



DAVENPORT

Community Schools

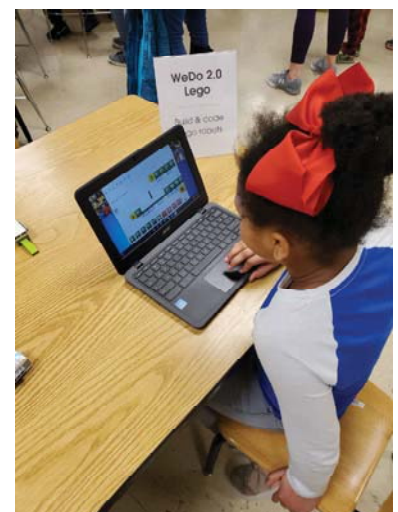
G R O W I N G E X C E L L E N C E

Annual Comprehensive Financial Report

For the year ended June 30, 2021

1702 N. Main Street, Davenport, Iowa 52803

In the counties of Scott and Muscatine, State of Iowa



Annual Comprehensive Financial Report of the

Davenport Community School District
Davenport, Iowa

For the Fiscal Year Ended June 30, 2021

Official Issuing Report

Kevin Posekany, Chief Financial Officer

Office Issuing Report

Achievement Services Center

Introductory Section



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

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Cabinet Member

DCSD Board of Directors

TJ Schneekloth
Superintendent

Bill Schneden
Associate Superintendent

Principals
Buffalo Elementary
Blue Grass Elementary
Jackson Elementary
Hayes Elementary
Monroe Elementary
Wilson Elementary
Jefferson Elementary
Madison Elementary
Garfield Elementary
McKinley Elementary
Eisenhower Elementary
Washington Elementary
Truman Elementary
Fillmore Elementary
Buchanan Elementary
Adams Elementary

Rob Scott
Associate Superintendent

Principals
Central High School
Mid City High School
West High School
North High School
Wood Junior High
Williams Junior High
Sudlow Junior High
Smart Junior High
Walcott K-8
Director of Athletics
Garet Egel

Corri Guy
Director of Curriculum,
Instruction & Assessment

Bonnie Asay
Program Director
Elementary
Curriculum & Instruction
Marianne Corbin
Program Director
Secondary
Curriculum & Instruction
Curriculum Specialists
TLCS
Infinite Campus Specialist
Data Analyst
Carl Perkins Facilitator

Gary Sloat
Director of Learning Information
Systems

Network Administrators
LIS Technicians

Josh Urmanski
Director of Operations

Dan Burlingame
Associate Director of
Operations
PPEL Project Manager
Food & Nutrition Supervisor

Jami Weinzierl
Director of Human Resources
& Equity

Jabari Woods
Associate Director of
Human Resources & Equity
HR Specialist
HR Generalists

Kevin Posekany
Chief Financial Officer

Accounting Specialist
Purchasing Specialist
MIS Specialist
Budget Specialists
Grants Manager

Dr. Sandy Schmitz
Director of Special Education &
Early Childhood

Susan Downs
Program Director
Special Education
Special Education Specialists
Special Education Facilitators
Principal
Children's Villages
Early Childhood Specialist

Dr. Jake Klipsch
Interim Director of Learning
Supports & Federal Programs

Federal Programs Specialist
Learning Supports Specialist
Community Educator Specialist
Stepping Stones/OST Facilitator
Student Engagement Specialist
Mental Health Grant Manager
School Climate Transformation
Specialist



DAVENPORT COMMUNITY SCHOOL DISTRICT

Priorities

The Davenport School Board establishes the following priorities to ensure the academic success of all students:

- *Provide leadership and direction to improve the overall learning environment in our classrooms, schools and district including the health, safety, security and happiness of students and staff;*
- *Direct and support actions, programs, and activities which reduce the impacts of poverty on our students, their families and our community.*

Mission Statement

Enhance each student's abilities by providing a quality education enriched by our diverse community.

Vision Statement

Education that challenges conventional thinking, prepares all students to compete in a global society, and inspires our students, parents, staff and community to answer the question, "What if?"

Davenport Community School District

Board of Education and School District Officials

Year Ended June 30, 2021

Name	Title	Term Expires
Board of Education		
Daniel Gosa	President	Expires 2023
Linda Hayes	Vice President	Expires 2023
Bruce Potts	Director	Expires 2021
Allison Beck	Director	Expires 2021
Karen Kline-Jerome	Director	Expires 2023
Kent Paustian	Director	Expires 2023
Jamie Snyder	Director	Expires 2021

School District Officials

TJ Schneckloth	Superintendent
Brenda Thie	Board Secretary
Kevin Posekany	Chief Financial Officer/Treasurer



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Community Schools
G R O W I N G E X C E L L E N C E



Kevin Posekany, Chief Financial Officer
Lisa Crews, Accounting Specialist
Achievement Service Center
1702 N. Main Street
Davenport, Iowa, 52803
563-445-5000

January 25, 2022

To President Gosa, Members of the Board of Directors and Citizens of the Davenport Community School District:

It is indeed our pleasure to submit to you the Annual Comprehensive Financial Report, (ACFR) for the Davenport Community School District, (the “District”) for the year ending June 30, 2021. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of governmental activities, business-type activities, each major fund, and the aggregate remaining funds. The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in a separate section for internal controls and compliance

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the officials of the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance) of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds of the District. The District is not included in any other reporting entity, nor are any other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District’s financial activities have been included.

Designed to meet the needs of a broad range of readers of financial statements, this ACFR is divided into four major sections:

1. The Introductory Section. This section includes the organizational chart for the District, a list of the Board of Directors and District officials, the District Mission Statement, a transmittal letter, and District accomplishments.

2. The Financial Section. The School District's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements.

3. The Statistical Section. The statistical section sets forth selected unaudited financial and demographic information, generally presented on a multi-year basis.

4. The Internal Controls and Compliance Section. The School District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance). This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Bohnsack & Frommelt, Certified Public Accountants have issued an unmodified ("clean") opinion on the Davenport Community School District's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statement. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the District

Davenport is the County seat and the largest city in Scott County, Iowa. Centrally located on the banks of the Mississippi River, Davenport is Iowa's third largest city, and one of its oldest. Davenport was incorporated in 1838, eight years before Iowa became a state. It is a "special charter" city with special governing prerogatives.

The Davenport area is the home of hard-working, industrious people with both urban and rural ancestry. Boasting some of the most fertile farm ground in the world, Davenport is a community whose founder, Antoine LeClaire, played a role in the exploration of the Mississippi River region in the early 1800s. It also is a community where the first female public school superintendent served from 1874 to 1878 and a major school building program was accomplished during the throes of the Great Depression of the 1930s.

In 1858, LeClaire provided a \$500 loan to help establish the present Davenport Community Schools from several separate school systems in the area. Since then, the District has grown by building on its industrious heritage with innovative programs that serve the needs of all children.

Today over 14,000 students attend the Davenport Community Schools, one of the largest school districts in a state that is well-known for its excellent educational programming.

The Davenport Community School District (the "District") is a political subdivision of the State of Iowa and operates public schools for children in grades pre-school through twelve. The geographic area served includes the cities of Davenport, Blue Grass, Walcott and Buffalo, Iowa and portions of the agricultural territory in Scott and Muscatine Counties.

The District is governed by a seven member Board of Education whose members serve four-year terms and are elected on a nonpartisan basis. The District is the fourth largest in the state of Iowa. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The District is composed of four high schools, four intermediate schools, one kindergarten through eighth grade school, seventeen elementary schools, and various off-campus alternative educational programs. Early childhood learning programs are offered at several sites, as well as the state four year old preschool program and Headstart programs at additional sites. Student enrollment for grades kindergarten through twelfth for the 2020-21 school year was approximately 14,412 regular and special education students. The District employs approximately 2,150 persons of whom approximately 1,400 are professional staff and 750 are support staff.

Quality instruction and comprehensive education services require state-of-the-art facilities and technology. Professionally led Long Range Facilities Planning promotes excellence in the learning environment, with a \$125 million investment in facilities and \$25 million in technology over a decade. District-wide interactive technology is at a 1:1 status with an individual computer for each student and teacher district-wide.

The average age of our elementary buildings is 68 years. There are two buildings that were built in 1923 and five were built in 1939. In 2002 the district built an elementary building in Buffalo,

Iowa. The average age of our intermediate buildings is 73 with 3 buildings built in 1917. Wood Intermediate was the last intermediate building constructed and that was in 1984. The district has four high schools; Central High constructed in 1904, West High in 1960, North High School which was originally built in 1972 as Wood Intermediate and was converted to a high school setting in 1984, and Mid City High School which was built in 2014. All of our facilities are in excellent condition as we follow a rigorous maintenance schedule in order to maintain and enhance the historical beauty and integrity of our older facilities as well as preserve all the facilities in the District.

In Davenport Community Schools, education is tailored to meet the needs of and inspire each student. Quality educational experiences provide the fundamentals while exploring innovative teaching methods from early childhood education to graduation and beyond.

College and career readiness is integrated at all levels in the Davenport Community Schools, with Davenport high schools offering award-winning programming to prepare graduates for college, career, and citizenry.

The heart of the Davenport Community Schools is the teaching and learning that occurs every day in our classrooms. The success of classroom teachers is fostered by a supportive building climate, a district-wide support system ensuring high quality instruction and responsive student interventions. Principals serve as instructional leaders, and curriculum specialists provide professional development and ensure implementation of curriculum. The Teacher Leadership program creates a culture where teachers work collectively to analyze and improve their instructional practice through peer observation and collaboration. This work is supported by a committed and innovative school board and administration that ensures classroom and school leaders have resources, including continuing the fight to address inequality in state funding and challenge state-imposed spending limits.

The District is supported financially by state aid, property taxes, state and federal grants for special projects, and local revenue received for tuition and other services.

Budgetary controls are maintained by the District. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget.

The Board of Directors is required to adopt a final budget no later than April 15th each year. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Economic Condition and Outlook

Scott and Muscatine counties in Iowa along with Mercer, Rock Island and Henry counties in Illinois are considered to be a single Metropolitan Statistical Area (MSA) by the Federal Office of Management and Budget. The Davenport School District is located in Scott County, Iowa. The

Bi-State Regional Commission works closely with this group addressing a broad range of issues associated with economic development in the Region. The Commission released the Comprehensive Economic Development Strategy Progress Report for the period of May 1, 2019 to April 30, 2020 which relates to the goals set in the 2016 full CEDS update. Information from that report is included to provide a look at the current challenges facing the area and opportunities available. The CEDS is produced every five years, with annual progress reports published during interim years.

Data are presented in three areas: people, economy and place to frame the condition of the region today.

People: This provides a general demographic profile for the Bi-State Region

- Population and Age: The region's total population is expected to increase 0.18% over the next 30 years. The age group of 55-59 years old is the largest age group. The median age for the region is 40.5, an increase from the 2010 median age of 39.2. By 2025, the median age is expected to be 41.3.
- Race and Ethnicity: The region's population is 14.3% racial minority, with African American being the predominant minority population at 8.9%. In comparison, the US population is 27% racial minority. The region has seen a slight increase in the amount of Hispanic or Latino residents since 2010, from 8.5% to 9.7%.
- Poverty: The Bi-State region has less poverty in all age cohorts and gender categories compared to national rates of poverty. The total rate of poverty for the region has decreased slightly since 2010, from 12.4% to 12.2%, below the U.S. rate of 13.4%
- Language spoken at home: 90.7% of the population age 5 and over speak English only compared to 78.5% of the US population. The most common language spoken in the region other than English is Spanish which is spoken among 5.8% of the population.
- Educational Attainment: Roughly a third (33.4%) of the region's population aged 25 and over has some college or an associate's degree which is slightly higher than the US population (28.9%).
- Income: The region's median household income is \$56,961 compared to the US median income of \$62,843.
- Labor Force: 83.5% of all males aged 20 to 64 are actively in the labor force while 75.9% of all women aged 20 to 64 are in the labor force, both of which are slightly above the national average.

Economy: This provides an overview of economic conditions in the region

- Gross Regional Product (GRP) and Personal Income:
 - Total GRP for the region has increased from \$19.82 billion in 2015 to \$20.02 billion in 2019 for a total increase of \$205.9 million, compared to a national Gross Domestic Product growth rate of 9.5% during this same time period.
 - The per capita personal income has increased a total of 2.2% from 2015-19, compared to a national change of 7.0% for metro areas.
- Employment:
 - The region experienced a large spike to 15.3% in unemployment in April 2020 due to COVID19 and a steady monthly decrease over the following months back to the 2019 unemployment level.

- The region's labor force has also been decreasing from 2015 to 2019 by 1.5%.
- Labor shed – the area from which an employment centers draws its commuting workers
 - The Quad Cities Chamber of Commerce shows that the labor shed has a potential labor force of 614,060 people, and a total population of 910,088 for those aged 18-64.
- Forecasted Industry Growth:
 - The region is forecasted to experience an increase of 12,400 jobs across all industries in the next ten years and an increase of 27,534 jobs in the next 30 years.
 - Health Care and Social Assistance has the highest industry demand growth of any industry in ten years, with a total predicted growth of 3,731 jobs.
- Retail Sales:
 - When adjusted for inflation, retail sales of the region have grown by 0.23% in the past year, from \$5.75 billion in FY 2019 to \$5.76 billion in FY 2020.

Place: This provides an overview of cost of living, housing, utilities, transportation and natural resources

- Cost of Living index: The composite score of the region decreased slightly in the past year from 94.6 to 91.7.
- Housing:
 - Home sales vary greatly within the region. The 2019 average home sale price decreased in all major locations in the past year. The average Illinois Quad Cities Areas home sales price decreased 5.4%, the Iowa Quad Cities Area average home sale price decreased 7.5%.
 - The percent of cost burdened home owners and renters in the Bi-State region is significantly below the national average, particularly for owner occupied housing units.

Analysis of Regional Economy

A SWOT (Strengths, Weaknesses (Challenges), Opportunities, and Threats) analysis was done of the region. Strengths are established qualities that are viewed as positively affecting economic development. Challenges are defined as ongoing items that may have a negative impact on economic development over a long period of time. Opportunities are identified as new or emerging items that will or could have positive impact on economic development. Threats are items that have been identified with both ongoing and future effects that have a large, negative impact on economic development.

Strengths:

- The Interstate 74 Corridor reconstruction project, the largest public works project in the region's history, is underway. This project will create/retain 1,137 construction job and 643 induced jobs. Once the project is complete, it will add significant capacity for the movement of freight and people.

Change from Challenge to Opportunity:

- Work on a Chicago to Quad City passenger rail line has begun. The State of Illinois has received approval for an extension on a transportation grant; at this time, there is no anticipated completion date for the rail line.

New Challenges:

- The need to expand U.S. Route 61 to four lanes from Muscatine to Burlington has been identified. While sections of 61 south of the Bi-State Region have been expanded to four lanes, continued IDOT funding will be needed to continue work with the ten year timeline.
- Small cell phone tower development with little control from jurisdictions is creating potentially dangerous conditions and damaging existing infrastructure. Although such development can often provide higher speed internet services to customers, the impact on local infrastructure should be monitored.

(Economic Condition and Outlook Source: *Comprehensive Economic Development Strategy for the Bi-State Region –Progress Report 2021 prepared by Bi-State Regional Commission*)

Long term financial planning

Unassigned fund balance in the general fund is up from 2019-20. The District's solvency ratio for 2019-20 is 11.1%, up from 10.8% in 2019-20. With a solvency ratio between 0%-5% a fund balance is considered adequate for short term credit purposes as long as other economic trends such as property tax collections and enrollment are sound. Continued close monitoring of the budget is necessary to prevent operation shortfalls and the deterioration of financial position. In order to meet unforeseen financing requirements it is recommended that the District have a solvency ratio of 5-15%.

The State of Iowa has implemented midyear budget reductions or not provided on time funding over the past ten years. With careful planning and constant budget review, the District has been building reserves since the 2003-04 school year and is now drawing upon those reserves during this period of underfunding by the State.

With the exception of one year, the District's enrollment has declined for the past ten years. Future projections indicate a steady decrease in enrollment over the next five years. The District's funding is dependent on enrollment. Declining enrollment equates to a decrease in funding. With over 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority for review if the projections are accurate and enrollment continues to decline as projected.

The five year budget plan previously presented to the Board of Education continues to be revised and currently outlines budget reductions totaling \$23 million. The broad categories of budget reduction include:

- Increasing class size at all levels
- Repurposing schools; consolidating schools
- Restructure the employee/employer cost of health insurance premiums

- Right-size our staff numbers; examine student:teacher ratio
- Review all administrative positions in the district

Relevant financial policies

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of allowable growth each year. Under the law, the legislature has 30 days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. To illustrate, the 2018 legislature sets the FY2020 state percent of growth. The allowable growth becomes increasingly important because as a District we are dependent on the amount of allowable growth as it often will dictate budget reductions that will take place.

The state's general fund revenue forecast is made each year by the Revenue Estimating Conference (REC), which consists of the Director of Legislative Services Agency serving as the representative of the Legislature, the Director of the Department of Management serving as the representative of the Governor and a third person agreed upon by the other two members.

Historically the REC has met three times a year; in September or October to provide a framework for developing the state budget, in December to set the revenue estimate that the Governor and General Assembly must use in developing a budget for the subsequent fiscal year and in March, to consider revisions to the December estimate. If the REC lowers the estimate in March, the Governor is required to submit a revised budget to the General Assembly, and the General Assembly is required to use the lower estimate for developing next year's budget. School districts' budgets are subject to reductions as a result of a lower estimate in the budget.

Major initiatives

The COVID-19 pandemic led the district leadership to take on new, unplanned initiatives. The district closed mid-March thru the remainder of the school year. The district leadership along with teachers, quickly began planning how to deliver Continuous Learning using online learning platforms. The Continuous Learning website was created for each grade level and course with daily learning activities. The district has been working on strategies for return to learn and for a blended online/in person approach.

Davenport Schools Teaching and Learning Plan: The school board and district leadership are calling for a renewed focus on the basics of strong instructional practices and meaningful assessment tools, while providing multi-tiered student supports and high expectations for behavior in our classrooms and schools. A comprehensive Teaching and Learning Plan that supports these ideals will guide our work over the next several years.

Developed in the spring of 2016, the Davenport Community Schools Teaching and Learning Plan serves as a framework for best practices in education and classroom management. The framework

includes four elements under which the work of our schools is organized. These four pillars include:

- Instructional Practices
- Multi-Tiered System of Support
- Standards-Based Assessment and Reporting
- The Davenport Way

The category Instructional Practices focuses on teachers' growth and development through research-based best practices and integrated technology resources. The Multi-Tiered System of Support process includes engaging a school's staff in a collective process which will guarantee every student receives time and support to meet their academic and behavior needs. Standards based assessment and reporting allows an educational system to have a clearly articulated K-12 curriculum and to understand the extent to which students are mastering subject matter. The Davenport Way Student Support System supports teachers and student with a specialized support system for struggling learners. This offers a variety of resources, strategies, structure and practices to support student achievement and improve student behavior:

Capital Improvements: The District had paused the Long Range Facilities Plan during FY21. In October 2021 the district began a comprehensive revision of the plan which will be complete with recommendations to the board in September 2022. Priorities will maintain the following:

- Safety and security
- Increase conformance to:
 - Educational Specifications
 - Commitment to District of Distinction
 - Making improvements supporting work of teachers, student achievement and graduation
- Right sizing inventory of buildings
- Increasing energy efficiency and environmental sustainability
- Generating general fund savings

The Davenport community continues to invest in the quality of education for our young people and support infrastructure upgrades in our schools. Voter approved sales tax and Physical Plant and Equipment Levy proceeds touched every building in the district, bringing safety improvements, increased energy efficiencies, and upgrades to instructional spaces with a total of over \$19 million invested in building enhancements during the 2019-20 school year. The Davenport community voted last year to renew the Physical Equipment and Plant levy for another ten years and at a rate of \$1.34/\$1,000 assessed value compared to the prior rate of \$.97/\$1,000 assessed value.

Some highlights of this investment in facilities include:

- ❖ District Wide – Roof and parking lot repairs
- ❖ Brady Street Stadium – Track and field improvements
- ❖ North High School – Field house construction
- ❖ Central High School – Locker room renovations
- ❖ District Wide – Network Upgrades
- ❖ Hayes Elementary – boiler replacement

Awards

The Government Finance Officers Association of the United States and Canada, (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Davenport School District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International, (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Davenport Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

We believe that our current ACFR also conforms to the requirements for the Certificate of Excellence in Financial Reporting, and we are submitting it to ASBO to determine its eligibility for a Certificate.

Acknowledgments

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report as well as administrative support staff.

Sincere appreciation is extended to the Board of Directors, where the commitment to excellence begins.

It is with great pride that this year's Annual Comprehensive Financial Report is submitted to the Board of Directors.



Kevin Posekany, SBO
Chief Financial Officer



TJ Schneckloth
Superintendent



Lisa Crews, SBO
Accounting Specialist



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Davenport Community School District
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Davenport Community School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director



DAVENPORT

Community Schools

G R O W I N G E X C E L L E N C E

It is the policy of the Davenport Community School District not to discriminate on the basis of race, color, national origin, sex, disability, religion, creed, age (for employment), marital status (for programs), sexual orientation, gender identity and socioeconomic status (for programs) in its educational programs and its employment practices. There is a grievance procedure for processing complaints of discrimination. If you have questions or a grievance related to this policy please contact the district's equity coordinator: Dr. Jami Weinzierl, Director of Equity & Diversity, 1702 N. Main, Davenport, Iowa 52803; Phone: 563-445-5000.



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Financial Section



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E



Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis-of-Matter

As discussed in Note 14 to the financial statements, the District has been placed on conditional accreditation by the Iowa State Board of Education. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 14. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the District's total OPEB liability and related ratios, budgetary comparison information, and schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 4-16 and 56-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other information, including the introductory and statistical sections and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The signature is written in a cursive, flowing style.

Moline, Illinois
January 25, 2022



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Davenport Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with additional information that we have furnished in our transmittal letter and the District's financial statements, which follow:

2020-21 FINANCIAL HIGHLIGHTS

- The General Fund June 30, 2021 fund balance increased \$3,045,240 from the June 30, 2020 fund balance of \$25,454,380 to \$28,499,620.
- The District net position increased \$11,458,243 from \$159,471,628 to \$170,929,871. The increase is primarily due to an increase in property taxes and an increase in operating grants and contributions coupled with a reduction of expenses.
- The District continues to be successful in receiving donations and local, state and federal grants. In 2021, the District received approximately \$44 million in operating grants.

USING THIS ANNUAL REPORT

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

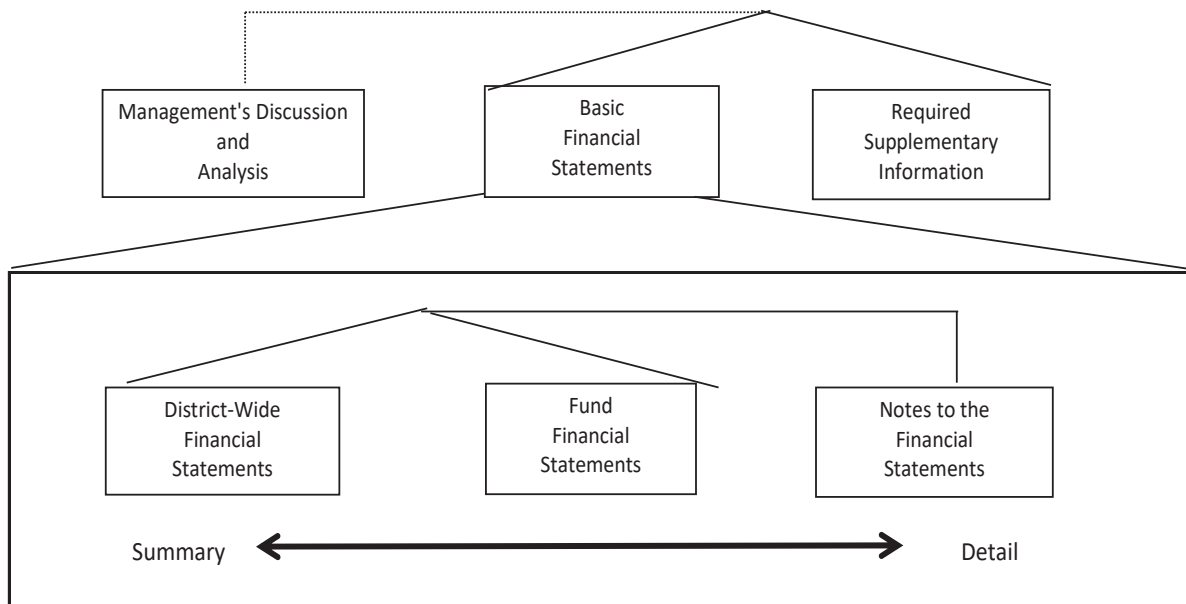
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Davenport 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 Davenport Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Davenport 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.

Davenport Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2021**

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

Figure A-1
Davenport Community School District Annual Financial Report



Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

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, reunion moneys and funds for District employee purchases of pop, etc.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 – the difference between the District's assets and deferred outflows and liabilities and deferred inflows – are one way to measure the District's financial health or 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 program is included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between the two statements. The District's major governmental funds for 2020-21 were the General Fund and the Capital Projects Fund. The nonmajor governmental funds include two Special Revenue Funds (the Management Fund and Student Activities Fund) and the Debt Service Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

- 2) **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities but provides more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund which is a major fund and the nonmajor Out of School Time Fund. The District uses an internal service fund, 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 account for the District's self-funded health and dental insurance plans.

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 District's Custodial Fund.

Custodial Fund: This Fund accounts for District faculty accounts for certain revenue collected for District employee purchases of pop, funeral flowers, etc. and related expenditures and for revenues and expenditures of other various non-District club accounts.

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

The required financial statements for the fiduciary fund of the District include a statement of fiduciary net position and a statement of fiduciary net position.

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

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Government-Wide Financial Analysis

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

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	2021	2020	2021	2020	2021	2020	2020-21
Current and other assets	\$ 203,253,880	\$ 181,178,311	\$ 4,159,607	\$ 2,905,516	\$ 207,413,487	\$ 184,083,827	12.67%
Capital assets	181,479,785	190,723,916	250,396	278,340	181,730,181	191,002,256	-4.85%
Total assets	384,733,665	371,902,227	4,410,003	3,183,856	389,143,668	375,086,083	3.75%
Deferred outflows of resources	27,005,864	27,261,913	810,564	810,727	27,816,428	28,072,640	-0.91%
Long-term liabilities	124,103,529	116,848,141	3,181,937	2,911,240	127,285,466	119,759,381	6.28%
Other liabilities	35,388,910	38,123,579	1,140,703	645,476	36,529,613	38,769,055	-5.78%
Total liabilities	159,492,439	154,971,720	4,322,640	3,556,716	163,815,079	158,528,436	3.33%
Deferred inflows of resources	81,922,487	84,749,958	292,659	408,701	82,215,146	85,158,659	-3.46%
Net position:							
Net investment in capital assets	175,539,233	182,499,308	250,396	278,340	175,789,629	182,777,648	-3.82%
Restricted	49,259,585	32,591,484	-	-	49,259,585	32,591,484	51.14%
Unrestricted	(54,474,215)	(55,648,330)	354,872	(249,174)	(54,119,343)	(55,897,504)	-3.18%
Total net position	\$ 170,324,603	\$ 159,442,462	\$ 605,268	\$ 29,166	\$ 170,929,871	\$ 159,471,628	7.19%

The District's net position has increased from the prior year. The District's combined net position as of June 30, 2021 increased by \$11,458,243 (7.19%) over the June 30, 2020 combined net position. Net position in the governmental activities increased by \$10,882,141 (6.9%). The net position of the District's business-type activities increased by \$576,102 (198%).

The most significant factors for the increase in net position of the District in the current year was due to amounts of property taxes and sales, services and use tax collected for capital projects and debt service exceeding expenses for capital projects and transfers for debt service.

The increase in the business type activities was primarily due to federal grants received due to the COVID-19 pandemic to fund the nutrition program of the District.

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 \$16,668,101 (51.14%) primarily due to sales services and use tax revenues collected and not yet expended for future capital projects.

Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements) increased by \$1,778,161.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

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

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	2021	2020	2021	2020	2021	2019	2020-21
Revenues:							
Program revenues:							
Charges for services	\$ 5,413,081	\$ 3,881,149	\$ 594,702	\$ 1,619,721	\$ 6,007,783	\$ 5,500,870	9.2%
Operating grants and contributions	43,656,177	39,320,138	8,007,478	6,552,279	51,663,655	45,872,417	12.6%
Capital grants and contributions	-	-	-	-	-	-	N/A
General revenues:							
Property taxes	72,969,966	65,960,146	-	-	72,969,966	65,960,146	10.6%
Utility tax	1,454,192	3,366,912	-	-	1,454,192	3,366,912	-56.8%
Revenue in lieu of tax	2,297,375	2,295,195	-	-	2,297,375	2,295,195	0.1%
State foundation aid	85,008,357	86,333,795	-	-	85,008,357	86,333,795	-1.5%
Statewide sales and services tax	16,596,751	15,341,923	-	-	16,596,751	15,341,923	8.2%
Interest and investment earnings	412,884	1,286,898	16,148	26,960	429,032	1,313,858	-67.3%
Total revenues	227,808,783	217,786,156	8,618,328	8,198,960	236,427,111	225,985,116	4.6%
Expenses:							
Instruction	138,563,617	142,979,181	-	-	138,563,617	142,979,181	-3.1%
Support services	70,017,076	71,767,031	-	-	70,017,076	71,767,031	-2.4%
Noninstructional	666,042	610,909	8,218,570	8,421,214	8,884,612	9,032,123	-1.6%
Other	7,503,563	7,536,631	-	-	7,503,563	7,536,631	-0.4%
Total expenses	216,750,298	222,893,752	8,218,570	8,421,214	224,968,868	231,314,966	-2.7%
Change in net position before transfers	11,058,485	(5,107,596)	399,758	(222,254)	11,458,243	(5,329,850)	-315.0%
Transfers	(176,344)	321,001	176,344	(321,001)	-	-	N/A
Increase (decrease) in net position	10,882,141	(4,786,595)	576,102	(543,255)	11,458,243	(5,329,850)	-315.0%
Net position, beginning	159,442,462	164,229,057	29,166	572,421	159,471,628	164,801,478	
Net position, ending	\$ 170,324,603	\$ 159,442,462	\$ 605,268	\$ 29,166	\$ 170,929,871	\$ 159,471,628	

In 2020-21, local taxes (property taxes and utility taxes), state foundation aid, statewide sales services and use tax and revenue in lieu of taxes accounted for 78.3% of the revenue from governmental activities while charges for services and grants and contributions accounted for 99.7% of the revenue from business-type activities. The District's expenses primarily relate to instruction and support services, which account for 92.7% of the total expenses.

Total revenue for the District increased by \$10,441,995 (4.6%) in the fiscal year ended June 30, 2021. The most significant revenue category changes were operating grants and contributions and charges for services. Operating grants increased due to COVID-19 Elementary and Secondary School Emergency Relief Funding. Charges for service increased due to an increase in student fees and activities resumed. In addition, interest and investment earnings decreased by \$884,826 due to decreases in earnings and rates on deposits and investments.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Total District expenses decreased by \$6,346,098 (2.7%), primarily because of decreases in expenses for salaries and health care costs.

Figures A-5 and A-6, which follow, show charts reflecting sources of revenue and distribution of expenses for the 2020-21 fiscal year governmental activities.

Figure A-5 - Sources of Revenues for 2020-2021 Fiscal Year

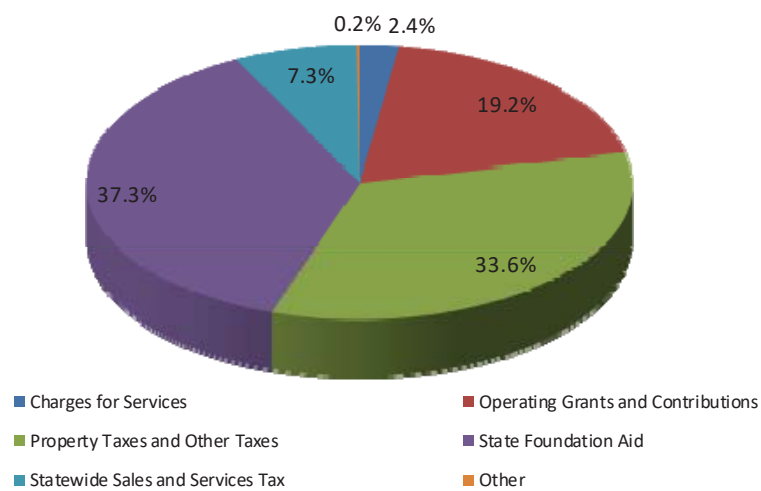
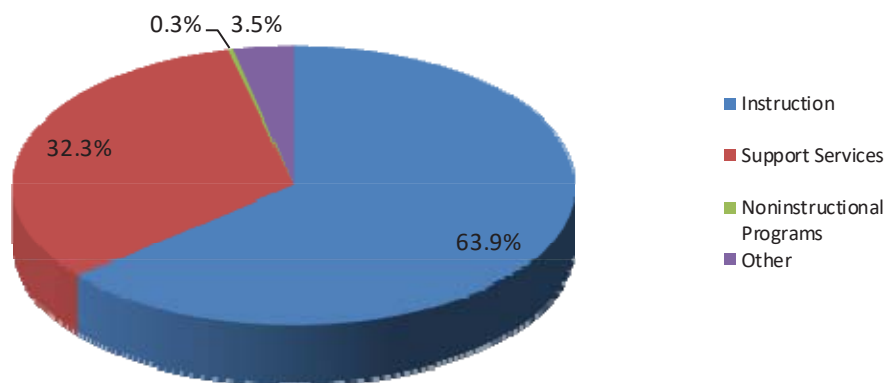


Figure A-6 - Expenses for 2020-2021 Fiscal Year



Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Governmental Activities

Revenue for the District's governmental activities in 2020-21 increased by \$10,022,627 (4.6%) from the previous year, while total expenses decreased by \$6,143,454 (2.8%). Governmental activities net position as of June 30, 2021 increased by \$10,822,141 (6.8%) over the June 30, 2020 balance.

Figure A-7 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, 2021 compared to the year ended June 30, 2020.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	June 30, 2021	June 30, 2020	Change	June 30, 2021	June 30, 2020	Change
Instruction	\$ 138,563,617	\$ 142,979,181	-3.09%	\$ 98,096,677	\$ 107,742,965	-9.0%
Support services	70,017,076	71,767,031	-2.44%	68,862,083	71,289,198	-3.4%
Noninstructional	666,042	610,909	9.02%	610,861	492,368	24.1%
Other	7,503,563	7,536,631	-0.44%	111,419	167,934	-33.7%
Total	\$ 216,750,298	\$ 222,893,752	-2.76%	\$ 167,681,040	\$ 179,692,465	-6.7%

For the year ended June 30, 2021:

- The cost financed by the users of the District's programs was \$5,413,081.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$43,656,177.
- The net cost of governmental activities was financed with \$72,969,966 in property taxes, \$1,454,192 in utility tax, \$2,297,375 in revenue in lieu of tax, \$85,008,357 of unrestricted state grants, \$16,596,751 in statewide sales and services tax revenue, and \$412,884 in investment earnings.

For the year ended June 30, 2020:

- The cost financed by the users of the District's programs was \$3,881,149.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$39,320,138.
- The net cost of governmental activities was financed with \$65,960,146 in property taxes, \$3,366,912 in utility tax, \$2,295,195 in revenue in lieu of tax, \$86,333,795 of unrestricted state grants, \$15,341,923 in statewide sales and services tax revenue, and \$1,286,898 in investment earnings.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Business-Type Activities

The District's business-type activities include the School Nutrition Fund and the Out of School Time Fund. Revenues of the District's business-type activities in 2020-21 were \$8,618,328; an increase of \$419,368 (5.1%) from 2019-20. The increase is primarily due to federal funding received due to COVID-19. Other revenues of these activities were comprised of federal and state reimbursements and interest. Expenses were \$8,218,570, a decrease of \$202,644 (2.4%) from 2019-20, primarily due to the decreased cost of food service operations and after school care in the current year.

Individual Fund Analysis

As previously noted, the Davenport 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 \$69,746,976 which reflects an increase of \$17,572,956 from last year's ending fund balances of \$52,174,020. The primary reasons for the increase in combined fund balances at the end of the 2020-21 fiscal year are:

- Decrease in the instruction function of \$9,640,627 primarily through a reduction in staffing.
- The accumulation of proceeds from the Statewide School Infrastructure Sales, Services and Use Tax and the physical plant and equipment levy to be used for future capital projects.

Governmental Fund Highlights

- The fund balance in the District's General Fund increased by \$3,045,240 (11.97%) from \$25,454,380, as of June 30, 2020 to \$28,499,620 as of June 30, 2021. The General Fund experienced an increase in revenue from property taxes and federal grants for COVID-19 funding.
- The fund balance in the Capital Projects Fund increased by \$13,680,694 (74.0%). The statewide sales, service and use tax generated \$694,448 less in revenue in 2020-21 than in the previous fiscal year. Local tax generated from the physical plant and equipment levy was \$8,124,156 compared to the prior year \$7,375,172 which represents a \$748,984 (10.2%) increase from 2019-20. Total expenditures were \$8,666,227 in 2020-21 compared to \$16,847,693 in 2019-20.

Proprietary Fund Highlights

The District's proprietary funds were the major fund, the School Nutrition Fund, and the nonmajor Out of School Time fund as well as the District's Internal Service Fund. Significant changes of these funds are as follows:

- The net position of the School Nutrition Fund increased by \$562,107 (424.2%) during 2020-21 primarily due to an increase in federal funding for COVID-19.
- The net position of the Internal Service Fund increased by \$3,221,871 (16.6%) during 2020-21 due to an increase in charges for services based on previous years claims experience.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Budgetary Highlights

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.

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 and custodial funds. Although the budget document presents functional area expenditures for 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. Over the course of the year the District amended its operating budget one time to reflect additional expenditures projected. The District modified its original budget in 2020-21 from \$194,413,731 to \$229,657,508.

It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year in total. Total revenues were more than budget by \$23,112,796 due to more state and federal sources. Total expenditures were underbudget \$13,975,740 due to less expenditures for capital outlay than anticipated.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2020-21 fiscal year, the District had invested \$181,730,181 (net of accumulated depreciation of \$171,603,722) in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment and administrative offices. (See Figure A-8). This amount represents a net decrease of \$9,272,075 or 4.9% from last year. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$12,515,235.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-21
	2021	2020	2021	2020	2021	2020	
Land	\$ 4,702,173	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173	\$ 4,702,173	0.0%
Land improvements	1,600,726	1,844,210	-	-	1,600,726	1,844,210	-13.2%
Buildings	65,993,886	68,134,857	-	-	65,993,886	68,134,857	-3.1%
Building improvements	106,905,530	109,761,712	-	-	106,905,530	109,761,712	-2.6%
Furniture and equipment	1,656,508	1,658,817	250,396	278,340	1,906,904	1,937,157	-1.6%
Intangibles	196,227	228,483	-	-	196,227	228,483	-14.1%
Construction in progress	424,735	4,393,664	-	-	424,735	4,393,664	-90.3%
Total	\$ 181,479,785	\$ 190,723,916	\$ 250,396	\$ 278,340	\$ 181,730,181	\$ 191,002,256	-4.9%

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Long-Term Liabilities

As of June 30, 2021, the District had \$5,940,552 in revenue bonds including the premium outstanding, \$4,438,993 early retirement liabilities, \$628,445 in total compensated absence liabilities, \$10,893,037 in net OPEB liability, and \$105,384,439 in net pension liability for total outstanding long-term obligations of \$127,285,466 as reflected in Figure A-9 below. The District paid \$2,210,000 in revenue bond principal during fiscal year 2021. No new bonded debt was issued. More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

Payments of early retirement benefits are from the District's Management Fund. Payments of compensated absences are primarily from the District's General Fund.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-21
	2021	2020	2021	2020	2021	2020	
Revenue bonds	\$ 5,770,000	\$ 7,980,000	\$ -	\$ -	\$ 5,770,000	\$ 7,980,000	-27.7%
Premium on bonds	170,552	244,608	-	-	170,552	244,608	-30.3%
Early retirement	4,438,993	4,155,781	-	-	4,438,993	4,155,781	6.8%
Compensated absences	616,457	672,478	11,988	13,316	628,445	685,794	-8.4%
Net pension liability	102,530,339	91,096,437	2,854,100	2,519,160	105,384,439	93,615,597	12.6%
Net OPEB	10,577,188	12,698,837	315,849	378,765	10,893,037	13,077,602	-16.7%
Total	\$ 124,103,529	\$ 116,848,141	\$ 3,181,937	\$ 2,911,241	\$ 127,285,466	\$ 119,759,382	6.3%

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The Iowa Legislature set the supplemental state aid percentage (formerly known as the allowable growth rate) at 2.4% for the 2021-22 fiscal year. The Iowa Legislature has not yet set the supplemental state aid percentage rate for the 2022-23 fiscal year. While the rate increased from the prior year, the district continues to face declining enrollment. State aid is based on the number of students enrolled in the district. As the District's General Fund budget is comprised of approximately 82 percent salary and benefits, wage and salary adjustments arrived at through the District's formal negotiations process will have a significant impact on future budget decisions.
- Since October 2020, the school district has been under the Iowa Department of Education Board's oversight. The department of education recommended that control, because the district was not making progress on addressing previous citations. Much progress has been made and the state board has recognized that progress.
- The District's certified enrollment count on October 1, 2021 shows a decline in enrollment of 58 students. This equates to a decrease in state funding of approximately \$418,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Kevin Posekany, Chief Financial Officer, Davenport Community School District, 1702 N. Main Street, Davenport, Iowa 52803.



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 116,709,329	\$ 3,377,777	\$ 120,087,106
Receivables:			
Property tax:			
Current year	903,658	-	903,658
Succeeding year	71,923,273	-	71,923,273
Other	1,171,652	1,757	1,173,409
Due from other governments	12,226,542	662,457	12,888,999
Inventories	305,312	117,616	422,928
Prepaid expenses	14,114	-	14,114
Capital assets:			
Nondepreciable	5,126,908	-	5,126,908
Depreciable, net	176,352,877	250,396	176,603,273
Total assets	384,733,665	4,410,003	389,143,668
Deferred Outflows of Resources			
OPEB related deferred outflows	4,473,509	133,426	4,606,935
Pension related deferred outflows	22,532,355	677,138	23,209,493
Total deferred outflows of resources	27,005,864	810,564	27,816,428
Liabilities			
Accounts payable	5,532,147	154,896	5,687,043
Salaries and benefits payable	25,054,390	859,527	25,913,917
Construction contracts payable	9,579	-	9,579
Claims incurred but not reported	4,200,000	-	4,200,000
Unearned revenue	592,794	126,280	719,074
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	2,339,056	-	2,339,056
Early retirement	1,515,857	-	1,515,857
Compensated absences	250,000	11,988	261,988
Portion due after one year:			
Revenue bonds	3,601,496	-	3,601,496
Early retirement	2,923,136	-	2,923,136
Compensated absences	366,457	-	366,457
Net OPEB liability	10,577,188	315,849	10,893,037
Net pension liability	102,530,339	2,854,100	105,384,439
Total liabilities	159,492,439	4,322,640	163,815,079
Deferred Inflows of Resources:			
Deferred revenue from succeeding year property tax	71,923,273	-	71,923,273
OPEB related deferred inflows	2,676,013	79,420	2,755,433
Pension related deferred inflows	7,323,201	213,239	7,536,440
Total deferred inflows of resources	81,922,487	292,659	82,215,146
Net Position			
Net investment in capital assets	175,539,233	250,396	175,789,629
Restricted for:			
Categorical funding	5,867,593	-	5,867,593
Management levy	6,300,722	-	6,300,722
Physical plant and equipment levy	10,182,263	-	10,182,263
School infrastructure	24,133,022	-	24,133,022
Debt service	2,018,160	-	2,018,160
Student activities	757,825	-	757,825
Unrestricted	(54,474,215)	354,872	(54,119,343)
Total net position	\$ 170,324,603	\$ 605,268	\$ 170,929,871

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses
Governmental Activities	
Instruction	\$ 138,563,617
Support services:	
Student	19,069,129
Instructional staff	5,366,938
General administration	6,753,640
School administration	9,992,526
Business and central administration	4,520,706
Plant operation and maintenance	17,782,896
Student transportation	6,531,241
Other:	
Non-instructional	666,042
Area education agency	7,392,144
Long-term debt interest	111,419
Total governmental activities	<u>216,750,298</u>
Business-Type Activities	
School nutrition	7,778,073
Out of school time	440,497
Total business-type activities	<u>8,218,570</u>
Total school district	<u>\$ 224,968,868</u>

General Revenues:

Property tax levied for general purposes
Utility tax
Revenue in lieu of taxes
Sales, services and use tax
Unrestricted state aid and grants
Interest and investment earnings
Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See Notes to Basic Financial Statements

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 4,257,447	\$ 36,209,493	\$ -	\$ (98,096,677)	\$ -	\$ (98,096,677)
5	416	-	(19,068,708)	-	(19,068,708)
114,772	4,971	-	(5,247,195)	-	(5,247,195)
3,355	1,790	-	(6,748,495)	-	(6,748,495)
22,630	439	-	(9,969,457)	-	(9,969,457)
86,122	-	-	(4,434,584)	-	(4,434,584)
905,916	3,079	-	(16,873,901)	-	(16,873,901)
539	10,959	-	(6,519,743)	-	(6,519,743)
22,295	32,886	-	(610,861)	-	(610,861)
-	7,392,144	-	-	-	-
-	-	-	(111,419)	-	(111,419)
5,413,081	43,656,177	-	(167,681,040)	-	(167,681,040)
388,694	7,801,978	-	-	412,599	412,599
206,008	205,500	-	-	(28,989)	(28,989)
594,702	8,007,478	-	-	383,610	383,610
\$ 6,007,783	\$ 51,663,655	\$ -	(167,681,040)	383,610	(167,297,430)

Davenport Community School District

Balance Sheet Governmental Funds June 30, 2021

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and investments	\$ 49,276,837	\$ 31,406,756	\$ 9,052,046	\$ 89,735,639
Receivables:				
Property tax:				
Current year	727,911	116,826	58,921	903,658
Succeeding year	59,220,307	8,056,674	4,646,292	71,923,273
Other	1,169,340	-	2,312	1,171,652
Due from other governments	8,834,061	3,392,481	-	12,226,542
Inventories	305,312	-	-	305,312
Prepaid expenses	14,114	-	-	14,114
Total assets	\$ 119,547,882	\$ 42,972,737	\$ 13,759,571	\$ 176,280,190
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 4,885,368	\$ 506,096	\$ 20,023	\$ 5,411,487
Accrued payroll and payroll taxes	24,902,857	85,103	16,549	25,004,509
Construction contracts payable	-	9,579	-	9,579
Unearned revenue	592,794	-	-	592,794
Total liabilities	30,381,019	600,778	36,572	31,018,369
Deferred Inflows of Resources				
Succeeding year property taxes	59,220,307	8,056,674	4,646,292	71,923,273
Sales, services and use tax	-	2,144,636	-	2,144,636
Other grants and donations	1,446,936	-	-	1,446,936
Total deferred inflows of resources	60,667,243	10,201,310	4,646,292	75,514,845
Fund Balances				
Nonspendable				
Inventories	305,312	-	-	305,312
Prepaid expenses	14,114	-	-	14,114
Restricted				
Categorical funding	5,867,593	-	-	5,867,593
Debt service	-	-	2,018,160	2,018,160
Management levy purposes	-	-	6,300,722	6,300,722
Student activities	-	-	757,825	757,825
School infrastructure	-	21,988,386	-	21,988,386
Physical plant and equipment	-	10,182,263	-	10,182,263
Unassigned	22,312,601	-	-	22,312,601
Total fund balances	28,499,620	32,170,649	9,076,707	69,746,976
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,547,882	\$ 42,972,737	\$ 13,759,571	\$ 176,280,190

See Notes to Basic Financial Statements.

Davenport Community School District

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2021

Total Governmental Fund Balances	\$	69,746,976
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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:

Capital assets	350,306,989	
Accumulated depreciation	<u>(168,827,204)</u>	181,479,785

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:

Sales, services and use tax	2,144,636	
Other grants and donations	<u>1,446,936</u>	3,591,572

Internal Service Funds are used by the District's management to charge the costs of the self-insurance program to the individual funds. The assets and liabilities of the internal service fund are included with the governmental activities.

22,603,149

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:

OPEB related deferred outflows of resources	4,473,509	
OPEB related deferred inflows of resources	(2,676,013)	
Pension related deferred outflows of resources	22,532,355	
Pension related deferred inflows of resources	<u>(7,323,201)</u>	17,006,650

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(5,770,000)	
Premium on bonds payable	(170,552)	
Compensated absences	(616,457)	
Accumulated termination pay	(4,438,993)	
Net pension liability	(102,530,339)	
Other post employment benefits obligation	<u>(10,577,188)</u>	(124,103,529)

Net Position of Governmental Activities

\$ 170,324,603

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Property taxes	\$ 59,857,862	\$ 8,124,156	\$ 4,987,948	\$ 72,969,966
Utility taxes	1,195,770	158,772	99,650	1,454,192
Charges for services	1,388,331	-	-	1,388,331
Interest	292,758	60,353	59,773	412,884
Other	2,212,847	1,234,223	525,180	3,972,250
State sources:				
Sales, services and use tax	-	14,910,295	-	14,910,295
Other state sources	114,190,158	253,797	158,986	114,602,941
Federal sources	15,501,639	-	-	15,501,639
Total revenues	194,639,365	24,741,596	5,831,537	225,212,498
Expenditures:				
Current:				
Instruction	122,272,789	127,894	2,361,642	124,762,325
Support services:				
Student	18,733,814	18,390	-	18,752,204
Instructional staff	5,263,274	-	-	5,263,274
General administration	4,659,283	87,886	1,882,754	6,629,923
School administration	9,816,966	-	477	9,817,443
Business and central administration	4,449,474	35,541	-	4,485,015
Plant operation and maintenance	12,392,300	3,116,922	729,945	16,239,167
Student transportation	5,924,085	597,090	8,897	6,530,072
Non-instructional programs	513,652	143,917	-	657,569
Area Education Agency	7,392,144	-	-	7,392,144
Capital outlay	-	4,538,587	-	4,538,587
Debt service:				
Principal	-	-	2,210,000	2,210,000
Interest and fiscal charges	-	-	185,475	185,475
Total expenditures	191,417,781	8,666,227	7,379,190	207,463,198
Excess (deficiency) of revenues over (under) expenditures	3,221,584	16,075,369	(1,547,653)	17,749,300
Other financing sources (uses):				
Transfers in	304,656	-	2,394,675	2,699,331
Transfers out	(481,000)	(2,394,675)	-	(2,875,675)
Total other financing sources (uses)	(176,344)	(2,394,675)	2,394,675	(176,344)
Net change in fund balances	3,045,240	13,680,694	847,022	17,572,956
Fund balances, beginning of year	25,454,380	18,489,955	8,229,685	52,174,020
Fund balances, end of year	\$ 28,499,620	\$ 32,170,649	\$ 9,076,707	\$ 69,746,976

See Notes to Basic Financial Statements.

Davenport Community School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 17,572,956

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, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital asset additions is less than depreciation in the period:

Capital outlay	3,211,570	
Depreciation expense	<u>(12,444,796)</u>	(9,233,226)

Loss on disposal of capital asset		(10,905)
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Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues. 2,596,285

The increase in net position of the Internal Service Fund represents over funding by the governmental funds and is incorporated into the change in net position of governmental activities. 3,221,871

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of 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 related items:

Repayment of long-term debt	2,210,000	
Amortization of bond premium	<u>74,056</u>	2,284,056

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

Compensated absences	56,021	
Accumulated termination pay	(283,212)	
Pension liability and related deferred inflows and outflows	(4,614,849)	
OPEB and related deferred inflows and outflows	<u>(706,856)</u>	(5,548,896)
Change in Net Position of Governmental Activities		<u><u>\$ 10,882,141</u></u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Net Position

Proprietary Funds

June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental
	School	Nonmajor		Activities
	Nutrition Fund	Out of School	Total	Internal
		Time Fund		Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 3,141,507	\$ 236,270	\$ 3,377,777	\$ 26,973,690
Due from other governmental units	662,457	-	662,457	-
Other receivables	1,757	-	1,757	-
Inventories	117,616	-	117,616	-
Total current assets	3,923,337	236,270	4,159,607	26,973,690
Noncurrent assets, capital assets, net of accumulated depreciation	250,396	-	250,396	-
Total assets	4,173,733	236,270	4,410,003	26,973,690
Deferred Outflows of Resources:				
OPEB related deferred outflows	128,206	5,220	133,426	-
Pension related deferred outflows	662,206	14,932	677,138	-
Total deferred outflows of resources	790,412	20,152	810,564	-
Liabilities				
Current Liabilities				
Accounts payable	124,830	30,066	154,896	120,660
Accrued payroll and payroll taxes	814,295	45,232	859,527	49,881
Health claims and costs	-	-	-	4,200,000
Unearned revenue	126,280	-	126,280	-
Compensated absences	5,739	6,249	11,988	-
Total current liabilities	1,071,144	81,547	1,152,691	4,370,541
Noncurrent Liabilities				
Net pension liability	2,762,015	92,085	2,854,100	-
Other post employment benefits obligation	304,784	11,065	315,849	-
Total noncurrent liabilities	3,066,799	103,150	3,169,949	-
Total liabilities	4,137,943	184,697	4,322,640	4,370,541
Deferred Inflows of Resources:				
OPEB related deferred inflows	74,957	4,463	79,420	-
Pension related deferred inflows	202,390	10,849	213,239	-
Total deferred inflows of resources	277,347	15,312	292,659	-
Net Position				
Net investment in capital assets	250,396	-	250,396	-
Unrestricted	298,459	56,413	354,872	22,603,149
Total net position	\$ 548,855	\$ 56,413	\$ 605,268	\$ 22,603,149

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental Activities
	School	Nonmajor		Internal
	Nutrition Fund	Out of School Time Fund	Total	Service Fund
Operating Revenue:				
Charges for services	\$ 388,694	\$ 206,008	\$ 594,702	\$ 28,840,198
Operating Expenses:				
Salaries and benefits	4,451,883	272,463	4,724,346	549,331
Purchased services	248,057	159,571	407,628	1,988,563
Supplies	3,007,694	8,038	3,015,732	-
Other operating costs	-	425	425	-
Depreciation	70,439	-	70,439	-
Health care	-	-	-	23,080,433
Total operating expenses	7,778,073	440,497	8,218,570	25,618,327
Operating income (loss)	(7,389,379)	(234,489)	(7,623,868)	3,221,871
Nonoperating Revenues:				
Interest income	14,164	1,984	16,148	-
Intergovernmental	7,797,730	205,500	8,003,230	-
Other nonoperating revenue	4,248	-	4,248	-
Total nonoperating revenues	7,816,142	207,484	8,023,626	-
Income (loss) before transfers	426,763	(27,005)	399,758	3,221,871
Transfer in	440,000	41,000	481,000	-
Transfers (out)	(304,656)	-	(304,656)	-
Change in net position	562,107	13,995	576,102	3,221,871
Net Position (deficit), beginning of year	(13,252)	42,418	29,166	19,381,278
Net Position, end of year	\$ 548,855	\$ 56,413	\$ 605,268	\$ 22,603,149

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental
	Nonmajor			Activities
	School	Out of School		Internal
	Nutrition Fund	Time Fund	Total	Service Fund
Cash flows from operating activities				
Cash received from user charges	\$ 392,092	\$ 206,008	\$ 598,100	\$ 28,840,198
Cash payments to employees for services	(3,960,780)	(248,956)	(4,209,736)	(531,369)
Cash payments for insurance claims	-	-	-	(23,156,433)
Cash payments to suppliers for goods or services	(2,525,469)	(141,832)	(2,667,301)	(1,907,822)
Net cash provided by (used in) operating activities	(6,094,157)	(184,780)	(6,278,937)	3,244,574
Cash flows from noncapital financing activities:				
Grants and contributions received	6,805,101	205,500	7,010,601	-
Transfers	135,344	41,000	176,344	-
Net cash provided by noncapital financing activities	6,940,445	246,500	7,186,945	-
Cash flows from capital and related financing activities,				
Acquisition of capital assets	(42,495)	-	(42,495)	-
Cash flows from investing activities,				
Interest received	14,164	1,984	16,148	-
Net increase in cash and cash equivalents	817,957	63,704	881,661	3,244,574
Cash and cash equivalents beginning of year	2,323,550	172,566	2,496,116	23,729,116
Cash and cash equivalents end of year	<u>\$ 3,141,507</u>	<u>\$ 236,270</u>	<u>\$ 3,377,777</u>	<u>\$ 26,973,690</u>

(Continued)

Davenport Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental
	Nonmajor			Activities
	School	Out of School	Total	Internal
	Nutrition Fund	Time Fund		Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (7,389,379)	\$ (234,489)	\$ (7,623,868)	\$ 3,221,871
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	70,439	-	70,439	-
Commodities used	653,606	-	653,606	-
Changes in assets and liabilities:				
Receivables	(1,757)	-	(1,757)	-
Inventories	(27,402)	-	(27,402)	-
Unearned revenue	5,155	-	5,155	-
Accounts payable	104,078	26,202	130,280	80,741
Compensated absences	(461)	(867)	(1,328)	-
Health claims and costs	-	-	-	(76,000)
Accrued liabilities	343,494	16,298	359,792	17,962
Net pension liability and deferred outflows of resources and deferred inflows of resources	128,346	6,838	135,184	-
Net OPEB liability and deferred outflows of resources and deferred inflows of resources	19,724	1,238	20,962	-
Net cash provided by (used in) operating activities	\$ (6,094,157)	\$ (184,780)	\$ (6,278,937)	\$ 3,244,574
Schedule of noncash items:				
Noncapital financing activities, federal commodities	\$ 653,606	\$ -	\$ 653,606	\$ -

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2021

	<u>Custodial</u>
Assets	
Cash and cash equivalents	\$ 181,229
Other receivables	1,350
Total assets	<u><u>\$ 182,579</u></u>
Liabilities	
Accounts payable	\$ 4,908
Total liabilities	<u><u>\$ 4,908</u></u>
Net position	<u><u>\$ 177,671</u></u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

June 30, 2021

	<u>Custodial</u>
Additions	
Contributions	<u>\$ 88,609</u>
Deductions	
Administrative expenses	<u>106,871</u>
Change in net position	(18,262)
Net position, beginning of year	195,933
Net position, end of year	<u><u>\$ 177,671</u></u>

See Notes to Basic Financial Statements.



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies

Nature of Operations

The Davenport Community School District (the District) is a political subdivision of the state of Iowa and operates public schools for children in grades pre-school through twelve. The geographic area served includes the cities of Davenport, Blue Grass, Walcott and Buffalo, Iowa, and portions of the agricultural territory in Scott and Muscatine Counties. The District is governed by a Board of Education whose members are elected on a nonpartisan basis.

The District is composed of four high schools, four intermediate schools, one K-8 school, 17 elementary schools and various off-campus alternative education programs. Student enrollment (pre-school through high school) for the 2020-2021 school year was approximately 14,500 regular and special education students. The District employs approximately 2,200 individuals.

Reporting Entity

For financial reporting purposes, the District has 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 (GASB) has set forth criteria to be considered in determining financial accountability. These criteria are: a) appointing a voting majority of an organization's governing board, and b) the ability of the District to impose its will on that organization or b) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District; and c) fiscal dependency. The District has no component units which meet the GASB criteria.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The District has the following fund types:

Governmental Funds – are used to account for the District's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means that the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The District considers all revenues to be available if they are collected within 60 days after year-end.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Property taxes, sales taxes and service charges are susceptible to accrual. Other taxes collected and being held by the state or other levying authority at year-end on behalf of the District are recognized as revenue. Intergovernmental revenues are considered to be measurable and are recognized as revenue if available and when eligibility requirements have been met. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures are recorded when the related fund liability is incurred, except for certain long-term obligations including debt service principal and interest, compensated absences, and claims and judgments. Expenditures related to such liabilities are only recognized under modified accrual accounting when they mature (when due).

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. If a fund's assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses are at least 10 percent of those of its fund type and at least 5 percent of those of both governmental and enterprise fund types, then it must be a major fund. The District also elects to report the School Nutrition Funds as major fund. This fund does not meet the percentage test, but is considered of special interest to the Board of Education and the community.

The District reports the following major governmental funds:

General Fund: is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund: accounts for acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

The other governmental funds of the District are considered nonmajor and are as follows:

The **special revenue funds** account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Debt Service Fund** is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

Proprietary Funds – are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenues from the District's proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include cost of personnel services, contractual services, operating supplies, self-insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

The District reports the following major proprietary fund:

School Nutrition Fund – accounts for the activities of the District's school lunch, breakfast and summer fund programs. This fund is reported as major for public interest purposes.

The District also reports the Out of School Time Fund as a nonmajor enterprise fund. This fund accounts for before and after school programs.

Additionally, internal service fund type consists of the Self-Insurance Fund, which accounts for the financing of services provided by one department or other departments of the District on a cost reimbursement basis. The District uses the fund for the purpose of providing self-insurance for medical, dental and vision claims.

Fiduciary Funds – account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. Fiduciary funds, use the economic resources measurement focus and the full accrual basis of accounting. The District reports a Custodial Fund to account for assets held by the District as an agent for individuals, private organizations and other governments, which includes assets held for staff activities not funded by the District.

The basic financial statements include the government-wide financial statements (based on the District as a whole) and the fund financial statements. The government-wide statements present consolidated information from both the governmental and business-type activities using the economic resource measurement focus and the accrual basis of accounting. The government-wide statements are the statement of net position and the statement of activities.

The statement of activities presents, for each District activity, the extent to which direct expenses are being supported by program revenues or by general revenues. Direct expenses are those that are clearly identifiable with the specific activity (including depreciation). Program revenues are charges for services, grants, contributions, or other revenues that are either restricted for use or are directly associated with the particular activity. General revenues include interest, taxes and other revenues used to support the District's operations that are not directly associated with a particular activity.

Governmental activities in the government-wide statements include the operations from the governmental funds: the General Fund, the special revenue funds, Debt Service Fund, and Capital Projects Fund adjusted from the modified accrual to the full accrual basis of accounting. Governmental activities also include the activities from the Internal Service Fund. Business-type activities in the government-wide statements are comprised of the enterprise funds. Fiduciary funds are not reported in the government-wide statements because these funds cannot be used to support District activities.

As a general rule, interfund activity has been eliminated from the government-wide statements. However, interfund services provided and used are not eliminated. Elimination of these changes would distort the direct costs and program revenues reported for the various functions concerned. In addition, certain indirect costs are included in program expenses reported for individual functions and activities.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

The fund financial statements present the District's activities at the fund level rather than on a government-wide basis. The fund financial statements report the governmental funds using the modified accrual basis of accounting and proprietary funds using the full accrual basis of accounting. Fund financial statements also include a statement for the fiduciary funds. The fund financial statements for both the governmental and the proprietary funds report the major funds individually and the nonmajor funds combined. The Internal Service Fund is shown at the far right of the proprietary fund financial statements.

The modified accrual basis of accounting as employed by the governmental funds and full accrual basis of accounting as employed by the proprietary and fiduciary funds have numerous timing and treatment differences. Differences include the recording of long-term liabilities, the recording of capital asset purchases and disposals and the timing of recognized revenues. Reconciliations are provided for governmental funds to reconcile fund balance to net position and to reconcile the changes in fund balance to the changes in net position. These reconciliations are a part of the fund financial statements.

Significant Accounting Policies

Pass-Through Revenues – GASB Statement No. 24 establishes standards of accounting and financial reporting for pass-through grants, food stamps and on-behalf payments for fringe benefits and salaries. GASB Statement No. 24 requires that all cash pass-through grants received by a governmental entity be recognized as revenue and expenditures or expenses in a governmental, proprietary or trust fund. The District recorded the \$7,392,144 pass-through grant from the Area Education Agency in fiscal year 2020-2021 as revenue and a related expense/expenditure in the Governmental Activities and General Fund.

Cash and Investments – The cash balances of District funds are pooled and invested. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. Investments are stated at fair value except for the investments in money market funds, which are valued at amortized cost under the Investment Company Act of 1940, and nonnegotiable certificates of deposits, which are stated at cost. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Iowa Schools Joint Investment is a "money market funds" that seek to maintain a stable net asset value of \$1.00 per share. The funds qualify as a legal investment for the District under Iowa Law.

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 purchases, they have a maturity date no longer than three months.

Property Taxes Receivable – Property taxes in governmental funds are accounted for using the modified accrual basis of accounting. Property taxes 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 to the County Board of Supervisors. The property taxes receivable includes current year delinquent property taxes receivable which represents unpaid taxes from the current year. The receivable also includes the succeeding year property tax receivable which represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by the 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 deferred and will not be recognized as revenue until the year for which it is levied and budgeted for.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1 ½ percent per month penalty for delinquent payment; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

Intergovernmental Receivables and Revenues: Federal and state grants are recorded as receivables and the revenue is recognized during the period in which the District fulfills the requirements for receiving the grant awards in the government-wide statements. In the governmental fund statements, the revenue must meet the measurable and available criteria. Following is a breakout of the components of the due from other governments balance:

	General	Capital Projects	School Nutrition
Due From Other Governments:			
Federal and state programs	\$ 8,768,764	\$ -	\$ 662,457
Sales, services and use tax	-	3,392,481	-
Other local entities	65,297	-	-
	<u>\$ 8,834,061</u>	<u>\$ 3,392,481</u>	<u>\$ 662,457</u>

Inventories: Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value at standard prices furnished by the United States Department of Agriculture for government commodities. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when the goods and services are consumed rather than when purchased.

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

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

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

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

Capital Assets: Capital assets used in governmental and business-type activities of the District are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as construction-in-progress as the projects are constructed.

All land is capitalized and is not depreciated. All other assets capitalized by the District must have a useful life of two years or more and have a cost that exceeds the following minimum thresholds:

Asset Class	Amount
Land	\$ 1
Buildings	25,000
Improvements other than buildings	25,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	300
Other furniture and equipment	2,500

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

Asset Class	Estimated Useful Lives
Buildings	20 - 40 years
Improvements other than buildings	15 - 40 years
Furniture and equipment	5 - 15 years
Intangibles	5 - 20 years

Capital assets are reported at the fund level for proprietary funds, but not for governmental funds.

The District's collection of library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, contributions from the employer after the measurement date but before the end of the employer's reporting period and other post employment benefit related deferred outflows.

Salaries and Benefits Payable: Payroll and related expenditures for teachers, principals and administrators with annual contracts corresponding to the current school year, which are payable in July, August and September 2021, have been accrued as liabilities as of June 30, 2021.

Health Claims and Administrative Costs Payable: Health care costs for claims with dates of service incurred prior to year-end which were paid subsequent to year-end have been estimated and accrued as liabilities as of June 30, 2021.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Compensated Absences: Noninstructional District employees accumulate vacation hours for subsequent use or for payment upon termination. The compensated absences liability has been computed based on rates of pay in effect as June 30, 2021, and includes certain salary related payments. The compensated absences liability is reported as a liability in the government-wide statements. In governmental funds, however, these accrued benefits are not considered due and, therefore, are not reported as a fund liability. Vacation time accrued is expected to be paid out or utilized within one year.

Unearned revenue: Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of grant awards received but not yet expended and meal revenues and fees collected for the programs and services in the next school year.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

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.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and other unrecognized items not yet credited to pension expense and other post-employment benefit expense.

Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted net position is available, the District first applies restricted resources.

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Net position restricted through enabling legislation include \$5,867,593 for categorical funding, \$6,300,722 for management levy, \$10,182,263 for physical plant and equipment, \$24,133,022 for school infrastructure, and \$2,018,160 for debt service. Net position restricted by donations and fundraising are student activities of \$757,825.

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

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. Intent can be expressed by the Board of Education or by an official or body to which the Board delegates the authority. The authority to assign fund balances has been delegated by the Board to the Superintendent or Chief Financial Officer.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Budgets and Budgetary Accounting: As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget.

Davenport Community School District

Notes to Basic Financial Statements

Note 2. Cash and Pooled Investments

The District is authorized by state 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.

As of June 30, 2021, the book balance of the District's cash deposits plus petty cash totaled \$48,080,858 including certificates of deposit of \$5,449,562 and the bank balances totaled \$51,052,759. As of June 30, 2021, the District also had investments in the Iowa Schools Joint Investment Trust Fund totaling \$72,187,477 which are valued at an amortized cost pursuant to under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals. The investment in the Iowa Schools Joint Investment Trust Fund was rated AAAM by Standard and Poors rating service.

The District has no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Interest Rate Risk: The District's investment policy, which is accordance with the Code of Iowa, limits the investments of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instructions that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the District. The District did not hold any instruments with a maturity greater than 397 days during the year.

Credit Risk: The District's investment policy limits investments in commercial paper and other corporate debt to the top two higher classifications. The District did not hold any commercial paper or other corporate debt at June 30, 2021.

Concentration of Credit Risk: The District's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than 10 percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to 5 percent of its total deposits and investments. The District did not hold any commercial paper or other corporate debt at June 30, 2021.

Custodial Credit Risk Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposits are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

Custodial Credit Risk Investments: For an investment, this is the risk that, in the event of the 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 had no custodial credit risk with regards to investments as all investments were held by the District or its agent in the District's name.

Davenport Community School District

Notes to Basic Financial Statements

Note 2. Cash and Pooled Investments (Continued)

The following is a reconciliation of cash and investments as shown on the financial statements:

Cash Deposits, Certificates of Deposit and Petty Cash	\$ 48,080,858
Iowa Schools Joint Investment Trust (ISJIT)	72,187,477
	<u>\$ 120,268,335</u>
Governmental Funds	\$ 89,735,639
Internal Service Fund	26,973,690
Total governmental activities	<u>116,709,329</u>
Business-type Activities/Enterprise Funds	3,377,777
Custodial Fund	181,229
	<u>\$ 120,268,335</u>

Note 3. Interfund Transfers

Interfund transfers as of June 30, 2021 consisted of the following:

Transfer To	Transfer From	Amount
Nonmajor governmental fund, Debt Service	Capital Projects Fund	\$ 2,394,675
General Fund	School Nutrition Fund	304,656
Nutrition Fund	General Fund	440,000
Nonmajor enterprise fund, Out of School Time Fund	General Fund	41,000
Total		<u>\$ 3,180,331</u>

Transfers from the Capital Projects Fund represents transfers to the Debt Service Fund for debt service expenditures and reserves. Transfers from the Nutrition Fund to the General Fund are for indirect costs of the program.

Davenport Community School District

Notes to Basic Financial Statements

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173
Construction in progress	4,393,664	2,773,832	6,742,761	424,735
Total capital assets not being depreciated	9,095,837	2,773,832	6,742,761	5,126,908
Capital assets being depreciated:				
Land Improvements	12,634,860	22,155	-	12,657,015
Buildings	125,286,531	-	-	125,286,531
Building improvements	189,349,429	6,720,606	-	196,070,035
Furniture and equipment	9,516,888	437,738	36,799	9,917,827
Intangibles	1,248,673	-	-	1,248,673
Total capital assets being depreciated	338,036,381	7,180,499	36,799	345,180,081
Less accumulated depreciation for:				
Land Improvements	10,790,650	265,639	-	11,056,289
Buildings	57,151,674	2,140,971	-	59,292,645
Buildings improvements	79,587,717	9,576,788	-	89,164,505
Furniture and equipment	7,858,071	429,142	25,894	8,261,319
Intangibles	1,020,190	32,256	-	1,052,446
Total accumulated depreciation	156,408,302	12,444,796	25,894	168,827,204
Total capital assets being depreciated, net	181,628,079	(5,264,297)	10,905	176,352,877
Governmental activities, capital assets, net	\$ 190,723,916	\$ (2,490,465)	\$ 6,753,666	\$ 181,479,785
Business-type activities:				
Furniture and equipment	\$ 2,984,419	\$ 42,495	\$ -	\$ 3,026,914
Less accumulated depreciation	2,706,079	70,439	-	2,776,518
Business-type activities capital assets, net	\$ 278,340	\$ (27,944)	\$ -	\$ 250,396

Davenport Community School District

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities:	
Instruction	\$ 12,237,535
Support services:	
Student support services	8,565
General administration	42,073
Business and central administration	27,699
Plant operation and maintenance	128,924
Total governmental activities depreciation expense	\$ 12,444,796
Business-type activities, food service operations	\$ 70,439

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 7,980,000	\$ -	\$ 2,210,000	\$ 5,770,000	\$ 2,265,000
Premium on bonds	244,608	-	74,056	170,552	74,056
Total revenue bonds	8,224,608	-	2,284,056	5,940,552	2,339,056
Other Liabilities:					
Early retirement	4,155,781	2,089,399	1,806,187	4,438,993	1,515,857
Compensated absences	672,478	807,089	863,110	616,457	250,000
Net pension liability	91,096,437	11,433,902	-	102,530,339	-
OPEB liability	12,698,837	-	2,121,649	10,577,188	-
Total	\$ 116,848,141	\$ 14,330,390	\$ 7,075,002	\$ 124,103,529	\$ 4,104,913
Business-type activities:					
Compensated absences	\$ 13,316	\$ 17,374	\$ 18,702	\$ 11,988	\$ 11,988
Net pension liability	2,519,160	334,940	-	2,854,100	-
OPEB liability	378,765	-	62,916	315,849	-
Total	\$ 2,911,241	\$ 352,314	\$ 81,618	\$ 3,181,937	\$ 11,988

For governmental activities, early retirement obligations are generally liquidated by the Management Fund and compensated absences and pension and OPEB liabilities are generally liquidated by the General Fund.

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

Annual debt service requirements on all outstanding indebtedness as of June 30, 2021, are as follows:

Year ending June 30:	Governmental Activities School Infrastructure Sales, Services, and Use Tax Revenue Bonds		
	Principal	Interest	Total
2022	2,265,000	129,675	2,394,675
2023	2,325,000	73,025	2,394,675
2024	1,180,000	23,600	2,398,025
Totals	\$ 5,770,000	\$ 226,300	\$ 5,996,300

Revenue Bonds -Governmental Activities: Two issues of revenue bonds, totaling \$5,770,000, are outstanding at June 30, 2021. The total original amount issued was \$19,330,000. The revenue bonds bear interest at rates ranging from 2.00% to 3.00% per annum and mature in varying annual amounts, ranging from \$995,000 to \$1,180,000, with the final maturity due in the year ending June 30, 2024. The bonds were issued for the purpose of financing capital projects. The revenue bonds are secured solely by the District's sales, services and use tax revenue. During the fiscal year ended June 30, 2021, the District had sales, services, and use tax revenue of \$14,910,295 and the amount of principal and interest paid was \$2,394,875. The total remaining principal and interest to be paid on the bonds as of June 30, 2021 was \$5,996,300. The bonds are not general obligations of the District. Annual principal and interest on the bonds are expected to require 15% of the pledged revenue over the life of the bonds.

The resolution providing for the issuance of the revenue bonds included a reserve requirement. The District is required to maintain a reserve fund for debt service in an amount equal to 10% of the amount required to be deposited in the sinking fund for that month until the balance reaches the "reserve fund requirement". The reserve fund requirement is defined as the lesser of a) the maximum annual amount of the principal and interest coming due on the bonds and parity bonds in any year, or b) 10% of the stated principal amount of the bonds and parity bonds, or c) 125% of the average annual principal and interest coming due on the bonds. The District has \$2,018,160 of cash and investments in the Debt Service Fund to comply with this requirement.

Early Retirement: The District may provide early retirement incentives for certain employees who meet certain qualifications as established by the Board of Education. The cost of the incentives is borne by the District in whole. Eligible participants cannot, and do not, contribute to the incentive program.

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

During the year ended June 30, 2021, the District issued two Early Retirement Incentive Plans. The first plan had a notification deadline of November 30, 2020 with effective retirement in February 2021. The second plan had a notification deadline of April 13, 2021 with effective retirement at the conclusion of the contract year.

Provisions for the early retirement incentives offered with a November 30, 2020 notification deadline, are as follows:

An employee is deemed to be eligible for the plan if:

- 1) They are age fifty-five or older by February 12, 2021.
- 2) The employee falls within the classification of Teacher, Non-Bargaining, or Administrator.
- 3) The employee is designated as 1.0 full-time equivalent.
- 4) The employee has a minimum duration of 10 years of continuous employment with the District.
- 5) Submits an application for participation in the plan to the Board of Directors by November 30, 2020.
- 6) The effective date of retirement must be at, and not before, the conclusion of February 12, 2021 (K-8) or February 26, 2021 (9-12).
- 7) They have not received an official notice of layoff or termination, including termination pursuant to Iowa Code Section 279.27 or Iowa Code Section 279.15; or
- 8) They are not on an extended unpaid leave of absence.

The early retirement benefit was \$50,000 divided over a five-year period paid into a retiree health reimbursement account or a 403(b) special plan.

Provisions for the early retirement incentives offered with an April 13, 2021 notification deadline, are as follows:

An employee is deemed to be eligible for the plan if:

- 9) They are age fifty-five or older by June 30th of the year in which they plan to exercise his/her participation in the offer.
- 10) Have completed at least 20 years of contracted service with the Davenport Schools by June 30th of the year in which they plan to exercise his/her participation in the offer.
- 11) The employee is designated as a 1.0 full-time equivalent.
- 12) Submits an application for participation in the plan to the Board of Directors by April 13, 2021.
- 13) The effective date of retirement must be at, and not before, the conclusion of the contract or assignment of the year in which they plan to exercise his/her participation in the offer and no later than June 30th of that year.
- 14) They have not received an official notice of layoff or termination, including termination pursuant to Iowa Code Section 279.27 or Iowa Code Section 279.15; or
- 15) They are not on an extended unpaid leave of absence.

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

Unused health leave may be used for credit towards contracted years of service. The conversion shall be ninety (90) days of health leave shall equal one (1) year of service, one-hundred, eighty (180) days of health leave shall equal two (2) years of service, two-hundred, seventy days (270) of health leave shall equal (3) years of service with no maximum conversion limit.

The early retirement benefit was \$25,000 to \$40,000 depending on years of service divided over a five-year period paid into a retiree health reimbursement account or a 403(b) special plan.

Early retirement benefits are paid evenly over five years. During the year ended June 30, 2021, 51 District employees requested early retirement. During the year ended June 30, 2021, the District paid \$1,806,187 of early retirement benefits.

Legal Debt Margin: As of June 30, 2021, the District did not hold any outstanding general obligation debt and therefore did not exceed the statutory debt limit.

Note 6. Other Postemployment Benefits (OPEB)

Plan description: The District's defined benefit OPEB plan, Davenport Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single employer defined benefit OPEB plan administered by the District. Under Chapter 509A.13 of the Code of Iowa, "Group Insurance for Public Employees," If a governing body has procured insurance for its employees, the governing body shall allow its employees who retired before the age of sixty-five years of age to continue participation in the group plan at the employee's own expense until the employee attains sixty-five years of age. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retiree health care coverage is available to pre-age 65 eligible retirees. All employees are required to contribute the full premium in order to continue coverage at retirement. The full monthly premium rates as of July 1, 2021 for each plan are as shown below:

	Rate Tier	Medical
Single		\$ 623
Family		1,507

Employees covered by benefit terms: At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	113
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	2,257
	<u>2,370</u>

Total OPEB Liability

The District's total OPEB liability of \$10,893,037 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021.

Davenport Community School District

Notes to Basic Financial Statements

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

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2021 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	2.50% per annum
Discount rate	2.21% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.00%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 5.00%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 generational table scaled using MP-2018 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period 2010–2020.

Changes in the Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at July 1, 2020	\$ 13,077,601	\$ -	\$ 13,077,601
Changes for the year:			
Service cost	850,044	-	850,044
Interest	241,372	-	241,372
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,696,694)	-	(1,696,694)
Changes in assumptions or other inputs	(1,038,991)	-	(1,038,991)
Benefit payments	(540,295)	-	(540,295)
Net changes	(2,184,564)	-	(2,184,564)
Balance at June 30, 2021	\$ 10,893,037	\$ -	\$ 10,893,037

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

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
	1.21%	2.21%	3.21%
Total OPEB liability	\$ 11,839,809	\$ 10,893,037	\$ 10,013,880

Davenport Community School District

Notes to Basic Financial Statements

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

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
	6.00%	7.00%	8.00%
Total OPEB liability	\$ 9,615,010	\$ 10,893,037	\$ 10,013,880

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,268,112. At June 30, 2021, 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	\$ -	\$ (1,812,645)
Changes of assumptions or other inputs	4,606,935	(942,788)
Net difference between projected and actual investments	-	-
Total	\$ 4,606,935	\$ (2,755,433)

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:	
2022	\$ 176,696
2023	176,696
2024	176,696
2025	176,696
2026	176,696
Thereafter	968,022
	<u>\$ 1,851,502</u>

Note 7. Pension and Retirement Benefits

Plan Description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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.

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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 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 age 65.

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

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

Contributions: Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021, 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, 2021 were \$11,110,302.

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the District reported a liability of \$105,384,439 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 1.500191 percent, which was a decrease of 0.116475 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$15,860,336. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,419	\$ 2,497,881
Changes of assumptions	5,409,349	-
Net difference between projected and actual earnings on pension plan investments	5,924,278	-
Changes in proportion and differences between District contributions and proportionate share of contributions	649,145	5,038,559
District contributions subsequent to the measurement date	11,110,302	-
Total	\$ 23,209,493	\$ 7,536,440

\$11,110,302 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ 675,652
2023	1,202,371
2024	931,112
2025	2,300,668
2026	(547,052)
Thereafter	-
Total	\$ 4,562,751

There were no non-employer contributing entities at IPERS.

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and .65 percent real wage inflation

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5%	5.15%
Global smart beta equity	6.0%	4.87%
Core plus fixed income	28.0%	-0.29%
Public credit	4.0%	2.29%
Cash	1.0%	-0.78%
Private equity	11.0%	6.54%
Private real assets	7.5%	4.48%
Private credit	3.0%	3.11%
Total	100%	

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 175,719,659	\$ 105,384,439	\$ 46,409,432

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, 2021, the District reported payables to IPERS of \$941,387 for legally required District contributions and \$627,259 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; thefts; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. There were no reductions in coverage from the prior year.

The District has established an administrative service insurance plan for its employees' accident, medical and dental insurance coverage. The plan is primarily funded through employer contributions. Self-insurance is in effect up to an individual stop loss amount of \$300,000 and an annual aggregate stop loss for the excess of 125 percent of estimated claims.

Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. Such coverage is activated based on claims actually paid during the policy year. All claims-handling procedures are performed by an independent claims administrator. There was no reduction in insurance coverage from the prior year.

The District's estimated liability for health, dental and vision claims and related administrative costs incurred prior to year-end but not paid is accrued. The estimated liability is based on a combination of known claims filed after year-end and an estimate of incurred but not reported claims based on prior years' payment history. The estimated liability does not include any allocated or unallocated claims adjustment expense.

Davenport Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Continued)

Changes in the accrual balance for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Balance, beginning of year	\$ 4,276,000	\$ 4,398,000
Incurred claims and claim adjustments	24,125,898	26,919,073
Payment of claims	24,201,898	27,041,073
Balance, end of year	<u>\$ 4,200,000</u>	<u>\$ 4,276,000</u>

Settled claims have not exceeded commercial coverage in any of the last three fiscal years.

Note 9. Restricted Categorical Funding

The District's fund balance restricted for categorical funding as of June 30, 2021 is comprised of the following programs:

Program:	Amount
Four year old preschool	\$ 481,865
Home school assistance	1,057,204
Professional development	1,524,690
Teacher salary supplement	878,635
Teacher leadership	1,485,379
Textbook aid	21,053
Success for early readers	13,328
Teacher development academics	31,213
Gifted and talented	374,226
Total	<u><u>\$ 5,867,593</u></u>

Note 10. Commitments and Contingencies

The District has entered into various construction and remodel contracts for projects throughout the District. As of June 30, 2021, these contracts totaled \$546,042. Work done and payments of \$415,155 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability of \$130,887.

The District is a defendant in various lawsuits which have arisen in the normal course of business. Total damages claimed are substantial; however, it has been District's experience that such actions are settled for amounts substantially less than those claimed. In addition, most claims are covered by insurance. In the opinion of District officials and legal counsel, the ultimate liability, if any, resulting from such litigation will not materially affect the financial statements of the District.

Davenport Community School District

Notes to Basic Financial Statements

Note 11. 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, 2021 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Davenport, Iowa	Urban renewal and economic development projects	\$ 1,084,772
City of Blue Grass, Iowa	Urban renewal and economic development projects	46,314

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2021, this reimbursement amounted to \$556,328.

Note 12. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2021:

GASB Statement No. 84, *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*: The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. This new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

Davenport Community School District

Notes to Basic Financial Statements

Note 12. New Governmental Accounting Standards Board (GASB) Statements (Continued)

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

As of June 30, 2021, 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. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

Davenport Community School District

Notes to Basic Financial Statements

Note 12. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2020-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variably payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022.

Davenport Community School District

Notes to Basic Financial Statements

Note 12. New Governmental Accounting Standards Board (GASB) Statements (Continued)

The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

Note 13. Subsequent Event

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

Note 14. Davenport Community School District Accreditation

In May 2019, Davenport Community School District was placed on conditional accreditation by the Iowa State Board of Education. A corrective action plan for fiscal year 2021-2021 was revised and presented to the Iowa State Board of Education (Board) and Davenport Community School District (District) representatives in July 2020. The content and terms of the plan were agreed upon by the Board and the District. The Board voted to allow Davenport Community School District to implement the corrective action plan for the 2020-2021 school year with the additional condition that if the District failed to meet any objective in the action plan, the Board would appoint an expert to complete the action for the District at the District's expense.

In September 2020, the Iowa Department of Education determined that the District had failed to meet every objective in the action plan. The Iowa Department of Education recommended to the Iowa State Board of Education that the Board exercise its authority to provide temporary oversight and operational authority of the District under Iowa Code section 256.11(11)(a)), by appointing a superintendent and a chief financial officer and to complete the action plan at the District's expense. The Iowa State Board of Education issued a series of citations upon which Davenport Community School District is to concentrate its efforts. These areas include leadership, finances, special education, multi-tiered system of supports (MTSS), positive behavioral interventions and supports (PBIS), and student/family engagement.

The District has made steady progress in implementing action steps to address concerns outlined by the Iowa State Board of Education. In November 2021, the Board voted on several recommendations that resulted in Davenport Community Schools keeping their primary status as conditionally accredited with a gradual release of oversight as the District continues to move towards full accreditation.

Required Supplementary Information



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Davenport Community School District

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

	2021	2020	2019	2018
Total OPEB liability				
Changes for the year:				
Service cost	\$ 850,044	\$ 703,602	\$ 686,441	\$ 450,222
Interest	241,372	429,969	405,085	228,231
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,696,694)	-	(80,650)	(271,834)
Changes in assumptions or other inputs	(1,038,991)	1,778,468	4,044,863	-
Benefit payments	(540,295)	(482,291)	(449,087)	(99,191)
Net changes in total OPEB liability	(2,184,564)	2,429,748	4,606,652	307,428
Total OPEB liability - beginning	13,077,601	10,647,853	6,041,201	5,733,773
Total OPEB liability - ending	<u>\$ 10,893,037</u>	<u>\$ 13,077,601</u>	<u>\$ 10,647,853</u>	<u>\$ 6,041,201</u>
Covered employee payroll	\$ 98,877,280	\$ 113,882,532	\$ 111,104,909	\$ 92,742,280
Total OPEB liability as a percentage of covered employee payroll	11.02%	11.48%	9.58%	6.51%

Notes to Schedule:

Changes of benefit terms:

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

Differences between expected and actual experience:

Differences between expected and actual experience was due to demographic gains/losses.

Changes of assumption:

Changes in assumptions were as follows:

Salary increases	2.50%	2.50%	2.50%	0.00%
Discount rate	2.21%	2.21%	3.87%	3.72%
Health care cost trend rate	7.00%	8.00%	8.00%	6.00%

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.

Davenport Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Funds
Required Supplementary Information
Year Ended June 30, 2021**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 80,197,623	\$ 615,098
State sources	129,513,236	64,837
Federal sources	15,501,639	7,938,393
Total revenues	225,212,498	8,618,328
Expenditures/expenses:		
Instruction	124,762,325	148,069
Support services	67,717,098	734,632
Noninstructional programs	657,569	7,335,869
Other expenditures	14,326,206	-
Total expenditures/expenses	207,463,198	8,218,570
Excess (deficiency) of revenues over (under) expenditures/expenses	17,749,300	399,758
Other financing sources (uses):		
Interfund transfers in	2,699,331	481,000
Interfund transfers out	(2,875,675)	(304,656)
Total other financing sources (uses)	(176,344)	176,344
Net change in fund balances	17,572,956	576,102
Balance, beginning of year	52,174,020	29,166
Balance, end of year	\$ 69,746,976	\$ 605,268

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual Variance	
		Original	Final		
\$	80,812,721	\$	82,115,440	\$	(1,302,719)
	129,578,073		116,852,590		12,725,483
	23,440,032		11,750,000		11,690,032
	233,830,826		210,718,030		23,112,796
	124,910,394		126,634,404		3,008,300
	68,451,730		59,427,627		2,098,016
	7,993,438		427,263		197,228
	14,326,206		7,924,437		8,672,196
	215,681,768		194,413,731		13,975,740
	18,149,058		16,304,299		(18,939,478)
					37,088,536
	3,180,331		-		-
	(3,180,331)		-		-
	-		-		-
	18,149,058		16,304,299		(18,939,478)
					37,088,536
	52,203,186				
\$	70,352,244				

Davenport Community School District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System

Last Seven Fiscal Years

	2021*	2020*
District's proportion of the net pension liability	1.500191%	1.616666%
District's proportionate share of the net pension liability	\$ 105,384,439	\$ 93,615,597
District's covered payroll	\$ 119,200,123	\$ 123,119,093
District's proportionate share of the net pension liability as a percentage of its covered payroll	88.41%	76.04%
Plan fiduciary net pension as a percentage of the total pension liability	82.90%	85.45%

*The amounts presented for each fiscal year were determined as of the prior fiscal-year end.

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

See Notes to Required Supplementary Information.

2019*	2018*	2017*	2016*	2015*
1.614965%	1.580102%	1.577490%	1.562615%	1.502500%
\$ 102,198,921	\$ 105,254,760	\$ 99,276,394	\$ 77,200,725	\$ 59,586,686
\$ 121,449,832	\$ 118,073,180	\$ 113,174,927	\$ 107,021,725	\$ 98,315,409
84.15%	89.14%	87.72%	72.14%	60.61%
83.62%	82.21%	81.82%	85.19%	87.61%

Davenport Community School District

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

	2021	2020	2019	2018
Statutorily required contribution	\$ 11,110,302	\$ 11,252,491	\$ 11,622,441	\$ 10,845,472
Contributions in relation to the statutorily required contribution	\$ (11,110,302)	\$ (11,252,491)	\$ (11,622,441)	\$ (10,845,472)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 117,876,887	\$ 119,200,123	\$ 123,119,093	\$ 121,449,832
Contributions as a percentage of covered payroll	9.43%	9.44%	9.44%	8.93%

See Notes to Required Supplementary Information.

	2017		2016		2015		2014		2013		2012
\$	10,543,936	\$	10,106,521	\$	9,557,040	\$	8,779,566	\$	8,353,920	\$	7,874,747
\$	(10,543,936)	\$	(10,106,521)	\$	(9,557,040)	\$	(8,779,566)	\$	(8,353,920)	\$	(7,874,747)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	118,073,180	\$	113,174,927	\$	107,021,725	\$	98,315,409	\$	96,354,325	\$	97,580,508
	8.93%		8.93%		8.93%		8.93%		8.67%		8.07%

Davenport 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, and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents functional expenditures or expenses by fund, the legal level of control is at the aggregated functional area level, not at the fund or fund type level. 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 year, the District adopted one budget amendment increasing budgeted expenditures by \$35,243,777.

The District follows these procedures in establishing budgetary data:

1. The Administration submits to the Board of Education a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments. The proposed budget is readily available at least 30 days prior to final action by the Board.
3. Prior to April 15, the budget is legally adopted through passage of a resolution which is filed with the County Auditor to obtain tax revenues.
4. The Board of Education may amend the budget after it is approved using the same procedures required to approve the original budget.
5. All annual appropriations lapse at fiscal year-end.

Davenport Community School District

Notes to Required Supplementary Information

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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



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Other Supplementary Information



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Nonmajor Governmental Funds

The other governmental funds of the District are considered nonmajor and are as follows:

The special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. A brief description of each of the District's special revenue funds follows:

Management Fund – This fund accounts for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

Student Activity Fund – This fund accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular or extracurricular activities of the District.

Debt Service – This fund accounts for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Davenport Community School District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Assets				
Cash and Investments	\$ 6,246,897	\$ 786,989	\$ 2,018,160	\$ 9,052,046
Receivables:				
Property tax:				
Current year	58,921	-	-	58,921
Succeeding year	4,646,292	-	-	4,646,292
Other	-	2,312	-	2,312
Total assets	\$ 10,952,110	\$ 789,301	\$ 2,018,160	\$ 13,759,571
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,096	\$ 14,927	\$ -	\$ 20,023
Accrued payroll and payroll taxes	-	16,549	-	16,549
Total liabilities	5,096	31,476	-	36,572
Deferred inflows of resources,				
Unavailable revenue:				
Succeeding year property taxes	4,646,292	-	-	4,646,292
Total deferred inflows of resources	4,646,292	-	-	4,646,292
Fund balances:				
Restricted for				
Debt service	-	-	2,018,160	2,018,160
Management levy purposes	6,300,722	-	-	6,300,722
Student activities	-	757,825	-	757,825
Total fund balances	6,300,722	757,825	2,018,160	9,076,707
Total liabilities, deferred inflows of resources and fund balances	\$ 10,952,110	\$ 789,301	\$ 2,018,160	\$ 13,759,571

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2021

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Property taxes	\$ 4,987,948	\$ -	\$ -	\$ 4,987,948
Utility taxes	99,650	-	-	99,650
Interest	41,605	4,414	13,754	59,773
Other	36,572	488,608	-	525,180
State sources, other	158,986	-	-	158,986
Total revenues	5,324,761	493,022	13,754	5,831,537
Expenditures:				
Current:				
Instruction	1,906,933	454,709	-	2,361,642
Support service:				
General administration	1,882,754	-	-	1,882,754
School administration	-	477	-	477
Plant operation and maintenance	729,945	-	-	729,945
Student transportation	-	8,897	-	8,897
Debt service:				
Principal	-	-	2,210,000	2,210,000
Interest and fiscal charges	-	-	185,475	185,475
Total expenditures	4,519,632	464,083	2,395,475	7,379,190
Excess (deficiency) of revenues over (under) expenditures	805,129	28,939	(2,381,721)	(1,547,653)
Other financing sources, transfers in	-	-	2,394,675	2,394,675
Net change in fund balances	805,129	28,939	12,954	847,022
Fund balances, beginning of year	5,495,593	728,886	2,005,206	8,229,685
Fund balances, end of year	\$ 6,300,722	\$ 757,825	\$ 2,018,160	\$ 9,076,707



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Davenport Community School District

Statement of Changes in Special Revenue Fund, Student Activity Accounts Year Ended June 30, 2021

Group	Beginning June 30, 2020	Revenues	Expenditures	Ending June 30, 2021
Adams Elementary	\$ 8,049	\$ 5,209	\$ 2,276	\$ 10,982
Blue Grass Elementary	1,802	1,065	1,908	959
Buchanan Elementary	346	1,560	1,635	271
Buffalo Elementary	880	-	-	880
Eisenhower Elementary	14,023	2,974	4,882	12,115
Fillmore Elementary	8,260	1,266	963	8,563
Garfield Elementary	2,268	600	615	2,253
Harrison Elementary	1,631	-	530	1,101
Hayes Elementary	4,351	-	84	4,267
Jackson Elementary	926	-	-	926
Jefferson Elementary	4,046	-	810	3,236
Madison Elementary	456	9	-	465
McKinley Elementary	2,319	4,112	1,910	4,521
Monroe Elementary	190	605	-	795
Truman Elementary	496	-	-	496
Washington Elementary	7,739	600	-	8,339
Wilson Elementary	2,831	169	677	2,323
Smart Intermediate School	12,070	974	734	12,310
Sudlow Intermediate School	95,028	8,946	12,132	91,842
Walcott School	28,736	3,671	2,558	29,849
Williams Intermediate School	27,495	4,214	960	30,749
Wood Intermediate School	31,313	4,988	9,350	26,951
Central High School Athletics	38,799	56,017	61,203	33,613
Central High School	178,715	81,129	71,333	188,511
Mid City High School	8,447	1,474	1,356	8,565
North High School Athletics	20,210	57,445	65,915	11,740
North High School	67,184	124,859	98,858	93,185
West High School Athletics	7,326	60,261	66,277	1,310
West High School	121,042	45,617	32,527	134,132
Senior High Future Teachers	4,789	8,650	7,328	6,111
District Wide Athletics	4,278	12,195	17,262	(789)
Unallocated interest income	22,841	4,413	-	27,254
Total Special Revenue Fund, Student Activity By Account	\$ 728,886	\$ 493,022	\$ 464,083	\$ 757,825

Davenport Community School District

Schedule of Combining Balance Sheet
Capital Projects Fund - By Account
June 30, 2021

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 20,932,909	\$ 10,473,847	\$ 31,406,756
Receivables:			
Property tax:			
Current year	-	116,826	116,826
Succeeding year	-	8,056,674	8,056,674
Due from other governments	3,392,481	-	3,392,481
Total assets	\$ 24,325,390	\$ 18,647,347	\$ 42,972,737
Liabilities, Deferred Inflows of Resources, and and Fund Balances			
Liabilities:			
Accounts payable	\$ 97,686	\$ 408,410	\$ 506,096
Accrued payroll and payroll taxes	85,103	-	85,103
Construction contracts payable	9,579	-	9,579
Total liabilities	192,368	408,410	600,778
Deferred Inflows of Resources:			
Unavailable revenue:			
Succeeding year property tax	-	8,056,674	8,056,674
Sales, services and use tax	2,144,636	-	2,144,636
Total deferred inflows of resources	2,144,636	8,056,674	10,201,310
Fund Balances:			
Restricted for:			
Physical plant and equipment	-	10,182,263	10,182,263
School infrastructure	21,988,386	-	21,988,386
Total fund balances	21,988,386	10,182,263	32,170,649
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,325,390	\$ 18,647,347	\$ 42,972,737

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2021

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Property taxes	\$ -	\$ 8,124,156	\$ 8,124,156
Utility taxes	-	158,772	158,772
Interest	36,164	24,189	60,353
Other	674,157	560,066	1,234,223
State sources:			
Statewide sales, services, and use tax	14,910,295	-	14,910,295
Other state sources	-	253,797	253,797
Total revenues	15,620,616	9,120,980	24,741,596
Expenditures:			
Current:			
Instruction	8,826	119,068	127,894
Support services:			
Student	-	18,390	18,390
General administration	79,701	8,185	87,886
Business and central administration	-	35,541	35,541
Plant operation and maintenance	1,034,720	2,082,202	3,116,922
Student transportation	-	597,090	597,090
Non-instructional programs	140,547	3,370	143,917
Capital outlay	2,419,365	2,119,222	4,538,587
Total expenditures	3,683,159	4,983,068	8,666,227
Excess of revenues over expenditures	11,937,457	4,137,912	16,075,369
Other financing (uses), transfers out	(2,394,675)	-	(2,394,675)
Net change in fund balance	9,542,782	4,137,912	13,680,694
Fund balance, beginning of year	12,445,604	6,044,351	18,489,955
Fund balance, end of year	\$ 21,988,386	\$ 10,182,263	\$ 32,170,649

Davenport Community School District

**Schedule of Changes in Amounts Due to Custodial Funds, Activity Accounts
Year Ended June 30, 2021**

Activity Group	Beginning June 30, 2020	Revenues	Expenditures	Ending June 30, 2021
Adams Staff Account	\$ 2,393	\$ -	\$ 194	\$ 2,199
Administration Pop Account	2,024	628	-	2,652
Administration Scholar Account	130	66	-	196
Blue Grass Staff Account	945	699	1,026	618
Buchanan Pop Account	563	675	712	526
Buchanan Boosters Account	1,510	100	1,189	421
Buffalo Staff Account	-	-	31	(31)
Buffalo Business Partners	(233)	-	-	(233)
Creative Arts	20,000	-	20,000	-
CV Hayes Staff Account	54	-	-	54
CV Hoover Staff Account	211	-	-	211
CV Hoover Parent Account	54	-	-	54
CV West Staff Account	186	142	-	328
CV West PTO Account	647	-	-	647
CV West Staff Social Account	91	-	-	91
Central Staff Account	29,619	25,304	32,169	22,754
Central Band Orchestra Parent Account	65	-	-	65
Central/North Prom	3,036	-	-	3,036
Central Vocal Music Parent Account	53	-	-	53
Davenport Learning Staff Account	2,038	-	-	2,038
Districtwide Drop Out Event	921	-	-	921
Districtwide Symphony	(787)	-	-	(787)
Eisenhower Staff Account	397	-	306	91
Fillmore Staff Account	1,228	829	916	1,141
Garfield Staff Account	591	431	32	990
Harrison Staff Account	11,214	671	1,581	10,304
Havlife Foundation Account	15,168	-	7,478	7,690
Hayes Staff Fund	1,107	29	567	569
Jackson Staff Fund	600	855	1,063	392
Jefferson Staff Fund	(963)	5,509	-	4,546
Madison Staff Account	946	100	76	970
Metro Fest	2,986	-	-	2,986
Mid City Staff Account	197	397	60	534
McKinley Staff Fund	259	43	-	302
Monroe Staff Account	5,834	4,747	4,033	6,548
North Staff Account	8,281	23,207	22,299	9,189
River Music Experience/Havlife	606	-	-	606
Smart Staff Account	(268)	401	-	133
Sudlow Staff Account	626	970	619	977
Truman Staff Account	279	-	-	279
Walcott Staff Account	1,216	10	118	1,108
Washington Staff Account	574	-	-	574
West Staff Account	60,252	20,435	3,644	77,043
West Shrine Account	331	-	-	331
West Athletics Account	4,800	1,445	2,383	3,862
West Boosters Account	290	-	-	290
West After Prom Account	3,000	-	-	3,000
Williams Staff Account	6,365	462	4,864	1,963
Wilson Staff Account	3,214	145	1,511	1,848
Wood Staff Account	1,645	309	-	1,954
Youth Fest Account	1,638	-	-	1,638
Total Due to Activity Groups	\$ 195,933	\$ 88,609	\$ 106,871	\$ 177,671

Statistical Section



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

Statistical Section Contents

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

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Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	82
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

Davenport Community School District

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2021	2020	2019	2018
Governmental activities:				
Net investment in capital assets	\$ 175,539,233	\$ 182,499,308	\$ 182,224,117	\$ 185,028,308
Restricted	49,259,585	32,591,484	28,370,996	24,509,982
Unrestricted	(54,474,215)	(55,648,330)	(46,366,056)	(36,231,015)
Total governmental activities net position	\$ 170,324,603	\$ 159,442,462	\$ 164,229,057	\$ 173,307,275
Business-type activities				
Net investment in capital assets	\$ 250,396	\$ 278,340	\$ 318,172	\$ 364,713
Unrestricted	354,872	(249,174)	254,249	348,798
Total business-type activities net position	\$ 605,268	\$ 29,166	\$ 572,421	\$ 713,511
Primary government:				
Net investment in capital assets	\$ 175,789,629	\$ 182,777,648	\$ 182,542,289	\$ 185,393,021
Restricted	49,259,585	32,591,484	28,370,996	24,509,982
Unrestricted	(54,119,343)	(55,897,504)	(46,111,807)	(35,882,217)
Total primary government net position	\$ 170,929,871	\$ 159,471,628	\$ 164,801,478	\$ 174,020,786

Note: The District implemented GASB Statement No. 68 in fiscal year 2015.

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 181,820,851	\$ 173,180,292	\$ 168,031,137	\$ 147,591,718	\$ 145,139,593	\$ 142,713,992
18,655,832	23,926,922	25,490,625	38,106,915	30,754,572	22,439,084
(22,116,859)	(12,359,839)	(13,563,485)	54,329,549	49,317,951	40,495,698
<u>\$ 178,359,824</u>	<u>\$ 184,747,375</u>	<u>\$ 179,958,277</u>	<u>\$ 240,028,182</u>	<u>\$ 225,212,116</u>	<u>\$ 205,648,774</u>
\$ 453,108	\$ 501,466	\$ 321,414	\$ 413,546	\$ 358,765	\$ 423,492
455,031	310,282	24,659	1,622,191	2,758,445	2,839,445
<u>\$ 908,139</u>	<u>\$ 811,748</u>	<u>\$ 346,073</u>	<u>\$ 2,035,737</u>	<u>\$ 3,117,210</u>	<u>\$ 3,262,937</u>
\$ 182,273,959	\$ 173,681,758	\$ 168,352,551	\$ 148,005,264	\$ 145,498,358	\$ 143,137,484
18,655,832	23,926,922	25,490,625	38,106,915	30,754,572	22,439,084
(21,661,828)	(12,049,557)	(13,538,826)	55,951,740	52,076,396	43,335,143
<u>\$ 179,267,963</u>	<u>\$ 185,559,123</u>	<u>\$ 180,304,350</u>	<u>\$ 242,063,919</u>	<u>\$ 228,329,326</u>	<u>\$ 208,911,711</u>

Davenport Community School District

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

	Fiscal Year			
	2021	2020	2019	2018
Expenses:				
Governmental activities:				
Instruction	\$ 138,563,617	\$ 142,979,181	\$ 148,386,881	\$ 144,719,877
Student Support Services	19,069,129	18,347,191	16,983,505	16,813,962
Instructional Staff Support Services	5,366,938	6,168,822	5,903,389	6,699,410
General Administration	6,753,640	7,033,064	6,794,569	6,419,405
School Administration	9,992,526	10,818,959	10,880,137	11,360,338
Business Administration	4,510,778	7,254,229	8,102,302	5,901,920
Plant Operation and Maintenance	17,782,896	16,350,173	18,372,074	14,944,147
Student Transportation	6,541,169	5,794,593	7,438,209	7,299,085
Non-instructional	666,042	610,909	567,944	648,153
Area Education Agency	7,392,144	7,368,697	7,310,665	7,269,964
Interest on Long-term Debt	111,419	167,934	218,319	259,519
Total governmental activities expenses	216,750,298	222,893,752	230,957,994	222,335,780
Business-type activities:				
School Nutrition	7,778,073	7,895,033	8,467,056	8,608,677
Out of School Time	440,497	526,181	727,393	599,507
Total business-type activities expenses	8,218,570	8,421,214	9,194,449	9,208,184
Total primary government expenses	224,968,868	231,314,966	240,152,443	231,543,964
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,257,447	3,417,628	3,999,670	5,018,786
Support services	1,133,339	425,086	621,542	924,404
Other	22,295	38,435	-	196,513
Operating grants and contributions	43,656,177	39,320,138	41,995,912	38,660,673
Capital grants and contributions	-	-	103,288	-
Total governmental revenues	49,069,258	43,201,287	46,720,412	44,800,376
Business-type activities:				
Charges for services:				
Food Services	388,694	1,162,923	1,610,804	1,948,801
Out of School Program	206,008	456,798	730,704	599,308
Operating grants and contributions	8,007,478	6,552,279	7,027,958	6,872,485
Total business-type revenues	8,602,180	8,172,000	9,369,466	9,420,594
Total primary government revenues	57,671,438	51,373,287	56,089,878	54,220,970
Net (expense) revenues:				
Governmental activities	(167,681,040)	(179,692,465)	(184,237,582)	(177,535,404)
Business-type activities	383,610	(249,214)	175,017	212,410
Total primary government net expense	\$ (167,297,430)	\$ (179,941,679)	\$ (184,062,565)	\$ (177,322,994)

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 139,416,652	\$ 133,042,846	\$ 132,454,398	\$ 125,736,240	\$ 120,970,114	\$ 122,607,165
16,441,860	14,959,706	7,013,751	6,346,051	5,607,181	1,997,273
6,354,866	5,481,304	5,517,395	4,898,917	6,550,882	7,038,613
6,288,431	5,639,397	4,800,446	4,195,386	3,774,487	1,958,785
10,816,465	11,431,660	9,719,379	9,651,935	9,200,600	11,866,688
6,830,713	6,451,175	6,179,430	3,447,114	4,693,532	4,135,698
16,490,014	12,958,917	12,718,459	17,392,671	13,549,183	15,002,820
7,195,748	6,385,037	6,427,016	5,856,022	5,061,706	5,260,931
692,881	666,296	603,339	577,899	534,745	589,778
7,046,999	6,885,657	6,817,320	6,461,319	6,218,691	6,113,725
300,019	349,258	159,982	108,104	-	-
217,874,648	204,251,253	192,410,915	184,671,658	176,161,121	176,571,476
9,032,980	8,907,468	8,041,263	8,431,050	8,240,850	8,128,218
399,084	434,523	489,227	945,852	978,362	686,491
9,432,064	9,341,991	8,530,490	9,376,902	9,219,212	8,814,709
227,306,712	213,593,244	200,941,405	194,048,560	185,380,333	185,386,185
5,076,599	4,029,551	n/a	n/a	n/a	n/a
993,023	892	n/a	n/a	n/a	n/a
7,500	-	3,368,675	4,199,627	3,945,860	3,389,471
36,505,696	36,047,765	40,542,048	33,676,763	33,862,643	35,614,403
-	-	-	74,720	-	150,000
42,582,818	40,078,208	43,910,723	37,951,110	37,808,503	39,153,874
1,574,028	1,670,598	1,629,652	1,987,983	1,994,136	2,288,652
546,132	562,938	635,619	790,137	747,704	821,163
7,395,550	7,572,916	6,584,340	6,333,063	6,329,637	6,041,999
9,515,710	9,806,452	8,849,611	9,111,183	9,071,477	9,151,814
52,098,528	49,884,660	52,760,334	47,062,293	46,879,980	48,305,688
(175,291,830)	(164,173,045)	(148,500,192)	(146,720,548)	(138,352,618)	(137,417,602)
83,646	464,461	319,121	(265,719)	(147,735)	337,105
\$ (175,208,184)	\$ (163,708,584)	\$ (148,181,071)	\$ (146,986,267)	\$ (138,500,353)	\$ (137,080,497)

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

	Fiscal Year			
	2021	2020	2019	2018
General revenues and other changes in net position:				
Governmental activities:				
Property Taxes	\$ 72,969,966	\$ 65,960,146	\$ 65,142,361	\$ 64,862,199
Utility Tax	1,454,192	3,366,912	3,440,851	3,409,461
Revenue in lieu of tax	2,297,375	2,295,195	2,372,893	2,366,600
Sales, Services, and Use Tax	16,596,751	15,341,923	15,608,555	14,432,786
Unrestricted State Aid and Grants	85,008,357	86,333,795	86,440,944	85,738,422
Interest and Investment earnings	412,884	1,286,898	1,801,732	1,003,549
Miscellaneous	-	-	-	-
Transfers	(176,344)	321,001	352,028	340,229
Total governmental activities	178,563,181	175,159,364	175,159,364	172,153,246
Business-type activities:				
Interest and Investment Earnings	16,148	26,960	35,921	10,007
Other	-	-	-	-
Transfers	176,344	(321,001)	(352,028)	(340,229)
Total business-type activities	192,492	(316,107)	(316,107)	(330,222)
Total primary government	178,755,673	174,843,257	174,843,257	171,823,024
Change in net position:				
Governmental activities	10,882,141	(4,786,595)	175,159,364	(10,722,416)
Business-type activities	576,102	(543,255)	(316,107)	(155,205)
Total primary government	\$ 11,458,243	\$ 174,843,257	\$ 174,843,257	\$ (10,877,621)

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 60,111,185	\$ 60,834,657	\$ 61,247,158	\$ 65,467,771	\$ 64,942,943	\$ 63,510,538
3,385,530	3,545,882	3,648,294	2,617,812	2,717,545	2,731,927
3,012,624	-	-	-	-	-
15,129,201	15,114,132	15,170,683	13,877,511	14,110,961	13,613,991
84,429,673	86,685,533	80,262,330	78,431,166	75,791,773	75,498,841
549,199	86,005	275,646	197,423	165,646	472,846
2,286,867	2,695,934	1,392,782	126,308	186,829	33,945
-	-	-	818,623	-	(4,393)
168,904,279	168,962,143	161,996,893	161,536,614	157,915,697	155,857,695
12,745	1,066	892	1,893	1,758	13,894
-	148	672	976	250	8,540
-	-	-	(818,623)	-	4,393
12,745	1,214	1,564	(815,754)	2,008	26,827
168,917,024	168,963,357	161,998,457	160,720,860	157,917,705	155,884,522
(8,631,125)	(6,329,687)	(2,176,152)	13,036,422	11,195,149	17,505,077
225,155	84,860	466,025	(496,633)	(263,711)	(120,908)
\$ (8,405,970)	\$ (6,244,827)	\$ (1,710,127)	\$ 12,539,789	\$ 10,931,438	\$ 17,384,169

Davenport Community School District

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

	Fiscal Year			
	2021	2020	2019	2018
General Fund:				
Nonspendable	\$ 319,426	\$ 201,847	\$ 236,930	\$ 201,882
Unassigned	22,312,601	19,897,473	12,321,448	11,859,845
Reserved	-	-	-	-
Restricted	5,867,593	5,355,060	4,389,040	3,862,718
Unreserved	-	-	-	-
Total General Fund	28,499,620	25,454,380	16,947,418	15,924,445
All other governmental funds:				
Nonspendable	-	-	-	-
Restricted	41,247,356	26,719,640	23,207,244	19,897,264
Total all other governmental funds	41,247,356	26,719,640	23,207,244	19,897,264
Total governmental funds	\$ 69,746,976	\$ 52,174,020	\$ 40,154,662	\$ 35,821,709

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 252,083	\$ 241,009	\$ 398,240	\$ 389,639	\$ 254,798	\$ 374,294
13,388,037	21,599,151	24,299,600	25,274,148	20,920,870	15,338,624
-	-	-	-	-	-
2,884,123	-	-	-	-	-
-	-	-	-	-	-
16,524,243	21,840,160	24,697,840	25,663,787	21,175,668	15,712,918
-	-	-	19,722	-	-
17,905,832	23,176,922	37,176,145	38,106,914	29,266,974	24,702,394
17,905,832	23,176,922	37,176,145	38,126,636	29,266,974	24,702,394
<u>\$ 34,430,075</u>	<u>\$ 45,017,082</u>	<u>\$ 61,873,985</u>	<u>\$ 63,790,423</u>	<u>\$ 50,442,642</u>	<u>\$ 40,415,312</u>

Davenport Community School District

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2021	2020	2019	2018
Revenues				
Property taxes	\$ 72,969,966	\$ 65,960,146	\$ 65,142,361	\$ 64,862,199
Utility tax	1,454,192	3,366,912	3,440,851	3,409,461
Sales, Services and Use Tax, Pledged as Security for Revenue Bonds	14,910,295	15,604,743	15,637,555	14,432,786
Intergovernmental	130,104,580	127,216,619	128,146,936	127,356,077
Charges for Services	1,388,331	1,299,665	1,775,124	1,441,259
Interest	412,884	1,286,898	1,801,732	1,003,549
Contributions and Donations	-	-	-	-
Other	3,972,250	3,616,668	4,833,865	4,900,778
Total revenues	225,212,498	218,351,651	220,778,424	217,406,109
Expenditures				
Instruction	124,762,325	119,217,527	128,858,154	126,994,153
Student Support Service	18,752,204	16,868,089	15,976,240	15,988,753
Instructional Staff Support Service	5,263,274	5,706,915	5,593,166	6,438,266
General Administration	6,629,923	6,750,855	6,600,214	6,258,687
School Administration	9,817,443	9,854,117	10,227,792	10,813,049
Business Administration	4,485,015	6,744,411	5,760,558	5,577,551
Plant Operations and Maintenance	16,239,167	14,186,142	14,194,888	12,917,440
Student Transportation	6,530,072	5,779,479	7,424,743	7,289,019
Non-instructional	657,569	549,589	516,880	614,211
Area Education Agency	7,392,144	7,368,697	7,310,665	7,269,964
Capital Outlay	4,538,587	11,225,483	12,839,324	13,795,036
Debt Service:				
Principal	2,210,000	2,160,000	2,105,000	2,065,000
Interest	185,475	241,990	292,375	333,575
Total expenditures	207,463,198	206,653,294	217,699,999	216,354,704
Excess of revenues over (under) expenditures	17,749,300	11,698,357	3,078,425	1,051,405
Other financing sources (uses):				
Transfers in	2,699,331	2,717,276	2,748,303	2,737,804
Transfers out	(2,875,675)	(2,396,275)	(2,396,275)	(2,397,575)
Proceeds from sale of capital asset	-	-	902,500	-
Issuance of Bonds	-	-	-	-
Premium on Bonds	-	-	-	-
Total other financing sources (uses)	(176,344)	321,001	1,254,528	340,229
Net change in fund balances	\$ 17,572,956	\$ 12,019,358	\$ 4,332,953	\$ 1,391,634
Debt service as a percentage of noncapital expenditures	1.17%	1.22%	1.15%	1.13%

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 60,257,683 3,385,530	\$ 60,923,170 3,545,882	\$ 61,224,395 3,648,294	\$ 65,473,551 2,617,812	\$ 65,068,981 2,717,545	\$ 63,342,557 2,731,926
15,129,201	15,114,132	15,170,683	13,877,511	14,009,961	13,613,991
125,811,260	121,863,419	117,138,327	110,044,423	107,161,891	107,727,555
2,083,336	2,830,493	2,117,326	2,920,189	2,996,858	3,389,471
549,199	86,004	275,645	197,424	165,646	472,846
-	1,242,293	1,119,312	688,092	652,378	833,320
4,715,715	3,268,660	5,029,288	2,855,877	2,353,270	1,929,353
211,931,924	208,874,053	205,723,270	198,674,879	195,126,530	194,041,019
128,268,765	124,646,639	126,118,386	118,583,277	115,417,601	117,168,124
16,333,361	15,309,574	7,376,623	6,346,051	6,589,764	3,264,883
6,306,679	5,595,340	5,715,720	4,898,918	6,541,656	6,988,659
6,242,962	5,691,800	4,880,510	4,195,386	3,759,798	1,944,096
10,737,252	11,724,527	10,187,425	9,651,935	9,196,821	11,688,893
6,631,954	6,495,376	6,312,477	5,317,248	4,591,156	4,053,141
13,799,245	13,197,622	13,085,788	17,314,484	13,463,488	14,897,537
7,188,016	6,379,253	6,422,346	5,856,022	5,054,428	5,253,653
611,105	678,112	622,734	656,087	530,984	585,125
7,046,999	6,885,657	6,817,320	6,461,319	6,218,691	6,113,725
19,837,641	26,708,742	28,885,713	19,940,054	9,732,598	16,170,280
2,025,000	1,995,000	1,000,000	-	-	-
374,075	423,314	211,601	108,104	-	-
225,403,054	225,730,956	217,636,643	199,328,885	181,096,985	188,128,116
(13,471,130)	(16,856,903)	(11,913,373)	(654,006)	14,029,545	5,912,903
2,398,075	12,166,411	2,392,824	1,083,055	3,945	5,399
(2,398,075)	(12,166,411)	(2,392,824)	(1,083,055)	(3,945)	(9,792)
-	-	9,795,000	9,535,000	-	-
-	-	201,934	464,573	-	-
-	-	9,996,934	9,999,573	-	(4,393)
\$ (13,471,130)	\$ (16,856,903)	\$ (1,916,439)	\$ 9,345,567	\$ 14,029,545	\$ 5,908,510
1.16%	1.20%	0.64%	0.06%	0.00%	0.00%

Davenport Community School District

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Levy	Collection Year	Real Property		Railroad and Utilities Without Gas and Electric	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2019	2020-21	\$ 4,683,556,592	\$ 7,255,533,442	\$ 24,439,735	\$ 25,358,842
2018	2019-20	4,515,486,920	6,909,333,213	27,781,745	27,781,745
2017	2018-19	4,191,217,852	6,773,210,422	25,934,927	25,934,927
2016	2017-18	4,263,479,833	6,449,837,092	25,503,460	25,503,460
2015	2016-17	4,062,405,593	6,215,265,447	25,548,537	26,163,329
2014	2015-16	3,864,324,824	6,061,615,431	26,073,610	26,591,185
2013	2014-15	3,976,159,852	6,157,832,146	29,829,360	29,829,360
2012	2013-14	3,953,498,589	6,053,046,249	84,097,659	84,097,659
2011	2012-13	3,863,743,319	6,031,459,163	77,614,095	77,614,095
2010	2011-12	3,655,848,531	5,864,886,919	74,854,621	74,854,621

Source: Iowa Department of Management

Gas and Electric		Total		
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Direct Rate
\$ 186,839,955	\$ 447,272,440	\$ 4,894,836,282	\$ 7,728,164,724	15.27812
193,061,653	423,607,969	4,736,330,318	7,360,722,927	15.26852
197,311,193	382,987,196	4,414,463,972	7,182,132,545	15.45640
208,581,830	386,262,649	4,497,565,123	6,861,603,201	15.90267
200,098,678	369,443,150	4,288,052,808	6,610,871,926	15.37043
204,650,071	352,160,829	4,095,048,505	6,440,367,445	15.67601
203,238,988	299,656,208	4,209,228,200	6,487,317,714	15.83747
158,516,628	247,938,033	4,196,112,876	6,385,081,941	16.66333
159,247,006	239,398,708	4,100,604,420	6,348,471,966	17.04996
161,125,636	233,595,662	3,891,828,788	6,173,337,202	17.05061

Davenport Community School District

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	District Direct Rates			Overlapping Rates			
	General Purposes	Capital Purposes	Total	Scott County	City of Davenport	Area IX Community College	Other
2021	13.99549	1.30000	15.29549	6.21304	16.78000	0.82406	0.33425
2020	13.96852	1.30000	15.26852	5.99401	16.78000	0.99000	0.38737
2019	14.15640	1.30000	15.45640	5.82167	16.78000	1.03000	0.39642
2018	14.60267	1.30000	15.90267	5.82167	16.78000	1.03000	0.39896
2017	14.07043	1.30000	15.37043	5.82228	16.78000	1.00909	0.38948
2016	14.37601	1.30000	15.67601	6.00377	16.78000	0.96863	0.41830
2015	14.53747	1.30000	15.83747	6.13204	16.78000	0.92782	0.44200
2014	15.36333	1.30000	16.66333	6.23534	16.78000	0.92043	0.44342
2013	15.74996	1.30000	17.04996	6.30156	16.78000	0.91511	0.38355
2012	15.75061	1.30000	17.05061	6.03776	15.53000	1.01724	0.32062

Source: Scott County Auditor's Office

Davenport Community School District

Principal Property Taxpayers Current Year and Ten Years Ago (Unaudited)

Taxpayer	2021			2012		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy	\$ 126,731,430	1	3.12%	\$155,591,720	1	2.55%
Rhythm City Casino LLC	57,200,787	2	1.41%			
Iowa American Water Company	42,635,160	3	1.05%	43,263,190	3	0.71%
SDG Macerich North Park Mall LLC	38,552,175	4	0.95%	59,067,700	2	0.97%
THF Davenport North Development	28,781,371	5	0.71%	21,145,800	4	0.35%
Genesis Health System	24,387,923	6	0.60%	14,064,500	9	0.23%
Continental Cement Co (LaFarge Corporation)	22,173,386	7	0.55%	16,905,200	6	0.28%
Putnam Landlord LLC	21,597,080	8	0.53%			
Menard Inc.	20,312,247	9	0.50%			
Iowa 80 Truckstop Inc.	18,096,372	10	0.45%			
Wal-Mart Real Estate				15,632,650	7	0.26%
Telecommunications 1031 Venture				14,166,100	8	0.23%
Quanex Corporation				13,970,350	10	0.23%
Qwest				20,848,458	5	0.34%
	\$ 400,467,931		9.86%	\$ 374,655,668		6.15%

Source: Scott County Auditor's Office

Note: Information on Taxable Valuation is not available for audited fiscal year until next year.

Davenport Community School District

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Collection Fiscal Year Ending	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years*	Percentage of Levy
		Amount*	Percentage of Total Tax Collections*		
2020-21	\$ 70,504,147	\$ 76,847,152	109.00%	\$ 303,749	109.43%
2019-20	67,710,710	71,621,573	105.78%	1,781,095	108.45%
2018-19	65,577,893	70,955,342	108.20%	273,721	108.62%
2017-18	67,979,264	70,659,303	103.94%	368,147	104.48%
2016-17	64,390,064	66,675,347	103.55%	303,982	104.02%
2015-16	64,595,340	67,060,056	103.82%	364,209	104.38%
2014-15	65,070,176	65,017,184	99.92%	278,724	100.35%
2013-14	68,299,475	68,253,944	99.93%	184,856	100.20%
2012-13	68,088,684	67,911,950	99.74%	165,430	99.98%
2011-12	66,488,700	66,147,985	99.49%	191,731	99.78%

Source: Muscatine County Auditor's Office and Scott County Auditor's Office

* The County does not provide the delinquent tax collection levy year in order to determine the year the collection pertains to for computing the percentage of levy. Therefore, the District collects approximately 100% of the levy.

Note: Taxes levied for the fiscal year excludes the commercial and industrial backfill of property taxes provided by the state.

Davenport Community School District

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

Fiscal Year	Governmental Activities	Percentage of Personal Income	Per Capita
	Revenue Sales Bonds		
2021	\$ 5,940,552	N/A	58.86
2020	8,224,608	N/A	47.56
2019	10,458,664	N/A	60.63
2018	12,637,720	N/A	N/A
2017	14,776,776	N/A	N/A
2016	16,875,832	N/A	98.04
2015	18,944,888	0.23%	110.54
2014	9,999,573	0.12%	55.96
2013	-	0.00%	-
2012	-	0.00%	-

Source: District financial records

N/A: Not Available



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Davenport Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 30,475,398	100.00%	\$ 30,475,398
Eastern Iowa Community College	28,325,000	60.35%	17,094,138
City of Blue Grass	894,036	94.31%	843,165
City of Buffalo	320,000	100.00%	320,000
City of Davenport	198,545,000	100.00%	198,545,000
City of Walcott	-	100.00%	-
City of Durant	2,398,000	3.46%	82,971
Subtotal, overlapping debt			247,360,672
District direct debt			5,940,552
Total direct and overlapping debt			\$ 253,301,224

Source: Scott County Treasurer's Office and Muscatine County Treasurer's Office

The outstanding debt amounts are obtained directly from the debt issuing entity.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

Davenport Community School District

Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2021				
Assessed value				\$ 4,894,836,282
Debt limit (5% of assessed value)				244,741,814
Debt applicable to limit				-
Legal debt margin				\$ 244,741,814
	2021	2020	2019	2018
Debt limit	\$ 244,741,814	\$ 236,816,516	\$ 229,552,425	\$ 224,878,256
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 244,741,814	\$ 236,816,516	\$ 229,552,425	\$ 224,878,256
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Source: Scott County Auditor's Office and District Financial Records

2017	2016	2015	2014	2013	2012
\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771	\$ 199,231,865	\$ 194,594,439
-	-	-	-	-	-
\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771	\$ 199,231,865	\$ 194,594,439
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Davenport Community School District

Pledged Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales, Services, and Use Tax Revenue Bonds				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2021	\$ 14,910,295	\$ 2,210,000	\$ 185,475	6.22	
2020	15,604,743	2,160,000	238,775	6.51	
2019	15,637,555	2,105,000	292,375	6.52	
2018	14,432,786	2,065,000	333,575	6.02	
2017	15,129,201	2,025,000	374,075	6.31	
2016	15,114,132	1,995,000	423,314	6.25	
2015	15,170,683	1,000,000	247,611	12.16	
2014	13,877,511	-	-	-	
2013	14,110,961	-	-	-	
2012	13,693,974	-	-	-	

Source: District financial records.

NOTE: Sales, Services and Use Tax revenue is pledged for the revenue bonds.

Davenport Community High School

Demographic and Economic Statistics Last Ten Years (Unaudited)

Calendar Year	Population	Personal Income (000's)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2021	173,216	N/A	\$ 58,465	38.3	14,412	6.10
2020	172,943	N/A	55,758	38.0	14,470	10.30
2019	172,509	N/A	54,323	38.1	14,932	3.00
2018	N/A	N/A	N/A	N/A	15,234	3.70
2017	N/A	N/A	N/A	N/A	15,234	3.70
2016	172,474	N/A	N/A	38.0	15,490	4.60
2015	172,126	N/A	N/A	35.8	15,299	5.70
2014	169,630	8,164,378	43,690	37.0	15,348	6.00
2013	170,385	8,023,456	47,090	37.0	15,600	5.70
2012	168,827	8,083,282	47,879	37.0	15,546	6.70
2011	167,053	7,896,324	47,268	37.7	15,795	6.60

Note: Information not available for Davenport Schools. Information is reported for Scott County, Iowa

Source: Economic Research, Federal Reserve Bank of St. Louis

N/A: Not Available



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Davenport Community School District

Principal Employers Current Year and Ten Years Ago (Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
John Deere Davenport Works	2,000	1	2.50%	838	7	1.00%
Arconic (formerly Alcoa)	2,000	2	2.50%	2,250	3	2.50%
Genesis Medical Center East	1,574	3	2.00%	4,900	1	6.30%
Tri City Engineering & Integration	1,200	4	1.50%			
Elite Casino Resort	1,000	5	1.20%			
Cobham Mission Equipment	900	6	1.10%			
City of Davenport City Hall Civil	800	7	1.00%	800	8	1.00%
DIRECTV	600	8	0.70%			
Bettendorf Event Ctr	600	9	0.70%			
Hy-Vee W. Kimberly Rd	575	10	0.70%			
Davenport Community School District				2,500	2	2.70%
Kraft Foods (Oscar Mayer) Heinz				1,500	4	2.00%
Isle of Capri				1,050	5	1.20%
Wells Fargo Bank				716	9	0.80%
Mid American				1,025	6	1.10%
Exelon				700	10	0.80%
	<u>11,249</u>		<u>13.90%</u>	<u>16,279</u>		<u>19.40%</u>

Note: Information for Scott County, IA. Information unavailable for District only.

Source: Bi-State Regional Commission, Iowa Workforce Development (Annual 2018), Infogroup Reference USA Gov, and Individual Employers (Fall 2019)

Davenport Community School District

Demographic and Miscellaneous Statistics

The ABCs about Davenport Community Schools ...

Davenport lies within the Quad Cities Metropolitan area, located in eastern Iowa and western Illinois on the Mississippi River, 165 miles west of Chicago. The Quad Cities is midway between Minneapolis and St. Louis. The area's 300-mile market of nearly 36.5 million people comprises nearly 15% of the nation's population.

Our Beliefs

- ✓ We believe all children can and will learn in the Davenport Community School District.
- ✓ We believe each child deserves respect.
- ✓ We believe we must have high expectations for each child.
- ✓ We believe we must never limit children.
- ✓ We believe in the power of effective instruction.
- ✓ We believe effective instruction encourages students to be inquisitive and to explore and discover.
- ✓ We believe every child has the right to a safe environment.
- ✓ We believe a caring environment is important for student success because relationships impact learning.
- ✓ We believe extracurricular activities engage students in the educational environment.
- ✓ We believe effective schools nurture relationships and impact learning.
- ✓ We believe in the universal benefits of continuous quality improvement.

Budget: \$261,845,782 in 2020-21

Collaboration with Community Leaders and Agency Partners:

- ✓ Leading a network of over 20 preschool partners to provide access to high-quality early learning opportunities for all of Davenport's 4 year-olds
- ✓ Davenport Schools Foundation scholarships and enrichment activities for all students
- ✓ Afterschool and summer program expertise in partnership with ISU Extension, Davenport Parks and Recreation, YMCA and others
- ✓ Free CitiBus service on all City of Davenport transit routes 7 days a week
- ✓ Agency-led community-to-classroom program partnerships with ISU Extension, Jr. Achievement, Figge Art Museum, Iowa Jobs for America's Graduates, and more
- ✓ Learning Supports partners from the youth development and faith communities provide academic and social supports for students and families
- ✓ Postsecondary collaborations prepare students and families for life after graduation

Communities Served: Blue Grass, Buffalo, Davenport and Walcott - covering 109 square miles

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Comprehensive School Improvement Plan: or CSIP, is a detailed plan of actions for accomplishing the district goals. Creating and sustaining a high-performance education environment takes both dedication and thoughtful planning. The CSIP is a planning document, featuring both broad-based perspectives on the priorities of our district as well as specific learning goals for our students. These goals provide an important measure of accountability.

Davenport's student learning goals are the general expectations for all its graduates. Students graduating from Davenport Community School District will:

- ✓ Apply reading, writing, and speaking skills to communicate effectively
- ✓ Understand and apply mathematical ideas
- ✓ Understand our earth, ecological impact, the physical world, and the cycles of life
- ✓ Understand the development of civic responsibility and the influence of history, geography, government, and economics on individuals and societies
- ✓ Understand, perform, and value music
- ✓ Understand, produce, and value visual art
- ✓ Demonstrate appropriate physical movement and form
- ✓ Demonstrate skills and knowledge needed for making life-long health decisions
- ✓ Demonstrate technical knowledge and skills needed to be productive within the context of real life
- ✓ Be knowledgeable about career choices across a variety of areas
- ✓ Apply critical thinking skills when making decisions and solving problems
- ✓ Use technology and other sources of information for a variety of purposes
- ✓ Demonstrate attitudes and skills that support self-directed lifelong learning, personal pursuits, productivity, and conflict resolution
- ✓ Demonstrate attitudes and behaviors that support global understanding, collaboration, diversity, and interdependence

Computers and Technology:

- ✓ We are a 1:1 school district with over 25,000 devices serving our students and staff
- ✓ All elementary classrooms have interactive whiteboards, with many intermediate and high schools utilizing the technology
- ✓ Google Apps for Education workspaces facilitate "anytime, anywhere" learning for students

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Curriculum Highlights:

Elementary (K-Grade 6)

- ✓ Preschool opportunities
- ✓ Concept Based Brain Compatible (CBBC)/"Brain Friendly" Classrooms
- ✓ Skills for Life initiative
- ✓ Emphasis on reading proficiency in primary grades
- ✓ Balanced Literacy approach
- ✓ Special, visiting artists programs
- ✓ Vocal music performance opportunities
- ✓ Instrumental music program beginning in 4th grade
- ✓ Departmental instruction in 4th and 5th grade in art, mathematics, music, physical education, science, and social studies
- ✓ Special education programming
- ✓ Talented and gifted programming
- ✓ State-of-the-art library media centers – the first library media centers in elementary schools in Iowa and west of the Mississippi River

Intermediate (Grades 7-8)

- ✓ Individual school-based middle school programming
- ✓ Writing across the curriculum
- ✓ Multiple-year sequence in French and Spanish
- ✓ School-to-Work programming
- ✓ Gateway to Technology program builds knowledge and skills in areas including computer science, engineering and biomedical science
- ✓ Individual student lessons in instrumental music
- ✓ Special education programming
- ✓ Talented and gifted programming
- ✓ State-of-the-art library media centers

High Schools (Grades 9-12)

- ✓ All high schools have Talented and Gifted teachers who support the unique learning needs of our gifted students. No other district in the area has this strong of a TAG program presence.
- ✓ Currently offering 15 advanced placement and 58 dual credit college courses at our high schools
- ✓ High quality fine arts, extracurricular, and athletic programs
- ✓ Nationally recognized Project Lead the Way engineering program
- ✓ Award-winning ProStart culinary arts program
- ✓ Junior ROTC programs, numerous school and community clubs, and service-learning opportunities
- ✓ Options within required course areas
- ✓ Foreign language offerings in French, Spanish, German
- ✓ School-to-Work programming
- ✓ Special education programming
- ✓ State-of-the-art library media centers

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

District of Distinction Programs:

- ✓ The Accelerated Associate Degree Program at North High School, where accepted students can earn an Associate Degree during their 4-year high school career; the District offers 58 dual credit college courses at our high schools; there is no fee for books or tuition
- ✓ The Student-Built Homes Program, where participating high school students experience hands-on learning as they build a home from start to finish
- ✓ The ProStart program, a high school culinary arts program taught by an Iowa ProStart Teacher of the Year
- ✓ Army and Marine Corps Junior Reserve Officer Training Corps (JROTC) Programs—two of only six in the state of Iowa, and the only programs in the Quad Cities
- ✓ Over 250 courses are offered in our high school course guide, including specialized offerings such as international foods, civil engineering, sports medicine, interior design, and invertebrate zoology.
- ✓ The Creative Arts Academy of the Quad Cities offers a rigorous arts-integrated curriculum and intensive, project-based activities that prepare students for exciting career paths in the arts and develop the skills of communication, collaboration, critical thinking, and creativity.
- ✓ The urban farm at Mid City High School: Participating students use a variety of skills to operate an urban farm, from planning the layout of each year's crops, to the "labor of love" of planting and caring for the farm, to turning the harvest into food.
- ✓ The INSPIRE Academy at West High School features career academies that provide real-world learning experiences to prepare students for success in college and career, including a rigorous capstone experience that challenges teams to solve a real-world problem through technology. Students choose from the following five career pathways:
- ✓ Engineering: This pathway is home to the Combustible Lemons – West High's robotics team that was crowned the 2017 FIRST Tech Challenge Champion.
- ✓ Advanced Manufacturing/Engineering Tech: students learn woodworking, welding, construction, engineering, robotics, and Computer Integrated Manufacturing
- ✓ Health Sciences: Students have the opportunity to earn CNA certification (Certified Nursing Assistant), and this pathway soon expands to include Biomedical Technology and Pharmaceutical Sciences
- ✓ Business/Finance: Students have the opportunity to work at the student-run Falcon DuTrac branch
- ✓ Computer Science: Students learn Cyber Security, Java programming, C# and C++ programming, Visual Basic, and Web Design and Development
- ✓ The award-winning Stepping Stones afterschool program serves our elementary schools with high-quality afterschool enrichment programs, as well as top-notch summer programming.
- ✓ Award-winning Children's Villages and progressive early childhood partnerships that provide voluntary preschool programs for all area 4-year-olds
- ✓ A stellar World Languages curriculum features up to 6 years of German and up to 7 years of French and Spanish, including instruction that includes Latin and Greek.

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Facilities:

- ✓ 4 High Schools
- ✓ 4 Intermediate Schools
- ✓ 1 K-8 School
- ✓ 17 Elementary Schools
- ✓ The Creative Arts Academy of the Quad Cities
- ✓ A network of Early Childhood Learning Centers
- ✓ 1 Athletic Stadium
- ✓ 1 Operations Center
- ✓ 1 Achievement Services Center

Facility Maintenance:

- ✓ Recognized as environmental leader receiving Governor's Iowa Environmental Excellence Award, Iowa Recycling Award, and the U.S. Environmental Protection Agency ENERGY STAR Partner of the Year
- ✓ Facilities upgrades of nearly \$130 million over the past 13 years, earning the Association of School Business Officials International Facilities Masters Award
- ✓ An ENERGY STAR partner since 1998 the district has assessed the energy performance of 100 percent of its schools. Undertaken improvements and elevated the average rating across the portfolio by ten percent.

Family Services

- ✓ Graduation Support & At-Risk Services – We offer an array of support services that help students be successful in school and graduate on time
- ✓ Home School Services and Support – A resource that assists homeschooling parents in the education of their children
- ✓ Military Family Support – Information on the ways we serve the military-connected child in pre-Kindergarten through high school
- ✓ Olweus Bullying Prevention Program – Information on the Olweus Bully Prevention Program
- ✓ Parent Portal – A secure web site that parents & guardians can use to track their child's progress in school, including items such as attendance, grades, and fees
- ✓ Student Support and Federal Programs – Information on Title 1 funds that assist schools with improving student achievement, staff development, and parent and community involvement
- ✓ TouchBase – Pay student fees online
- ✓ Translations – Important documents translated into Spanish and Vietnamese
- ✓ Virtual Backpack – Our paperless resource for the student-focused programs and opportunities currently available in our community
- ✓ The work of the Davenport School Board is guided by two student-centered priorities: enhancing a positive school climate and reducing the impact of poverty on student achievement.
- ✓ The Board leads a community Poverty Committee that identifies and addresses barriers to learning.

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Food Service:

Innovative and award-winning breakfast and lunch programs provided in all schools.

- ✓ 57% Free or reduced
- ✓ Highly trained nutrition experts serve every building in the school district. Each day nearly 20,000 meals are served to students in over 30 locations.
- ✓ Meal service extends into the summer months with our “Community Café” program serving an estimated 35,000 meals across 20 community parks, schools and community centers.

Guidelines for Elementary Class Sizes:

Kindergarten through first grade – 22 students

Second grade – 23 students

Third grade – 24 students

Fourth through sixth grade – 26 students

Iowa Core Curriculum:

In 2010 the State Board of Education voted to blend the Iowa Core with the Common Core. The Iowa Core goes beyond the Common Core. Essential Concepts & Skill Sets include:

- Literacy: reading, writing, speaking, listening, viewing
- Math: number and operations, quantitative literacy, algebra, geometry and measurement, data analysis/statistics/probability
- Science: science as inquiry, earth and space, life science, physical science
- Social Studies: behavioral sciences, economics, geography, history, political science/civic literacy
- 21st Century Skills: employability skills, financial literacy, health literacy, technology literacy

Some of our Outstanding Alumni...

- ✓ Jim Skinner, class of 1962, Chief Executive Officer of McDonald's Corporation
- ✓ Roger Craig, class of 1978, 3-time Super Bowl champion
- ✓ Dana Davis, class of 1997, television actress
- ✓ Jim Leach, class of 1960, Chair of the National Endowment for the Humanities and former member of the U.S. House of Representatives
- ✓ Susan Glaspell, class of 1894, Pulitzer Prize-winning playwright, actress, director, novelist, biographer and poet
- ✓ Julian Vandervelde, class of 2006, professional football player
- ✓ Tom Hudson, class of 1990, co-host of PBS national broadcast “Nightly Business Review”

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Parents as our Partners

- ✓ Watch D.O.G.S. (Dads Of Great Students) enlists fathers to volunteer at their child's school by interacting with students before & after school, during lunch, and in classrooms
- ✓ Parent engagement, PTA, and PTO opportunities at all of our schools
- ✓ Online Parent Portal and other communication tools ensure families have regular contact with classroom teachers
- ✓ Title I Parent Involvement activities engage parents as volunteers and education supporters
- ✓ Home School Assistance Program offers academic, and enrichment supports for families choosing to home school their child

Professional Employees' Credentials:

Bachelors' Degrees – 100%

Masters' Degrees – 55.76%

Specialist or Doctorate Degrees – 2.03%

Program & School Top Awards

- ✓ Davenport Community Schools is the only Quad City school district offering Junior ROTC programming, and two of only six programs in the state of Iowa. Our Marines and Army programs routinely take top honors throughout the region.
- ✓ Davenport Community Schools is home to the INSPIRE Academy at West High School, where students can take advantage of many opportunities, including running their own DuTrac Credit Union branch or earning a CNA. Since the 2016 inception of the Health Sciences program, 32 students have earned their CNA certification.
- ✓ Mid City High features a unique class with its Urban Farm program, where students learn science, math, and life skills by planning and laying out their own farm, planting crops and harvesting what they've grown. Students also donate fresh produce to a local food pantry.
- ✓ Nationally recognized preschool programming – the district added three additional school-based four-year-old classrooms; these programs will serve an additional 76 students with high-quality early learning to prepare them for kindergarten.
- ✓ Iowa FINE – First in the Nation in Education – Awards
- ✓ U.S. Department of Education Blue Ribbon Award
- ✓ Iowa Diversity Award
- ✓ American Association of School Administrators Leadership for Learning Award
- ✓ American School Board Journal Magna Award
- ✓ American Red Cross National School and Community Award for Youth in Health and Safety
- ✓ Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and Association of School Business Officials
- ✓ National Association of Partners in Education Outstanding Partner Awards
- ✓ National School Public Relations Association Communications Awards
- ✓ U.S. Environmental Protection Agency Green Lights School System Partner of the Year

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

and Supportive Schools

- ✓ Every building has a full-time licensed school counselor and implements the American School Counselor Association model. In 2014 a DCS counselor was named Iowa Elementary School Counselor of the Year. Our district is also a signatory with the Military Child Education Coalition.
- ✓ Olweus Bullying Prevention Program integration in all schools
- ✓ Specialized Dropout Prevention & Learning Supports staff
- ✓ Outreach and collaboration among emergency responders, civic leaders, and neighborhood groups to ensure safety and security in school facilities and on school grounds

Student Diversity:

- ✓ 52.7% White
- ✓ 20.4% Black or African American
- ✓ 14.2% Hispanic
- ✓ 10.7% Multi-racial
- ✓ 1.60% Asian
- ✓ 0.30% Native American
- ✓ 0.1% Pacific Islander

Student Enrollment K-12: 14,412

Teacher Data:

	Beginning Salary	Maximum Salary	Number of Teachers	Average Salary
Bachelors	\$38,015	\$59,800	328	\$42,754
Bachelors + 15 hours	\$39,691	\$61,476	156	\$49,437
Masters	\$43,042	\$73,206	431	\$58,600
Masters + 15 hours	\$44,718	\$74,882	121	\$64,094
Masters + 30 hours	\$46,394	\$76,557	149	\$67,449
Specialists Degree	\$48,070	\$78,233	30	\$68,577

- ✓ Over 1200 teachers (60% have a Master's Degree or higher)
- ✓ 25 National Board Certified Teachers on staff
- ✓ A highly structured mentoring program pairs new teachers with an experienced teacher as mentor for two years. At the end of this intensive coaching and portfolio review process, new teachers receive their standard teaching license.
- ✓ All teachers receive ongoing coaching and professional development by a staff of Curriculum & Instruction Specialists and other experts from around the nation
- ✓ Weekly "collaborative time" allows teachers to engage in professional issues and plan for student needs

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Transportation Services: Free district bus transportation is provided to students when the distance from their homes to schools exceeds the following:

Elementary School - 1.5 miles

Intermediate School- 2 miles

High School - 3 miles



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

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

	2021	2020	2019	2018
Administration:				
District Secretary/Treasurer	1	1	1	1
Superintendent	1	1	1	1
Assistant Superintendents	2	2	2	2
Principals	28	28	28	29
Assistant Principals	16	16	16	19
All Other Administrators	11	14	9	5
Total Administration	59	62	57	57
Instructional:				
Teachers	695	712	804	920
Teachers - Special Programs	419	424	418	374
Teachers Aides	403	397	403	406
Total Instructional	1,517	1,533	1,625	1,700
Student Services:				
Counselors	38	38	42	44
Library Specialist	23	23	22	28
Other Education Professional	204	187	166	168
Nurses	20	21	21	23
Other Technical	15	15	12	12
Total Student Services	300	284	263	275
Support Services:				
Business Manager/Accountant	2	2	2	2
Other Professional	22	-	18	18
Office/Clerical	70	74	84	86
Crafts/Trades	24	24	22	24
Service Workers	224	216	212	122
Total Support Services	342	316	338	252
Total	2,218	2,195	2,283	2,284

Source: District records

2017	2016	2015	2014	2013	2012
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
28	29	29	29	29	29
20	21	20	16	13	13
5	9	9	12	13	13
57	63	62	61	59	59
924	964	943	966	903	928
252	221	204	181	175	197
412	397	407	369	337	381
1,588	1,582	1,554	1,516	1,415	1,506
42	44	42	39	38	41
26	28	23	23	23	24
148	148	143	76	49	40
24	22	23	23	17	27
12	17	16	15	25	20
252	259	247	175	152	151
2	2	2	2	2	2
18	21	19	15	18	30
104	114	112	110	104	112
25	25	26	24	26	24
268	251	246	265	261	294
417	413	405	416	410	462
2,314	2,317	2,268	2,168	2,036	2,179



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2021	14,412	\$ 191,417,781	\$ 13,282	5.0 %	1,114	12.94	55.70
2020	14,470	183,013,826	12,648	2.9	1,203	12.03	56.00
2019	14,932	194,436,161	13,021	2.8	1,286	11.61	63.60
2018	15,234	192,891,129	12,662	1.6	1,366	11.15	63.73
2017	15,490	194,079,490	12,529	2.2	1,334	11.61	65.99
2016	15,299	187,592,658	12,262	4.2	1,185	12.91	65.99
2015	15,299	179,967,772	11,763	6.5	1,225	12.49	67.70
2014	15,348	169,481,000	11,043	3.9	1,147	13.38	63.00
2013	15,600	165,821,796	10,630	(0.9)	1,078	14.47	62.00
2012	15,546	166,822,285	10,731	(0.8)	1,125	13.82	61.71

Source: District financial records.

Davenport Community School District

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

School	2021	2020	2019	2018
Elementary:				
Adams (1950)				
Square feet	82,282	82,282	82,282	82,282
Capacity	702	702	702	702
Enrollment	497	497	553	553
Blue Grass (1957)				
Square feet	66,884	66,884	66,884	66,884
Capacity	578	578	578	578
Enrollment	275	275	289	289
Buchanan (1971)				
Square feet	56,103	56,103	56,103	56,103
Capacity	554	554	554	554
Enrollment	344	344	315	315
Buffalo (2002)				
Square feet	53,980	53,980	53,980	53,980
Capacity	432	432	432	432
Enrollment	256	256	242	242
Eisenhower (1969)				
Square feet	57,811	57,811	57,811	57,811
Capacity	578	578	578	578
Enrollment	439	439	451	451
Fillmore (1955)				
Square feet	65,231	65,231	65,231	65,231
Capacity	522	522	522	522
Enrollment	418	418	387	387
Garfield (1923)				
Square feet	65,211	65,211	65,211	65,211
Capacity	602	602	602	602
Enrollment	387	387	390	390
Harrison (1953)				
Square feet	72,912	72,912	72,912	72,912
Capacity	602	602	602	602
Enrollment	460	460	530	530
Hayes (1923)				
Square feet	77,618	77,618	77,618	77,618
Capacity	578	578	578	578
Enrollment	314	314	347	347
Jackson (1971)				
Square feet	53,632	53,632	53,632	53,632
Capacity	578	578	578	578
Enrollment	328	328	339	339
Jefferson (1939)				
Square feet	64,514	64,514	64,514	64,514
Capacity	702	702	702	702
Enrollment	408	408	450	450
Lincoln (1939)				
Square feet	-	-	59,536	59,536
Capacity	-	-	483	483
Enrollment	-	-	-	-

(Continued)

2017	2016	2015	2014	2013	2012
82,282	82,282	82,282	82,282	82,282	82,282
586	690	690	690	690	690
504	564	577	570	553	552
66,884	66,884	66,884	66,884	66,884	66,884
438	552	552	552	552	552
290	287	296	329	353	367
56,103	56,103	56,103	56,103	56,103	56,103
531	506	506	506	506	506
303	373	383	391	359	349
53,980	53,980	53,980	53,980	53,980	53,980
439	391	391	391	391	391
217	230	254	251	227	240
57,811	57,811	57,811	57,811	57,811	57,811
506	506	506	506	506	506
436	436	457	462	458	454
65,231	65,231	51,980	51,980	51,980	51,980
522	552	552	552	552	552
440	397	417	416	400	379
65,211	90,458	90,458	90,458	90,458	90,458
673	483	483	483	483	483
345	394	409	462	496	495
72,912	72,912	72,912	72,912	72,912	72,912
479	598	598	598	598	598
387	527	539	567	592	581
77,618	77,618	77,618	77,618	77,618	77,618
463	506	506	506	506	506
325	401	412	416	380	354
55,503	55,503	55,503	55,503	55,503	55,503
464	529	529	529	529	529
303	332	336	378	359	349
64,514	64,514	64,514	64,514	64,514	64,514
488	552	552	552	552	552
403	453	482	427	408	387
59,536	59,536	59,536	59,536	59,536	59,536
483	483	483	483	483	483
-	-	-	-	-	181

Davenport Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	2021	2020	2019	2018
Madison (1939)				
Square feet	64,614	64,614	64,614	64,614
Capacity	578	578	578	578
Enrollment	407	407	412	412
McKinley (1939)				
Square feet	61,063	61,063	61,063	61,063
Capacity	554	554	554	554
Enrollment	395	395	369	369
Monroe (1938)				
Square feet	72,435	72,435	72,435	72,435
Capacity	598	598	598	534
Enrollment	334	334	405	376
Truman (1977)				
Square feet	61,064	61,064	61,064	61,064
Capacity	391	391	391	391
Enrollment	286	286	331	369
Washington (1939)				
Square feet	48,388	48,388	48,388	48,388
Capacity	384	384	384	322
Enrollment	256	256	265	265
Wilson (1955)				
Square feet	78,401	78,401	78,401	78,401
Capacity	680	680	680	626
Enrollment	446	446	476	339
Intermediates:				
Smart (1917)				
Square feet	134,901	134,901	134,901	134,901
Capacity	809	809	809	809
Enrollment	575	575	629	629
Sudlow (1917)				
Square feet	136,524	136,524	136,524	136,524
Capacity	916	916	916	916
Enrollment	843	843	837	837
Walcott (K-8) (1956)				
Square feet	107,250	107,250	107,250	107,250
Capacity	722	722	722	722
Enrollment	603	603	577	577
Williams (1954)				
Square feet	145,224	145,224	145,224	145,224
Capacity	959	959	959	959
Enrollment	740	740	750	750
Wood (1984)				
Square feet	117,743	117,743	117,743	117,743
Capacity	893	893	893	893
Enrollment	745	745	707	707
Young (1917)				
Square feet	108,018	108,018	108,018	108,018
Capacity	1,050	1,050	1,050	1,050
Enrollment	n/a	n/a	n/a	n/a

2017	2016	2015	2014	2013	2012
64,614	64,614	64,614	64,614	64,614	64,614
493	506	506	506	506	506
419	381	390	396	428	415
61,063	61,063	61,063	61,063	61,063	61,063
457	460	460	460	460	460
419	376	395	403	392	373
72,435	72,435	72,435	72,435	72,435	72,435
598	598	598	598	598	598
474	480	495	488	455	449
61,064	61,064	61,064	61,064	61,064	61,064
391	391	391	391	391	391
369	386	435	380	430	404
48,388	48,388	48,388	48,388	48,388	48,388
322	322	322	322	322	322
265	285	315	357	320	283
78,401	78,401	78,401	78,401	78,401	78,401
672	672	672	672	672	672
513	524	544	542	557	561
134,901	134,901	134,901	134,901	134,901	134,901
914	978	978	978	978	978
554	518	493	544	518	532
134,524	134,524	134,524	134,524	134,524	134,524
1,050	978	978	978	978	978
825	734	707	677	676	748
107,250	107,250	107,250	107,250	107,250	107,250
713	722	722	722	722	722
541	392	586	621	600	598
145,224	145,224	145,224	145,224	145,224	145,224
1,033	977	977	977	977	977
709	688	718	748	756	770
117,743	117,743	105,815	105,815	105,815	105,815
914	977	977	977	977	977
554	734	699	737	712	700
108,018	108,018	108,018	108,018	108,018	108,018
1,050	829	829	829	829	829
825	327	406	441	305	271

Davenport Community School District

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

School	2021	2020	2019	2018
High:				
Central (1904)				
Square feet	394,344	394,344	394,344	394,344
Capacity	1,689	1,689	1,689	1,689
Enrollment	1,428	1,428	1,395	1,395
Mid City (2015)				
Square feet	53,940	53,940	53,940	53,940
Capacity	293	293	293	293
Enrollment	262	262	251	251
North (1972)				
Square feet	390,763	390,763	390,763	390,763
Capacity	1,494	1,494	1,494	1,494
Enrollment	1,154	1,154	1,180	1,180
West (includes train, rm, & Vest) (1960)				
Square feet	453,811	453,811	453,811	453,811
Capacity	2,029	2,029	2,029	2,029
Enrollment	1,443	1,443	1,706	1,706
Other:				
Child Village at Hoover (1956)				
Square feet	20,002	20,002	20,002	20,002
Capacity	138	138	138	138
Enrollment	134	134	123	123
Child Village at West (2004)				
Square feet	35,400	35,400	35,400	35,400
Capacity	286	286	286	286
Enrollment	279	279	230	230
Davenport Learning Center (Kimberly Center)				
Square feet	79,884	79,884	79,884	79,884
Capacity	-	-	*	*
Enrollment	-	-	*	*

Source: District Records

* Davenport Learning Center houses several alternative programs and the district bakery. Capacity is not available. Students attending programs at Davenport Learning Center are counted in enrollment at their home school.

2017	2016	2015	2014	2013	2012
394,344	331,935	331,935	331,935	331,935	331,935
1,841	1,933	1,933	1,933	1,933	1,933
1,245	1,282	1,364	1,362	1,419	1,415
53,940	50,291	37,355	n/a	n/a	n/a
318	355	355	n/a	n/a	n/a
250	265	196	n/a	n/a	n/a
390,763	390,763	390,763	390,763	390,763	390,763
1,494	1,551	1,551	1,551	1,551	1,551
1,193	1,152	1,075	1,001	902	986
453,811	453,811	453,811	453,811	453,811	453,811
2,129	2,592	2,592	2,592	2,592	2,592
1,647	1,916	1,818	1,911	1,873	1,921
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
121	187	161	200	128	128
35,400	35,400	35,400	35,400	35,400	35,400
286	286	286	286	286	286
241	384	312	248	262	262
79,884	79,884	79,884	79,884	79,884	79,884
*	*	*	*	*	*
*	*	*	235	214	179



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Compliance Section



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Davenport Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY21 4552	\$ -	\$ 37,884
National School Lunch Program	10.555	FY21 4553	-	130,752
COVID-19 USDA Child Nutrition Program				
CARES Grants to States	10.555	FY21 4056	-	569,816
Commodities -DOD (Noncash)	10.555	FY21 4951	-	303,999
Commodities (Noncash)	10.555	FY21 4951	-	349,607
			-	1,354,174
Summer Food Service Program for Children	10.559	FY21 4951	-	6,148,387
Child Nutrition Cluster Program Total			-	7,540,445
Fresh Fruit and Vegetable Program	10.582	FY21 4557	-	131,610
Pass-Through Iowa Department of Public Health:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY21 4671	-	74,652
Total U.S. Department of Agriculture			-	7,746,707
U.S. Department of Defense,				
Pass-Through Scott County, Iowa,				
Flood Control Projects	12.112	FY21 4812	-	18,011
U.S. Department of Treasury:				
Pass-Through Iowa Department of Education:				
COVID-19 Coronavirus Relief Fund	21.019	FY21 4059	-	55,929
Pass-Through Iowa Workforce Development:				
COVID-19 Coronavirus Relief Fund	21.019	FY21 4059	-	50,000
Pass-Through Eastern Iowa Mental Health and Disability Services Region:				
COVID-19 Coronavirus Relief Fund	21.019	FY21 4059	-	348,198
Total U.S. Department of Treasury			-	454,127
U.S. Department of Education:				
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY21 4501	-	5,226,784
Title I Grants to Local Educational Agencies	84.010	FY21 4508	-	1,198,932
			-	6,425,716
Special Education Cluster (IDEA),				
Special Education-Grants to States				
IDEA, Part B	84.027	FY21 4525	-	350,072 (1)
Career and Technical Education-Basic				
Grants to States	84.048	FY21 4531	-	284,977

(Continued)

Davenport Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued):				
Pass-Through Iowa Department of Education (continued):				
Twenty-First Century Community Learning Centers	84.287	FY21 4646	\$ -	\$ 174,039
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	FY21 4674	-	10,691
Supporting Effective Instruction State Grants	84.367	FY21 4643	-	885,928
Grants for State Assessments	84.369	FY21 4648	-	74,156
School Improvement Grant	84.377	FY21 4507	-	309,021
Student Support & Academic Enrichment Grants-ESSA Title IV	84.424	FY21 4669	-	221,142
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	FY21 4052	-	2,264,137
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	FY21 4055	-	3,967,330
			-	6,231,467
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY21 4051	-	273,455
Total Education Stabilization Fund			-	6,504,922
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster (IDEA), Special Education - Grants to States IDEA, Part B	84.027	FY21 4521	-	792,825 (1)
English Language Acquisition State Grants	84.365	FY21 4644	-	2,167
Pass-Through Iowa Vocational Rehabilitation Services, Vocational Rehabilitation- TAP	84.126	FY21 4598	-	92,103
Total U.S. Department of Education			-	16,127,759
U.S. Department of Health and Human Services:				
Pass-Through Substance Abuse and Mental Health Service Administration:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	FY21 4673	-	115,471
Pass-Through Iowa Department of Health and Human Services:				
Child Care and Development Fund Cluster, Child Care and Development Block Grant	93.575	FY21 4616	-	281,540
Total U.S. Department of Health and Human Services			-	397,011
Total Expenditures of Federal Awards			\$ -	\$ 24,743,615

(1) Total CFDA 84.027 \$1,142,897 Special Education Cluster
See notes to schedule of expenditures of federal awards.

Davenport Community School District

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of Davenport Community School District under programs of the federal government for the year ended June 30, 2021. 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 Davenport Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Davenport Community School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual or accrual basis of accounting. Such expenditures are recognized following the cost principles in the 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.

Note 4. Donated Personal Protective Equipment (Unaudited)

The District received approximately \$45,342 of donated personal protective equipment during the year ended June 30, 2021.



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Davenport Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021**

	Findings	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Material Weaknesses:			
2020-001 2019-002 2018-002	The District has insufficient process for identifying year-end adjustments and reporting.	Not Corrected.	The District has experienced turnover in the Business Department. See response and corrective action plan at 2021-001.
2020-002	The District has insufficient processes to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA)	Corrected.	
Significant Deficiencies:			
2020-003	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	Not corrected.	The Nutrition and Business Departments have not established a reconciliation process. See response and corrective action plan at 2021-002.
2020-004	The District has insufficient monitoring procedures over payroll transactions.	Corrected.	
Findings Related to Federal Awards:			
Material Weakness:			
2020-005	The District has insufficient reconciling and monitoring activities over payroll transactions charged to federal programs	Not corrected.	The Business Departments has not made procedural changes. See response and corrective action plan at 2021-005.
Significant Deficiency:			
2020-006	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services	Not corrected.	The Nutrition and Business Departments have not established a reconciliation process. See response and corrective action plan at 2021-006.

(Continued)

Davenport Community School District

Summary Schedule of Prior Audit Findings (Continued)

Year Ended June 30, 2021

	Findings	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Other Findings Related to Statutory Reporting:			
IV-A-20	The District exceeded the	Corrected.	
IV-A-19	authorized budget in the instruction and support services programs functions.		
IV-F-20	The District was unable to produce	Corrected.	
IV-F-19	affidavits of publication of minutes for two of the seven board meeting dates requested for testing.		
IV-G-20	Variances in certified enrollment	Not Corrected	Student data is not timely
IV-G-19	submitted to the state.		updated in the database.
IV-G-18			See response and corrective
IV-G-17			action plan at IV-H-21.
2016-IA-G			
IV-H-20	There were variances in the October 2019 supplementary weighting data.	Corrected.	
IV-I-20	The District exceeded the maximum amounts specified in their November, 2019 Designated Depositories Resolution at two financial institutions.	Corrected.	
IV-M-20	The District issued a transfer between the General Fund and the Nutrition Fund without obtaining approval from the Board of Education, nor was the transfer included in the District's approved budget	Corrected.	
IV-N-20	The 509A Certificate of Compliance Actuarial Opinion filed with the state did not include a test of the prior year claim reserve and contained an error in the date of the plan year.	Corrected.	
IV-O-20	The District was unable to furnish the affadavit of publication for the notice of public hearing nor any other evidence of its having been published within the timeframe required for the public improvement project selected for testing.	Corrected.	



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E



**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
Davenport Community School District
Davenport, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Davenport Community School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 25, 2022.

Our report included an emphasis of matter paragraph for the District being placed on conditional accreditation by the Iowa State Board of Education.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 and 2021-003 to be significant deficiencies.

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 2021-004.

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Response to the Findings

The District's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

The image shows a handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The signature is written in a cursive, flowing style.

Moline, Illinois
January 25, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited Davenport Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Education Stabilization Fund 84.425C and 84.425D

As described in the accompanying Schedule of Findings and Questioned Costs, Davenport Community School District did not comply with the requirements regarding the Education Stabilization Fund major program 84.425C and 84.425D as described in finding number 2021-007 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the Davenport Community School District to comply with the requirements applicable to that program.

Qualified Opinion on Education Stabilization Fund 84.425C and 84.425D

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Davenport Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund program for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Davenport Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-008. Our opinion on each major federal program is not modified with respect to these matters.

Davenport Community School District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Davenport Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-005 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-006 to be a significant deficiency.

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

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

The image shows a handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The signature is written in a cursive, flowing style.

Moline, Illinois
January 25, 2022



DAVENPORT
Community Schools
G R O W I N G E X C E L L E N C E

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

CFDA Number	Name of Federal Program or Cluster	Auditor's Report
21.019	COVID-19 Coronavirus Relief Fund	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.027	Special Education Cluster (IDEA), Special Education -Grants to States, IDEA Part B	Unmodified
Education Stabilization Fund:		
84.425D	COVID-19 Elementary and Secondary School Relief (ESSER Fund)	Qualified
84.425C	COVID-19 Governor's Emergency Education Relief (GEER) Fund	Qualified

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education Cluster (IDEA), Special Education- Grants to States, IDEA Part B
Education Stabilization Fund:	
84.425D	COVID-19 Elementary and Secondary School Relief (ESSER) Fund
84.425C	COVID-19 Governor's Emergency Education Relief (GEER) Fund

Dollar threshold used to distinguish between type A and type B programs: \$758,180

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

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

Material Weaknesses:

2021-001

Finding: The District has insufficient processes for identifying material year-end adjustments and reporting.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition: During the course of the audit engagement, material audit adjustments were proposed to the financial statements and footnote information that would not have been identified as a result of the District's existing internal controls and, therefore, could have resulted in material misstatements of the District's financial statements.

Context: Material audit adjustments were required in capital assets, accrued liabilities, and accounts payable.

Effect: Financial data is not recorded in accordance with generally accepted accounting principles.

Cause: The material adjustments were caused by inadequate reconciliation and internal review procedures.

Recommendation: We recommend the District implement reconciliation and review procedures over the balance sheet accounts of the District.

Response and Corrective Action Plan: The District will review current processes and determine review and reconciliation procedures necessary to ensure the general ledger is accurately reported.

Significant Deficiencies:

2021-002

Finding: The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition: The District does not have routine reconciliation and monitoring processes to ensure the District's School Nutrition has properly recorded charges for services. The District does not reconcile the charges for services recorded in the District's trial balance to the District's subsidiary point of sale system and other sales that are not included in the point of sale system.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Context: The District's point of sale system and meal sales had an unreconciled difference of approximately \$43,000. During the audit process, the District was requested by the audit team to investigate the difference. The District subsequently identified approximately \$24,000 of sales that are separate from the point of sale process resulting in approximately \$19,000 not identified.

Effect: Revenue collected by the District for the Child Nutrition Program may not be posted to the proper fund. Errors could occur in reporting revenue and not be timely identified.

Cause: The Food & Nutrition Services Department and the Finance Department operate within separate environments and separate buildings and have not created streamlined processes to ensure the operations and resulting financial transactions of the Food & Nutrition Services Department activities are properly recorded and reported within the trial balance maintained by the Finance Department. The job duty of ensuring the financial information of both departments is reconciled has not been specifically assigned.

Recommendation: We recommend the District implement new processes in which reconciling the financial information of both departments is an assigned job duty to ensure the financial transactions are reconciled and monitored on a routine basis throughout the fiscal year.

Response and Corrective Action Plan: The District will review current processes to routinely reconcile the point of sale system and the general ledger.

2021-003

Finding: The District has insufficient reconciling and monitoring activities over District accounts receivable and revenue.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition: The District does not have routine reconciliation and monitoring processes to ensure the District's accounts receivable are properly reported and collected. The audit identified donation revenue recorded twice and accounts receivable from local districts not reported as collected within a timely period.

Context: The District recorded a \$20,000 donation twice rather than as a reduction of accounts receivable when received. The District has approximately \$158,000 due from local school districts. As of the audit date in December 2021, the District could not provide receipt of payment; however, the audit identified the local school districts report paying the District's invoices in August 2021.

Effect: Errors could occur in reporting revenue and not be timely identified. Misappropriation of receipts could occur and not be timely identified.

Cause: The District has not implemented monthly monitoring and reporting processes including formally reviewing an aging accounts receivable report by the Accounting Specialist or Chief Financial Officer and documenting resolution of past due accounts.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Recommendation: We recommend the District implement processes for accurately reporting accounts receivable on a monthly basis. The Chief Financial Officer should formally document the review of the accounts receivable reports including an aging report. The Accounting Specialist should be assigned the task of following up on accounts receivable greater than sixty days old. The District should review current processes for collecting and depositing accounts receivable to determine causes for the delay in identifying receipt collection and implement solutions.

Response and Corrective Action Plan: The District will review current processes to routinely reconcile and monitor accounts receivable and follow up on past due accounts.

Instances of noncompliance:

2021-004

Finding: The District exceeded the authorized spending authority of the General Fund.

Criteria: Chapter 257.7 of the Code of Iowa

Condition: The General Fund exceeded the authorized spending authority budget due to overstating local revenues and understating General Fund expenditures.

Context: The District's Certified Annual Financial Report (CAR) submitted to the state did not include the following adjustments to the District's trial balance identified during the year-end audit: The District adjusted the June 30, 2021 trial balance for the \$113,001 overstatement of local revenue resulting in a year-end unspent budget authority estimate deficit of (\$90,268). The District did not adjust for the understatement of expenditures and the adjustments are reported in the District's year-end audit communications.

Unspent Budget Authority Estimate from District CAR	\$ 22,733
Overstatement of District local revenues	(113,001)
Understatement of District payroll expenditures	(555,525)
Understatement of District other expenditures	(7,456)
Estimated Unspent Budget Authority Estimate (Deficit)	<u>\$ (653,249)</u>

Effect: The District is not in compliance with allowable spending limits of the state of Iowa.

Cause: The District has a material weakness over material year end adjustments and reporting due to insufficient reconciling and monitoring activities. External monitoring has not focused on understanding the reasons the District is not timely identifying their financial position to make effective ongoing changes.

Recommendation: We recommend the District: 1) Review current processes and identify reasons proper accounting adjustments are not timely identified during the year and addressed and develop and assign action items to provide for timely financial information. and 2) Implement the recommendations in the material weaknesses.

Response and Corrective Action Plan: The District will continue to work with the State to develop a plan for compliance

(Continued)

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Part III: Findings and Questioned Costs for Federal Awards

Internal control deficiencies:

Material Weakness:

2021-005

**U.S. Department of Education
Pass-Through Iowa Department of Education
Education Stabilization Fund
84.425C COVID-19 Governor's Emergency Education
Relief (GEER) Fund
84.425D COVID-19 Elementary and Secondary School
Emergency Relief (ESSER) Fund
Federal Award Year: 2021**

Finding: The District has insufficient monitoring internal control procedures over allowable costs charged to federal programs.

Criteria: 2 CFR 200.1 defines internal control over compliance requirements for federal awards as the following:

Internal controls for non-Federal entities means: (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories: (i) Effectiveness and efficiency of operations; (ii) Reliability of reporting for internal and external use; and (iii) Compliance with applicable laws and regulations.

2 CFR 300.303 Internal Controls states:

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

Condition: The District does not formally review and reconcile the transactions charged to the programs for proper recording and reporting to the federal award from the District's general ledger systems. Information such as payroll and benefit costs are pulled from the subsidiary system and manipulated into journal entry transactions or are modified from the original documentation, charged to the program, and reported to the state without monitoring procedures to ensure the information is accurate and substantiated. System reports do not agree to the charges to the District program.

Context: Salaries and wages and benefits charged to the program were approximately \$3.4 million. This represents 49 percent of total expenditures of the program. An entry was incorrectly posted to the program for \$1,075,312 rather than \$546,268.

Effect: Errors could occur within allowable costs charged to federal programs without being timely identified.

Identification as a repeat finding: This is a repeat finding.

Cause: The District does not have proper review and monitoring procedures over federal awards.

Recommendation: We recommend the District implement review and monitoring procedures over federal awards to ensure the allowable costs are accurate and substantiated.

Response and Corrective Action Plan: The District will implement supervisory review and monitoring processes.

Significant Deficiency:

2021-006

**U.S. Department of Agriculture
Pass-Through Iowa Department of Education
Child Nutrition Cluster Program:
10.553 School Breakfast Program
10.555 National School Lunch Program
10.555 COVID-19 USDA Child Nutrition Program CARES Grants To States
10.555 Commodities-Department of Defense
10.555 Commodities
10.559 Summer Food Service Program For Children
Federal Award Year: 2021, 2020**

Finding: The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles (GAAP). The Office of Management and Budget 2021 *Compliance Supplement* states, "An SFA is required to account for all revenues and expenditures of its non-profit school food service in accordance with state requirements.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

An SFA must operate its food services on a non-profit basis; all revenue generated by the school food service must be used to operate and improve its food services (7 CFR sections 210.14(a), 210.14(c), 210.19(a)(2), 215.7(d)(1), 220.2, and 220.7(e)(1)(i)).”

Condition: The District does not have routine reconciliation and monitoring processes to ensure the District’s School Nutrition has properly recorded charges for services. The District does not reconcile the charges for services recorded in the District’s trial balance to the District’s subsidiary point of sale system and other sales that are not included in the point of sale system.

Context: The District’s point of sale system and meal sales had an unreconciled difference of approximately \$43,000. During the audit process, the District was requested by the audit team to investigate the difference. The District subsequently identified approximately \$24,000 of sales that are separate from the point of sale process resulting in approximately \$19,000 not identified.

Effect: Revenue collected by the District for the Child Nutrition Program may not be posted to the proper fund. Errors could occur in reporting revenue and not be timely identified.

Identification as a repeat finding: This is a repeat finding.

Cause: The Food & Nutrition Services Department and the Finance Department operate within separate environments and separate buildings and have not created streamlined processes to ensure the operations and resulting financial transactions of the Food & Nutrition Services Department activities are properly recorded and reported within the trial balance maintained by the Finance Department. The job duty of ensuring the financial information of both departments is reconciled has not been specifically assigned.

Recommendation: We recommend the District implement new processes in which reconciling the financial information of both departments is an assigned job duty to ensure the financial transactions are reconciled and monitored on a routine basis throughout the fiscal year.

Response and Corrective Action Plan: The District will review current processes to routinely reconcile the point of sale system and the general ledger.

Instances of noncompliance:

2021-007

**U.S. Department of Education
Pass-Through Iowa Department of Education
Education Stabilization Fund
84.425C COVID-19 Governor’s Emergency Education
Relief (GEER) Fund
84.425D COVID-19 Elementary and Secondary School
Emergency Relief (ESSER) Fund
Federal Award Year: 2021**

Finding: The District charged the program for unallowable costs.

Criteria: Per 2 CFR Part 200, Subpart E costs must:

Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

(g) Be adequately documented.

(h) Cost must be incurred during the approved budget period.

Condition: The following noncompliance was identified:

- The District overcharged the program \$529,043 for COVID-19 leave costs.
- The District charged the program for a vacation and sick leave payout for deceased employees which is not an allowable cost of the program.
- The District could not provide COVID-19 leave documentation for payroll costs charged to the program for COVID-19 leave costs.

Cause: The District does not have proper systems in place to charge payroll costs to federal programs. In addition, the District does not have a proper system in place to review and monitor expenditures charged to federal programs.

Effect: Errors occurred within allowable costs charged to federal programs without being timely identified.

1. An error occurred in a journal entry to charge payroll costs to the program which resulted in \$529,043 being over charged to the program.
2. Vacation and sick leave payouts were charged to the program.
3. Leave documentation was not maintained to support costs charged to the program.

Questioned Costs: Known questioned costs are \$540,046. The incorrect journal entry was \$529,043. The vacation and sick leave payout and the undocumented COVID-19 leave costs were \$11,003.

Context: Unallowable costs identified represent 37 percent of the total payroll sample selected for testing. Total payroll costs charged to the program were approximately \$3.4 million.

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

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Recommendation: We recommend the District discontinue charging the program based on wholesale journal entries. We recommend the District discontinue maintaining leave documentation separate from payroll processing. We recommend the District invest in appropriately coding COVID-19 costs to unique project codes in the general ledger as incurred and within the payroll process procedures. Time should be directly recorded to a program project account.

Response and Corrective Action Plan: The District will review current processes and realign procedures to ensure compliance with program requirements.

2021-008

U.S. Department of Education Pass-Through Iowa Department of Education 84.010 Title 1 Grants to Local Education Agencies Federal Award Year: 2021

Finding: The District could not provide documentation of compliance for test security measures.

Criteria: The Office of Management and Budget Compliance Supplement for Title 1, Part A requires local education agencies to have policies and procedures for ensuring the schools implement test security measures.

Condition: The District was unable to provide documentation of policies and procedures for ensuring the District schools implemented test security measures and was unable to provide documentation test security measures were implemented and enforced. Therefore, the compliance requirement could not be audited.

Cause: The District does not maintain sufficient documentation for program requirements that are not expenditure based. The District does not have a centralized grant manager ensuring compliance with all requirements of the federal programs.

Effect: The District is not in compliance with the Title 1 requirements for test security measures.

Questioned Costs: \$0

Context: No documentation was provided for the special test and provision over test security measures.

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

Recommendation: We recommend the District require all federal program requirements be assigned to a grant manager to ensure compliance.

Response and Corrective Action Plan: The District will review current processes and realign procedures to ensure compliance with program requirements.

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Part IV: Other Findings Related to Statutory Reporting

IV-A-21

Certified Budget- Expenditures for the year ended June 30, 2021 did not exceed the amounts budgeted.

IV-B-21

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 25, 1979.

IV-C-21

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

IV-D-21

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

IV-E-21

Restricted Donor Activity- No transactions were noted between the District, District officials or employees were noted.

IV-F-21

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-21

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

IV-H-21

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2020.

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-21

Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-21

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

(Continued)

IV-K-21

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

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

IV-L-21

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

IV-M-21

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, 2021, the District reported the following information regarding the statewide sales and services tax revenue in the District's Statewide Sales, Services and Use Tax account of the Capital Projects Fund:

Beginning balance	\$ 12,445,604
Revenue / transfers in:	
Statewide sales and services tax revenue	14,910,295
Interest and other	710,321
Transfers in	-
Expenditures/transfers out:	
Transfers out	(2,394,675)
School infrastructure:	
Buildings	(3,683,159)
Ending balance	<u>\$ 21,988,386</u>

For the year ended June 30, 2021, the District reduced the debt service tax levy by \$3.05 per \$1,000 of taxable valuation as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	\$ 3.05	\$ 14,910,295



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Davenport Community School District

**Corrective Action Plan
Year Ended June 30, 2021**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Related to the Financial Statements:				
Material Weaknesses:				
2021-001	The District has insufficient process for identifying year-end adjustments and reporting.	See response and corrective action plan at 2021-001.	Fiscal Year 2022	Chief Financial Officer
Significant Deficiencies:				
2021-002	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	See response and corrective action plan at 2021-002.	Fiscal Year 2022	Chief Financial Officer & FNS Director
2021-003	The District has insufficient reconciling and monitoring activities over the District accounts receivable and revenue.	See response and corrective action plan at 2021-003.	Fiscal Year 2022	Chief Financial Officer
Instances of Noncompliance:				
2021-004	The District exceeded the authorized spending authority of the General Fund.	See response and corrective action plan at 2021-004.	Fiscal Year 2022	Chief Financial Officer
Findings Related to Federal Awards:				
Material Weakness:				
2021-005	The District has insufficient internal control procedures over allowable costs charged to federal programs.	See response and corrective action plan at 2021-005.	Fiscal Year 2022	Chief Financial Officer
Significant Deficiency:				
2021-006	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	See response and corrective action plan at 2021-006.	Fiscal Year 2022	Chief Financial Officer & FNS Director
Instances of Noncompliance:				
2021-007	The District Charged the program for unallowable costs.	See response and corrective action plan at 2021-007.	Fiscal Year 2022	Chief Financial Officer
2021-008	The District could not provide documentation of test security measures.	See response and corrective action plan at 2021-008.	Fiscal Year 2022	Director of Learning & Results
Other Findings Related to Statutory Reporting:				
IV-H-21	There were variances in the October 2020 supplementary weighting data.	See response and corrective action plan at IV-H-21.	Fiscal Year 2022	Director of Learning & Results