note 6. Postemployment Benefits Other Than Pensions (OPEB) (Continued)****OPEB Liability**

The District's total OPEB liability of \$7,362,851 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024 rolled forward to June 30, 2025.

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

Inflation	3.00% per annum
Salary increases	4.00% per annum
Discount rate	4.81% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.50% with an ultimate health care cost trend rate of 4.50%

The discount rate was based on the 20-year municipal bond rate, AA/Aa or higher. Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at July 1, 2024	\$ 7,139,816
Changes for the year:	
Service cost	466,093
Interest	295,795
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(311,236)
Benefit payments	(227,617)
Net changes	223,035
Balance at June 30, 2025	\$ 7,362,851

There were no changes as a result of changes in benefit terms. Changes of assumption or other inputs reflect a change in discount rate from 4.21% in 2024, to 4.81% in 2025.

Bettendorf Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2025

Note 6. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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

	1% Decrease	Discount Rate	1% Increase
	3.81%	4.81%	5.81%
Total OPEB liability	\$ 7,942,887	\$ 7,362,851	\$ 6,828,256

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

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(4.50% decreasing to 3.50%)	(5.50% decreasing to 4.50%)	(6.50% decreasing to 5.50%)
Total OPEB liability	\$ 6,611,123	\$ 7,362,851	\$ 8,243,792

For the year ended June 30, 2025, the District recognized OPEB expense of \$571,301. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 635,676	\$ 1,021,963
Changes of assumptions or other inputs	1,181,491	2,917,783
Net difference between projected and actual investments	-	-
Total	\$ 1,817,167	\$ 3,939,746

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

Year ended June 30:	
2026	(190,587)
2027	(190,587)
2028	(190,587)
2029	(266,286)
2030	(407,057)
Thereafter	(877,475)
	<u>\$ (2,122,579)</u>

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 7. 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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 65.

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

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

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 that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 7. Pension Plan (Continued)

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. The District's contributions to IPERS for the year ended June 30, 2025 were \$3,312,424.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$13,490,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.370461 percent, which was a decrease of 0.023806 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$4,525,872. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,073,436	\$ 8,380
Changes of assumptions	-	189
Net difference between projected and actual earnings on pension plan investments	168,718	-
Changes in proportion and differences between District contributions and proportionate share of contributions	15,898	1,067,807
District contributions subsequent to the measurement date	3,312,424	-
Total	\$ 4,570,476	\$ 1,076,376

\$3,312,424 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ (2,110,943)
2027	3,009,477
2028	(64,904)
2029	(601,839)
2030	(50,115)
Total	\$ 181,676

There were no non-employer contributing entities to IPERS.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 7. Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 7. Pension Plan (Continued)

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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 33,104,999	\$ 13,490,318	\$ (2,937,080)

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

Payables to the Pension Plan – At June 30, 2025, the District reported no payables to the defined benefit pension plan for legally required employer contributions or legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8. Risk Management

The District has self-funded health and dental insurance plans. 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 \$110,000 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. Change in the liability for claims is as follows:

	2024	2025
Claims payable, beginning of year	\$ 1,079,438	\$ 999,240
Incurred claims	7,050,383	9,499,225
Claim payments	7,130,581	9,567,865
Claim payable, end of year	\$ 999,240	\$ 930,600

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.

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 9. 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 \$1,642,055 for the year ended June 30, 2025 and is recorded in the General Fund.

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by Districts will be received directly by the District and none will flow through to the AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

Note 10. Categorical Funding

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

Program	Amount
Teacher salary supplement	\$ 495,117
Professional development	888,523
Four-year old preschool	142,570
Early intervention	138,885
Successful progression for early readers	39,887
Teacher leadership	1,417,756
Other	430,327
Total restricted for categorical funding	\$ 3,553,065

Note 11. Construction Commitments

The District has entered into various construction and remodel contracts for projects throughout the District. As of June 30, 2025, these contracts totaled \$3,700,527. Work done and payments of \$2,234,988 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability of \$1,465,539.

Note 12. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Bettendorf	Urban renewal and economic development projects	\$ 743,719

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

Note 12. Tax Abatements (Continued)

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2025, this reimbursement amounted to \$405,662.

Note 13. Subsequent Event

On August 7, 2025, the District issued \$9,995,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025 to equip a classroom addition and cafeteria and kitchen area to the Middle School building. Interest is payable on January 1 and July 1 ranging from 4% to 5%. Principal is payable annually on July 1 with the first principal installment due 7/1/26 and the second principal installment due July 1, 2030, and annually thereafter in amounts ranging from \$420,000 to \$800,000 until maturity on July 1, 2045.

Note 14. Governmental Accounting Standards Board (GASB) Statements

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

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

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

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

Bettendorf Community School District

Notes to Basic Financial Statements Year Ended June 30, 2025

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

As of June 30, 2025, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's District accountability. This statement also addresses certain application issues.

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

GASB Statement No. 105, *Subsequent Events*, issued December 17, 2025, will be effective for the District beginning with its fiscal year ending June 30, 2027. This Statement is intended to enhance consistency in the application of requirements for subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature. Statement No. 105 also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.

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

Note 15. Restatement

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

	Governmental	Business-type Activities
	Activities	School Nutrition
Net position June 30, 2024, as previously reported	\$ 81,811,581	\$ 2,229,981
Compensated absences liability, prior year	494,927	1,035
Compensated absences liability, change in accounting principle	(3,735,726)	(76,861)
Net position June 30, 2024, as restated	<u>\$ 78,570,782</u>	<u>\$ 2,154,155</u>

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Bettendorf Community School District

Required Supplementary Information

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds
Year Ended June 30, 2025**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 33,327,816	\$ 754,336
State sources	35,717,463	14,451
Federal sources	2,323,926	1,640,828
Total revenues	71,369,205	2,409,615
Expenditures/expenses:		
Instruction	40,798,347	-
Support services	19,550,231	27,727
Noninstructional programs	754	2,131,952
Other expenditures	13,380,097	-
Total expenditures/expenses	73,729,429	2,159,679
Excess (deficiency) of revenues over (under) expenditures/expenses	(2,360,224)	249,936
Other financing sources (uses):		
Proceeds from sale of capital assets	525,378	-
Insurance recoveries	10,883	-
Other uses	-	-
Transfers in	3,648,744	-
Transfers (out)	(3,536,283)	(112,461)
Total other financing sources (uses)	648,722	(112,461)
Net change in fund balance/net position	(1,711,502)	137,475
Fund balance/net position, beginning of year, as restated	36,402,576	2,154,155
Fund balance/net position, end of year	\$ 34,691,074	\$ 2,291,630

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	34,082,152	\$ 31,568,499	\$ 31,568,499	\$ 2,513,653
	35,731,914	34,877,172	34,877,172	854,742
	3,964,754	4,094,638	4,094,638	(129,884)
	73,778,820	70,540,309	70,540,309	3,238,511
	40,798,347	40,852,883	41,352,883	554,536
	19,577,958	19,520,796	23,520,796	3,942,838
	2,132,706	2,144,876	3,144,876	1,012,170
	13,380,097	10,881,065	10,881,065	(2,499,032)
	75,889,108	73,399,620	78,899,620	3,010,512
	(2,110,288)	(2,859,311)	(8,359,311)	6,249,023
	525,378	14,822	14,822	510,556
	10,883	-	-	10,883
	-	(40,347)	(40,347)	40,347
	3,648,744	3,581,766	3,581,766	66,978
	(3,648,744)	(3,581,766)	(3,581,766)	(66,978)
	536,261	(25,525)	(25,525)	561,786
	(1,574,027)	\$ (2,884,836)	\$ (8,384,836)	\$ 6,810,809
	38,556,731			
\$	36,982,704			

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

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	\$ 466,093	\$ 504,821
Interest	295,795	368,425
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(1,288,237)
Changes in assumptions or other inputs	(311,236)	(1,260,511)
Benefit payments	(227,617)	(210,782)
Net changes in total OPEB liability	223,035	(1,886,284)
Total OPEB liability - beginning	7,139,816	9,026,100
Total OPEB liability - ending	<u>\$ 7,362,851</u>	<u>\$ 7,139,816</u>
Covered employee payroll	\$ 26,815,095	\$ 26,815,095
Total OPEB liability as a percentage of covered employee payroll	27.46%	26.63%

Notes to Schedule:Changes of benefit terms:

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

Changes of assumption:

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

4.81%	4.21%
-------	-------

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

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

See Notes to Required Supplementary Information.

2023	2022	2021	2020	2019	2018
\$ 635,753	\$ 831,288	\$ 641,365	\$ 550,381	\$ 412,352	\$ 396,988
336,863	188,763	203,777	185,643	202,409	195,675
-	-	-	-	-	-
-	52,164	-	1,611,252	-	-
(28,786)	(1,260,138)	347,172	174,889	167,514	(120,999)
(307,983)	(161,394)	(227,085)	(180,522)	(334,878)	(291,565)
635,847	(349,317)	965,229	2,341,643	447,397	180,099
8,390,253	8,739,570	7,774,341	5,432,698	4,985,301	4,805,202
\$ 9,026,100	\$ 8,390,253	\$ 8,739,570	\$ 7,774,341	\$ 5,432,698	\$ 4,985,301
\$ 23,834,434	\$ 22,917,471	\$ 26,209,071	\$ 22,610,354	\$ 23,895,000	\$ 23,086,647
37.87%	36.61%	33.35%	34.38%	22.74%	21.59%
4.13%	4.09%	2.18%	2.66%	3.50%	3.87%

Bettendorf Community School District**Required Supplementary Information****Schedule of the District's Proportionate Share of the Net Pension Liability****Iowa Public Employees' Retirement System****Last Ten Fiscal Years**

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.370461%	0.394267%	0.411175%	0.160772%
District's proportionate share of the net pension liability	\$ 13,490,318	\$ 17,795,872	\$ 15,534,804	\$ 555,027
District's covered payroll	\$ 34,300,219	\$ 34,707,734	\$ 33,161,354	\$ 32,155,900
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.33%	51.27%	46.85%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

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

See Notes to Required Supplementary Information.

2021*	2020*	2019*	2018*	2017*	2016*
0.403570%	0.406268%	0.397603%	0.399602%	0.402847%	0.403126%
\$ 28,349,722	\$ 23,525,569	\$ 25,161,291	\$ 26,619,000	\$ 25,352,000	\$ 19,916,000
\$ 32,088,316	\$ 30,971,790	\$ 29,921,613	\$ 29,854,423	\$ 28,947,368	\$ 27,614,782
88.35%	75.96%	84.09%	89.16%	87.58%	72.12%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

Bettendorf Community School District

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

	2025	2024	2023	2022
Statutorily required contribution	\$ 3,312,424	\$ 3,237,941	\$ 3,276,409	\$ 3,130,432
Contributions in relation to the statutorily required contribution	\$ (3,312,424)	\$ (3,237,941)	\$ (3,276,409)	\$ (3,130,432)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 35,143,088	\$ 34,300,219	\$ 34,707,734	\$ 33,161,354
Contributions as a percentage of covered payroll	9.43%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information.

2021	2020	2019	2018	2017	2016
\$ 3,035,517	\$ 3,029,137	\$ 2,923,737	\$ 2,672,000	\$ 2,666,000	\$ 2,585,000
\$ (3,035,517)	\$ (3,029,137)	\$ (2,923,737)	\$ (2,672,000)	\$ (2,666,000)	\$ (2,585,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 32,155,900	\$ 32,088,316	\$ 30,971,790	\$ 29,921,613	\$ 29,854,423	\$ 28,947,368
9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

Bettendorf Community School District

Notes to Required Supplementary Information

Note 1. Budgets and Budgetary Information

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 internal service, private-purpose trust and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional 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 that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the fiscal year, the District adopted one budget amendment increasing budgeted expenditures \$5,500,000 for increased costs and capital projects expenditures.

During the year ended June 30, 2025, expenditures in the other expenditures function exceeded the amended budget.

Note 2. Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

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

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

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

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

Bettendorf Community School District

Notes to Required Supplementary Information

Note 2. Pension Liability (Continued)

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

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

Bettendorf Community School District

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

	Special Revenue			
	Management Fund	Student Activity	Debt Service	Total
Assets				
Cash and pooled investments	\$ 4,234,089	\$ 612,797	\$ 202,586	\$ 5,049,472
Receivables:				
Property tax:				
Delinquent	8,085	-	-	8,085
Succeeding year	1,499,994	-	-	1,499,994
Accounts	-	8,662	-	8,662
Due from other governments	26	-	-	26
Total assets	\$ 5,742,194	\$ 621,459	\$ 202,586	\$ 6,566,239
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,000	\$ 12,603	\$ -	\$ 13,603
Total liabilities	1,000	12,603	-	13,603
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	1,499,994	-	-	1,499,994
Fund balances				
Restricted for:				
Management levy purposes	4,241,200	-	-	4,241,200
Student activities	-	608,856	-	608,856
Debt service	-	-	202,586	202,586
Total fund balances	4,241,200	608,856	202,586	5,052,642
Total liabilities, deferred inflows of resources and fund balances	\$ 5,742,194	\$ 621,459	\$ 202,586	\$ 6,566,239

Bettendorf Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue			
	Management	Student	Debt	Total
	Fund	Activity	Service	
Revenues:				
Local sources:				
Property tax	\$ 982,268	\$ -	\$ -	\$ 982,268
Utility excise tax	16,907	-	-	16,907
Other tax	198	-	-	198
Other	152,075	707,661	64,879	924,615
State appropriation	14,623	-	-	14,623
Total revenues	1,166,071	707,661	64,879	1,938,611
Expenditures:				
Current:				
Instruction				
Regular	433,559	-	-	433,559
Other	-	796,090	-	796,090
Support services:				
Student	5,162	303	-	5,465
Administration	132,700	-	-	132,700
Operation and maintenance of plant	1,129,949	-	-	1,129,949
Transportation	6,914	-	-	6,914
Noninstructional	754	-	-	754
Long-term debt:				
Principal	-	-	6,030,136	6,030,136
Interest and fiscal charges	-	-	698,205	698,205
Total expenditures	1,709,038	796,393	6,728,341	9,233,772
(Deficiency) of revenues (under) expenditures	(542,967)	(88,732)	(6,663,462)	(7,295,161)
Other financing sources:				
Insurance proceeds	-	399	-	399
Transfers in	-	21,758	3,514,525	3,536,283
Total other financing sources	-	22,157	3,514,525	3,536,682
Net change in fund balances	(542,967)	(66,575)	(3,148,937)	(3,758,479)
Fund balances, beginning of year	4,784,167	675,431	3,351,523	8,811,121
Fund balances, end of year	\$ 4,241,200	\$ 608,856	\$ 202,586	\$ 5,052,642

Bettendorf Community School District

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

	Capital Projects Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Assets			
Cash and pooled investments	\$ 2,058,770	\$ 11,212,539	\$ 13,271,309
Receivables:			
Property tax:			
Delinquent	-	26,799	26,799
Succeeding year	-	3,172,121	3,172,121
Due from other governments	548,239	52	548,291
Total assets	\$ 2,607,009	\$ 14,411,511	\$ 17,018,520
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,329,204	\$ 128,372	\$ 1,457,576
Total liabilities	1,329,204	128,372	1,457,576
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	3,172,121	3,172,121
Total deferred inflows of resources	-	3,172,121	3,172,121
Fund Balances:			
Restricted for:			
School infrastructure	1,277,805	-	1,277,805
Physical plant and equipment	-	11,111,018	11,111,018
Total fund balances	1,277,805	11,111,018	12,388,823
Total liabilities, deferred inflows of resources and fund balances	\$ 2,607,009	\$ 14,411,511	\$ 17,018,520

Bettendorf Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2025

	Capital Projects Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Revenues:			
Local sources:			
Property tax	\$ -	\$ 3,031,466	\$ 3,031,466
Utility excise tax	-	49,930	49,930
Other tax	-	584	584
Other	71,578	1,326,627	1,398,205
State appropriations	5,227,939	43,185	5,271,124
Total revenues	5,299,517	4,451,792	9,751,309
Expenditures:			
Current:			
Instruction			
Other	-	4,893	4,893
Support services:			
Administration	-	871,514	871,514
Operation and maintenance of plant	-	238,602	238,602
Transportation	-	111,845	111,845
Other expenditures:			
Capital outlay	3,196,891	1,812,810	5,009,701
Total expenditures	3,196,891	3,039,664	6,236,555
Excesss of revenues			
over expenditures	2,102,626	1,412,128	3,514,754
Other financing sources (uses):			
Proceeds from sale of capital assets	-	525,000	525,000
Transfers (out)	(3,468,985)	(45,540)	(3,514,525)
Total other financing			
sources (uses)	(3,468,985)	479,460	(2,989,525)
Net change in fund balance	(1,366,359)	1,891,588	525,229
Fund balance, beginning of year	2,644,164	9,219,430	11,863,594
Fund balance, end of year	\$ 1,277,805	\$ 11,111,018	\$ 12,388,823

Bettendorf Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds - Modified Accrual Basis

Last Ten Years

	Years Ended June 30:			
	2025	2024	2023	2022
Revenues:				
Local sources:				
Local tax	\$ 22,918,890	\$ 20,790,672	\$ 12,979,570	\$ 20,724,659
Tuition	6,614,015	6,246,298	1,499,699	5,991,476
Other	3,794,911	3,168,814	2,113,545	2,025,900
Intermediate sources	-	60,000	-	-
State sources	35,717,463	36,172,773	22,056,493	32,955,385
Federal sources	2,323,926	4,858,171	1,106,253	3,937,876
Total revenues	\$ 71,369,205	\$ 71,296,728	\$ 39,755,560	\$ 65,635,296
Expenditures:				
Current:				
Instruction				
Regular	\$ 26,266,919	\$ 25,751,134	\$ 24,837,560	\$ 25,379,941
Special	7,789,589	7,426,438	7,399,886	7,188,164
Other	6,741,839	6,787,927	6,984,141	6,602,169
Support services:				
Student services	2,645,567	2,524,184	2,517,222	2,453,095
Instructional staff services	1,187,951	1,127,453	1,084,129	1,051,849
Administration services	8,089,753	8,065,027	7,738,719	7,913,295
Operation and maintenance of plant services	6,342,751	5,631,004	5,831,920	4,890,169
Transportation services	1,284,209	1,247,469	1,382,043	1,361,549
Non-instructional programs	754	15,147	17,384	22,933
Other expenditures:				
Capital outlay	5,009,701	4,148,267	3,000,995	4,171,272
Long-term debt:				
Principal	6,030,136	2,909,949	2,819,038	2,725,000
Interest and fiscal fees	698,205	562,536	636,579	711,995
AEA flowthrough	1,642,055	1,997,542	1,963,400	1,957,259
Total expenditures	\$ 73,729,429	\$ 68,194,077	\$ 66,213,016	\$ 66,428,690

Years Ended June 30:					
2021	2020	2019	2018	2017	2016
\$ 20,238,997	\$ 20,216,255	\$ 21,024,379	\$ 19,875,840	\$ 19,403,387	\$ 19,280,650
5,635,020	5,334,947	5,736,477	5,779,146	5,487,479	5,598,345
1,313,746	1,707,464	2,041,204	2,055,217	1,964,185	2,270,209
-	-	-	10,599	1,405	32,378
32,621,216	31,576,829	30,265,985	29,709,591	28,982,066	27,685,128
1,973,413	1,514,388	1,710,455	1,789,314	1,735,593	1,769,933
\$ 61,782,392	\$ 60,349,883	\$ 60,778,500	\$ 59,219,707	\$ 57,574,115	\$ 56,636,643
\$ 24,739,168	\$ 24,263,225	\$ 23,858,785	\$ 23,682,801	\$ 23,648,644	\$ 23,507,593
7,056,410	7,053,933	6,612,900	6,169,204	5,731,522	5,622,285
5,853,424	6,257,807	6,181,303	6,287,690	6,001,847	4,998,926
2,328,409	2,161,989	2,159,960	2,047,739	1,956,039	1,920,112
1,046,183	1,060,985	802,616	736,604	801,708	817,556
6,679,085	6,970,862	6,515,134	6,324,612	6,449,214	6,273,984
5,128,301	5,080,738	5,058,307	4,799,074	4,523,772	4,573,231
1,124,392	1,224,360	1,019,757	1,149,880	1,099,577	1,207,579
20,219	19,498	21,019	22,260	20,135	34,329
1,740,461	10,862,244	20,172,948	8,657,701	3,285,443	2,125,287
-	-	-	-	72,565	71,186
746,052	389,768	426,942	-	1,405	2,784
1,954,407	1,892,255	1,810,173	1,777,461	1,686,385	1,647,856
\$ 58,416,511	\$ 67,237,664	\$ 74,639,844	\$ 61,655,026	\$ 55,278,256	\$ 52,802,708

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Bettendorf Community School District

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

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY25 4552	\$ -	\$ 295,389
National School Lunch Program	10.555	FY25 4553	-	1,021,114
National School Lunch Program- Supply Chain Assistance	10.555	FY25 4014	-	34,565
Commodities -DOD (Noncash)	10.555	FY25	-	97,662
Commodities (Noncash)	10.555	FY25	-	91,012
			-	1,244,353
Fresh Fruits & Vegetables	10.582	FY25 4557	-	55,681
Summer Food Service Program	10.559	FY25 4556	-	21,887
Total Child Nutrition Cluster Program			-	1,617,310
Pass-Through State of Iowa:				
Specialty Crop Block Grant Program	10.170	FY25 4669	-	3
Pass-Through Action for Healthy Kids				
Child Nutrition Discretionary Grants Limited Availability	10.579	FY25 4551	-	14,921
Direct:				
Local Food for Schools	10.185	FY25 4911	-	2,980
Total U.S. Department of Agriculture			-	1,635,214
U.S. Department of Treasury				
Pass-Through State of Iowa Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	FY25 4034	-	315,077
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	FY25 4073	-	5,615
Total U.S. Department of Treasury			-	320,692
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY25 4501	-	521,842
Homeless Children and Youth	84.196	FY25 4565	-	45,264
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	27,457
Student Support and Academic Enrichment Program	84.424	FY25 4669	-	27,794
Education Stabilization Fund:				
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	FY25 4045	-	136,369
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	FY25 4053	-	30,701
			-	167,070
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief- Homeless Children and Youth (ARP-HCY)	84.425W	FY25 4053	-	12,578
Total Education Stabilization Fund			-	179,648

(Continued)

Bettendorf Community School District**Schedule of Expenditures of Federal Awards (Continued)****Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY25 4521	-	189,576
Total Special Education Cluster Program			-	189,576
Career and Technical Education- Basic				
Grants to States	84.048	FY25 4531	-	29,005
English Language Acquisition State Grant	84.365	FY25 4644	-	104
			-	218,685
Pass-Through State of Iowa Vocational Rehabilitation:				
Vocational Rehabilitation Grants to States	84.126	FY25 4598	-	67,401
Total U.S. Department of Education			-	1,088,091
Total Expenditures of Federal Awards			\$ -	\$ 3,043,997

See notes to schedule of expenditures of federal awards.

Bettendorf Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bettendorf Community School District under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Bettendorf Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Bettendorf Community School District.

Note 2. Summary of significant accounting policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual or accrual basis of accounting based on the fund-type of the program. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Indirect Cost Rate

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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Bettendorf Community School District

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

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting:		
IV-H-24: The District identified variances in certified enrollment submitted to the state in October 2023.	Not corrected.	Student data changes were not timely communicated to District. See response and corrective action plan at IV-H-25.
IV-I-24: The District identified variances in supplementary weighting submitted to the state in October 2023.	Not corrected.	Student data changes were not timely communicated to District. See response and corrective action plan at IV-I-25.
IV-N-24: The District did not review and/or update board policies within the past five years.	Corrected.	
IV-O-24: Officiating contracts were not signed by the Board President.	Corrected.	
IV-P-24: The District had several accounts within the student activity fund with balances at year-end which were inactive.	Corrected.	

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Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

**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
Bettendorf Community School District
Bettendorf, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bettendorf Community School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 24, 2026.

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

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-002 through 2025-004 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001.

We also noted certain immaterial instances of noncompliance and other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

Bettendorf Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bettendorf Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Bettendorf Community School District's responses were not subjected to the other 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 results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



East Moline, Illinois
February 24, 2026



Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

**Independent Auditor's Report on Compliance For
Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

To the Board of Education
Bettendorf Community School District
Bettendorf, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bettendorf Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Bettendorf Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance required to be reported with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Bohnsack & Frommelt LLP

East Moline, Illinois
February 24, 2026

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Bettendorf Community School District

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

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

☐ Yes	☒ No
☒ Yes	☐ None Reported
☒ Yes	☐ No

Federal Awards

Internal control over major programs:

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

☐ Yes	☒ No
☐ Yes	☒ None Reported

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

Unmodified

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

☒ Yes	☐ No
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Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
----------------	------------------------------------

Child Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program- Supply Chain Assistance
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.582	Fresh Fruits & Vegetables
10.559	Summer Food Service Program

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

Auditee qualified as low-risk auditee?

☐ Yes	☒ No
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(Continued)

Bettendorf Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Part II: Findings Related to the Basic Financial Statements

Instance of noncompliance:

2025-001

Finding: The District did not complete the June 30, 2024 single audit within 9 months of the June 30, 2024 year-end.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.512 states, "The audit, the data collection form, and the reporting package must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier)."

Condition: The single audit and data collection form submission due date for the June 30, 2024 year-end was March 31, 2025. The June 30, 2024 audit including the single audit was not issued until April 10, 2025.

Cause: The June 30, 2024 year-end audit was significantly delayed.

Effect: Oversight grantors are not being provided timely information by the District. The District is considered a non-low risk auditee.

Context: The deficiency pertains to all federal programs of the District and the reporting requirements.

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

Recommendation: We recommend the District implement processes and procedures to ensure compliance with the Office of Management and Budget single audit requirements as stated in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Response and Corrective Action Plan: The District will implement processes and procedures for compliance with the Office of Management and Budget for federal awards.

Internal control deficiencies:

Significant Deficiencies:

2025-002

Finding: The District has insufficient segregation of duties over receipt transactions.

Criteria: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion.

Condition: A position prepares invoices, monitors accounts receivable, has access to cash and checks, prepares journal entries to the general ledger and reconciles the bank statements.

Cause: The District has not segregated access to cash and checks from invoicing, general ledger access, and reconciling.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely manner.

(Continued)

Bettendorf Community School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2025

Context: The deficiency is over cash and checks collected by the District at the Administration Center.

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

Recommendation: The position responsible for collecting receipts or with access to cash and checks should be segregated from general ledger access and reconciling accounts. Specifically, at the Administration Center, cash or checks should be receipted and prepared for deposit by a position without access to billing or to posting the transactions or reconciling bank accounts.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the receipt system.

2025-003

Finding: The District has insufficient segregation of duties over payroll transactions.

Criteria: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion.

Condition: The payroll position has edit access to the payroll system and is responsible for uploading and submitting the payroll direct deposit advice to the financial institution. The position responsible for reconciling the payroll account does not have access to the payroll reports generated from the payroll system.

Cause: The District has not set up a secondary approval of the payroll direct deposit advice with the financial institution.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely manner.

Context: The deficiency is over the payroll payment process.

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

Recommendation: The payroll position should submit the payroll direct deposit file to the financial institution. Payroll reports including the Direct Deposit Advice Report and the payroll register with totals of payroll liabilities should be forwarded to the Assistant Finance Director or the Finance Director. The Assistant Finance Director or the Finance Director should compare the total of the Direct Deposit Advice Report and scan it for unusual amounts and approve the DDA at the financial institution. During the reconciliation process, the Assistant Finance Director should compare amounts on the payroll register to payroll liabilities clearing the bank.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the receipt system.

2025-004

Finding: The District has insufficient segregation of duties over the cash disbursement function.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: One position has the responsibility and access rights to set up new vendors or edit current vendors in the system, receive invoices, enter invoices into the system to be paid, print checks and mails and electronically files the checks.

Cause: Access rights are not limited in the cash disbursement cycle. Check sequence is not tracked by another employee.

(Continued)

Bettendorf Community School District

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

Effect: Misappropriations of assets or errors could not occur and not be detected in a timely basis.

Context: The deficiency is over the non-payroll related disbursements of the District.

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

Recommendation: In general, authorization of new vendors, purchasing, entering invoices into the accounting system, and processing of checks should be segregated from each other. The following are recommendations to strengthen the District's internal control system:

- We recommend the District remove access to the vendor master file from the position processing checks.
- We recommend that check sequence be tracked by someone independent of the cash disbursement function such as the Director of Finance or Assistant Director of Finance to ensure all checks are appropriately approved and accounted for. Any gaps in sequence should be accounted for and investigated. The person accounting for check sequence should also ensure that all checks accounted for are listed on the Bills Listing sent to the Board for review each month, including any manual checks written between Board meetings or payroll deduction checks written on expenditure check stock.

Response and Corrective Action Plan: The District will look for ways to realign and reassign duties where possible.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

2025-005

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

Child Nutrition Cluster Programs:

- 10.553 School Breakfast Program**
- 10.555 National School Lunch Program**
- 10.555 Commodities- Department of Defense (Noncash)**
- 10.555 Commodities (Noncash)**
- 10.559 Summer Food Service Program for Children**
- 10.582 Fresh Fruit and Vegetable Program**

Federal Award Year: 2025

Finding: The District does not have a process to properly maintain documentation to support compliance with eligibility requirements within the federal program.

Criteria: The 2025 Office of Management and Budget Compliance Supplement states the following for Compliance Requirements-Eligibility – Direct Certification:

“Annual eligibility determinations may also be based on the child's household receiving benefits under the Supplemental Nutrition Assistance Program (SNAP), Food Distribution Program on the Indian Reservations (FDPIR), the Head Start Program, or under most circumstances, the Temporary Assistance for Needy Families (TANF) program. A household may furnish documentation of its participation in one of these programs; or the school... may obtain the information directly from the state or local agency that administers these programs.”

(Continued)

Bettendorf Community School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2025

The Iowa Department of Education's Eligibility Manual for School Meals states:

"LEAs must keep direct certification documentation on file for a minimum of three years after submission of the final claim for reimbursement for the fiscal year to which the records apply. Documentation must be kept longer if required by an audit. If audit findings have not been resolved, the applications must be retained as long as required for resolution of the issues raised by the audit [7 CFR 245.6(e)."

Condition: The District does not have a process to retain monthly data used in determining eligibility for free and reduced priced meals from the State E Look up system for direct certification statuses. The District does not have documentation readily available that was used in determining eligibility for free and reduced priced meals from the State E Look up system for direct certification statuses.

Context: The District could not produce documentation of state certification for 3 out of 25 students selected for eligibility testing. They were all subsequently determined to be eligible by utilizing the State E Look up system, however, the District did not retain the original documentation to support eligibility.

Cause: The District does not monitor compliance with eligibility recordkeeping rules as established by the Iowa Department of Education and the Office of Management and Budget.

Effect: The District does not have adequate documentation to ensure compliance with federal requirements regarding eligibility recordkeeping. The District could incorrectly identify students for free and reduced-price lunches.

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

Recommendation: We recommend the District implement a process to review and to retain records used in determining eligibility for the required period of time.

Response and Corrective Action Plan: The District will implement a process to review and retain records used in determining eligibility as outlined by the Iowa Department of Education and Office of Management and Budget.

Internal control deficiencies:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-25

Certified Budget –

Finding: Expenditures for the year ended June 30, 2025, exceeded the amounts budgeted at year-end for the other expenditures function.

Recommendation: The function was exceeded due to the timing of debt payments. In the future, the certified budget should be amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response and Corrective Action Plan: The District will amend future budgets in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.
(Continued)

Bettendorf Community School District

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

IV-B-25

Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 29, 1979.

IV-C-25

Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-25

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

IV-E-25

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

IV-F-25

Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-G-25

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

IV-H-25

Certified Enrollment –

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

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

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

Conclusion: Response accepted.

IV-I-25

Supplementary Weighting-

Finding: The District identified variances in supplementary weighting submitted to the state in October 2024.

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

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

Conclusion: Response accepted.

(Continued)

Bettendorf Community School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2025

IV-J-25

Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-25

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

IV-L-25

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

IV-M-25

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR.

Beginning balance		\$	2,644,164
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	5,227,939	
Other		<u>71,578</u>	5,299,517
Expenditures/transfers out:			
School infrastructure:			
Buildings and improvements		3,196,891	
Transfers out		<u>3,468,985</u>	6,665,876
Ending balance		\$	<u><u>1,277,805</u></u>

For the year ended June 30, 2025, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

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Bettendorf Community School District

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

Findings	Corrective Action Plan	Contact and Anticipated Date of Completion
Findings Related to the Basic Financial Statements:		
Noncompliance:		
2025-001: The District did not complete the June 30, 2024 single audit within 9 months of the June 30, 2024 year-end.	See response and corrective action plan at 2025-001.	Tyler Reedy June 30, 2026
Significant Deficiencies:		
2025-002: The District has insufficient segregation of duties over receipt transactions.	See response and corrective action plan at 2025-002.	Tyler Reedy June 30, 2026
2025-003: The District has insufficient segregation of duties over payroll transactions.	See response and corrective action plan at 2025-003.	Tyler Reedy June 30, 2026
2025-004: The District has insufficient segregation of duties over the cash disbursement function.	See response and corrective action plan at 2025-004.	Tyler Reedy June 30, 2026
Findings Related to Federal Awards		
Noncompliance:		
2025-004: The District does not have a process to properly maintain documentation to support compliance with eligibility requirements within the federal program.	See response and corrective action plan at 2025-004.	Tyler Reedy June 30, 2026
Other Findings Related to Required Statutory Reporting:		
IV-A-25: Expenditures for the year ended June 30, 2025 exceeded the amounts budgeted at year-end for the other expenditures function.	See response and corrective action plan at IV-A-25	Tyler Reedy June 30, 2026
IV-H-25: The District identified variances in certified enrollment submitted to the state in October 2024.	See response and corrective action plan at IV-H-25	Tyler Reedy June 30, 2026
IV-I-25: The District identified variances in supplementary weighting submitted to the state in October 2024.	See response and corrective action plan at IV-I-25	Tyler Reedy June 30, 2026

Bettendorf Board of Education

Paul Castro, President | Ryan McGivern, Vice President
Michelle Bruty | Eric Engels | Brian Hanssen | Patrick Larkin |
Jessica Witter