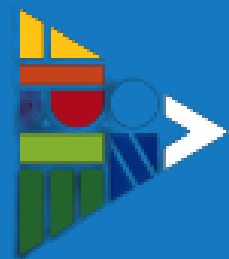


Davenport Community School District
1702 N Main Street Davenport, Iowa 52803
in the Counties of Scott and Muscatine,
State of Iowa

Annual Comprehensive Financial Report (ACFR)

**for the Fiscal Year Ended
June 30, 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

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Prepared by:

**Kevin Posekany
Chief Financial Officer**

**Lisa Crews
Accounting Specialist**

**1702 N. Main Street
Davenport, IA 52803**

Introductory Section



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

INTRODUCTORY SECTION (Unaudited)

Table of contents	i-ii
Organizational chart	iii
Prorities and mission statement	iv
Board of education and school district officials	v
Letter of transmittal	vi-xiii
GFOA Certificate of achievement for excellence in financial reporting	xiv
ASBO Certificate of excellence in financial reporting	xv
Diversity statement	xvi

FINANCIAL SECTION

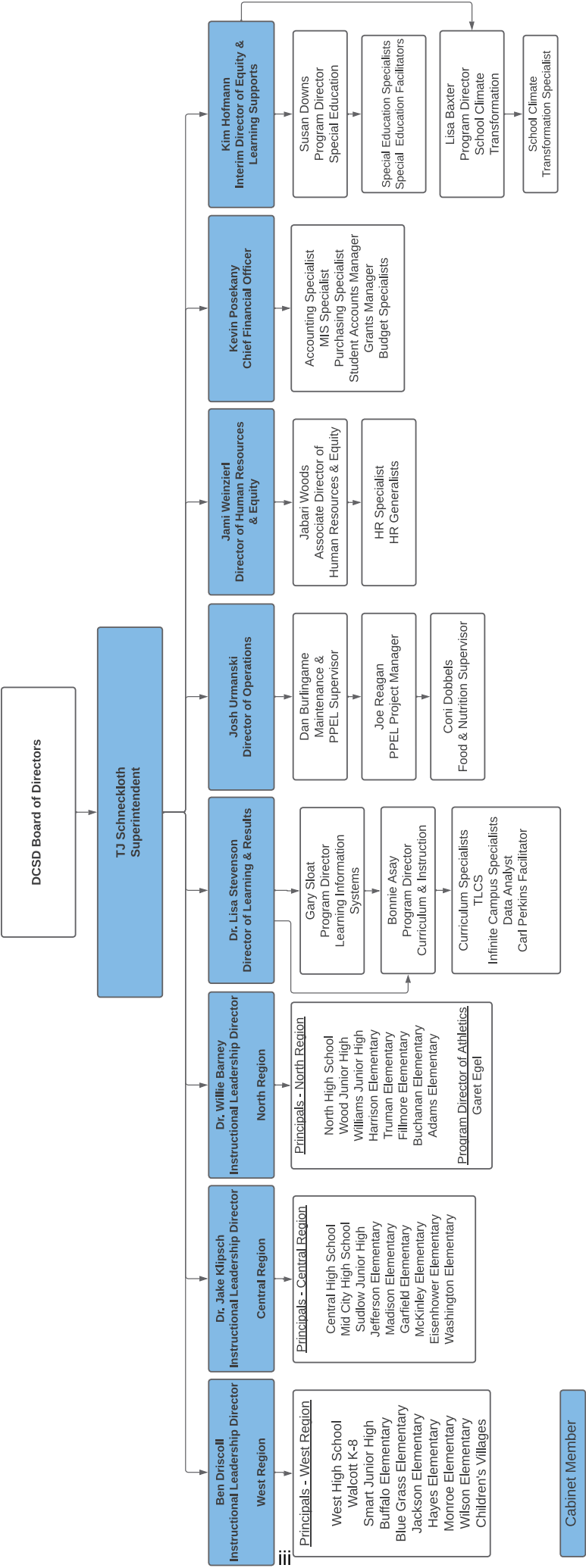
Independent auditor's report	1-3
Management's discussion and analysis	4-16
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	17
Statement of activities	18-19
Governmental fund financial statements:	
Balance sheet- governmental funds	20
Reconciliation of total governmental fund balances to net position of governmental activities	21
Statement of revenues, expenditures and changes in fund balances- governmental funds	22
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	23
Proprietary fund financial statements:	
Statement of net position	24
Statement of revenues, expenses and changes in net position	25
Statement of cash flows	26-27
Statement of fiduciary net position	28
Statement of changes in fiduciary net position	29
Notes to financial statements	30-56
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and changes in balances budget and actual- all governmental and enterprise funds	57-58
Schedule of changes in the district's total OPEB liability and related ratios	59-60
Schedule of the district's proportionate share of the net pension liability	61-62
Schedule of the district contributions	63-64
Notes to required supplementary information	65-66
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	67
Combining schedule of revenues, expenditures and changes in fund balances	68
Schedule of changes in special revenue fund, student activity accounts	69
Schedule of combining balance sheet, capital projects fund- by account	70
Combining schedule of revenues, expenditures and changes in fund balances, capital projects fund- by account	71
Schedule of changes in amounts due to custodial funds, activity accounts	72

STATISTICAL SECTION (Unaudited)

Statistical section contents	73
Net position by component	74-75
Expenses, program revenues and net (expense)/revenue	76-77
General revenues and total change in net position	78-79
Fund balances, governmental funds	80-81
Change in fund balances, governmental funds	82-83
Property tax:	
Assessed value and actual value of taxable property	84-85
Direct and overlapping property tax rates	86
Principal property taxpayers	87
Property tax levies and collections	88
Debt:	
Outstanding debt by type	89
Direct and overlapping governmental activities debt	90
Legal debt margin information	91-92
Pledged revenue coverage	93
Demographic statistics:	
Demographic and economic statistics	94
Principal employers	95
School building information	96-101
Full-time equivalent district employees by type	102-103
Operating statistics	104

COMPLIANCE SECTION

Schedule of expenditures of federal awards	105-107
Notes to the schedule of expenditures of federal awards	108
Summary schedule of prior audit findings	109
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	110-111
Independent auditor's report on compliance for each major federal program and on internal control over compliance as required by the Uniform Guidance	112-114
Schedule of findings and questioned costs	115-124
Corrective action plan	125



Cabinet Member



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, 2022

Name	Title	Term Expires
Board of Education		
Daniel Gosa	President	Expires 2023
Linda Hayes	Vice President	Expires 2023
Bruce Potts	Director	Expires 2025
Allison Beck	Director	Expires 2025
Karen Kline-Jerome	Director	Expires 2023
Kent Paustian	Director	Expires 2023
Karen Gordon	Director	Expires 2025

School District Officials

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



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



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

December 16, 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, 2022. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

The 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

MANAGEMENT RESPONSIBILITY

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.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The 2022 ACFR is presented in four (4) sections: Introductory, Financial, Statistical and Compliance.

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.

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.

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

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, 2022. 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. This 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 policymaking 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 2021-22 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 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, 2021, to April 30, 2022, which relates to the goals set in the 2021 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 0.9% over the next 30 years. In 2020, the age groups of 55-59 and 60-64 were the largest age groups at 6.8% of the total population. The median age for the region is 40.9, an increase from the 2010 median age of 39.2. By 2026, the median age is expected to be 41.5.
- **Race and Ethnicity:** The region's population is 15.8% racial minority, with African American being the predominant minority population at 9.1%. In comparison, the US population is 29.6% racial minority. The region has seen an increase in the amount of Hispanic or Latino residents since 2010, from 8.5% to 9.9%.
- **Poverty:** The rates of poverty for the region by race and ethnicity are above the U.S. rates for Black or African American (35.7%), Two or more races (23.7%), and Asian (13.0%) populations. The total rate of poverty for the region has decreased slightly since 2010, from 12.4% to 12.3%. The U.S. overall rate is 12.8%.
- **Language spoken at home:** 90.9% 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 5.5% of the population.
- **Educational Attainment:** The percentage of the region's population age 25 and over with an educational attainment of high school graduate or higher is 91.3%, slightly higher than the U.S. 88.5%. Roughly a third (33.8%) of the region's population in that same age group, has some college or an associate's degree which is higher than the US population (28.9%).
- **Income:** The region's median household income is \$60,081 compared to the US median income of \$64,994.
- **Labor Force:** 83.7% 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, when adjusted for inflation, has decreased from \$19.59 billion in 2015 to \$19.27 billion in 2020.
 - The per capita personal income for the area has increased a total of 19.1% from 2015-2020 and increased 8.1% in the past year alone. These figures from the Bureau of Economic Analysis are not adjusted for inflation, which likely accounts for much of this change.
- **Employment:**
 - The region experienced a large spike to 7.9% in unemployment in 2020 due to COVID19, similar to the national unemployment spike to 8.1% at the time.
 - As of December 2021, unemployment for the MSA decreased to 3.7%. The labor force is slower to recover, as roughly 8,000 people are still missing from the labor force since 2019 levels.

- Monthly unemployment rates compared between 2020 and 2021 also indicate a return to pre-Covid unemployment rates.
- Laborshed – the area from which an employment centers draws most of its commuting workers.
 - The Quad Cities 2021 Laborshed Study shows that the laborshed has an estimated labor force of 581,296 people, and a total population of 729,487 for those aged 18-64. Currently, workers in the Quad Cities laborshed area have an average commute time of 16 minute, compared to 37 minutes in 2019.
- Forecasted Industry Growth:
 - The region is forecasted to experience an increase of 11,987 jobs across all industries in the next ten years and an increase of 28,304 jobs in the next 29 years.
 - Management of Companies and Enterprises, Educational Services, Professional and Technical Services, and Health Care and Social Assistance are projected to have the highest industry demand growth of any industry over the next twenty-nine years.
- Retail Sales:
 - Despite the Coronavirus pandemic, total retail sales dramatically increased in every county in fiscal year 2021 (July 1 2020 – June 30 2021), with the exception of Muscatine County.
 - When adjusted for inflation, retail sales of the region increased to a total of \$6.285 billion in FY2021, although when adjusted for the rising cost of inflation, this figure is similar to FY2018 figures of \$6.215 billion in sales.

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 from 91.7 in 2019 to 89.4 in 2021. Lower scores indicate lower prices and costs for consumers.
- Recreational Amenities: include cultural amenities and trails, parks, and waterways such as: Duck Creek Parkway Trail, Mississippi River Trail, Figge Art Museum, German American Heritage Center, John Deere Commons, Putnam Museum and Science Center, Quad City Symphony, Quad City Ballet. It is also home to over 40 attractions, festivals, and events
- Housing:
 - Home sales vary greatly within the region. The 2021 average home sale price increased in all major locations in the past year. The average Illinois Quad Cities Areas home sales price increased 6.4%, the Iowa Quad Cities Area average home sale price increased 5.9%.
 - The percent of cost burdened homeowners 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 nearly complete. 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.

Challenges:

- Workforce attraction continues to be a significant need for many sectors. With an aging workforce and shrinking working-age population, recruiting a younger workforce into entry-level positions to fill positions due to retirement is a challenge.

Opportunities:

- Work on a Chicago to Quad Cities passenger rail line is moving forward. This will bring tourism and jobs to the area.

Threats:

- Building materials have had a stark increase in cost between January 2020 and January 2021. The price increases have caused the cost of an average, new, single-family home to increase by almost \$16,000. It is thought that these increases are to COVID-19 and are expected to subside once the supply chain returns to pre-pandemic operations.

(Economic Condition and Outlook Source: *Comprehensive Economic Development Strategy for the Bi-State Region –Progress Report 2022 prepared by Bi-State Regional Commission*)

Long term financial planning

Unassigned fund balance in the general fund is up from 2020-21. The District's solvency ratio for 2021-22 is 15.5%, up from 12.2 in 2020-21. 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 7-17%.

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.

Except for 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:

- Maximizing efficiencies in 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 2020 legislature sets the FY2022 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

Certificate of Excellence in Financial Reporting

The district applied to Government Finance Officers Association of the United States and Canada, (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting for the comprehensive annual financial report for fiscal year ended June 30, 2021. As of the date of this report, it is still pending. 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.

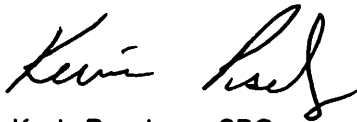
The Association of School Business Officials International, (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Davenport Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This Certificate is a prestigious national award, 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 many people. We would like to express our appreciation to District staff, and public employees at various Scott County agencies who assisted in providing valuable information to Bohnsack & Frommelt LLP, the District's independent auditor, the preparation of this report.

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
Board Treasurer



TJ Schneckloth
Superintendent



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

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



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 Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Davenport Community School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and and schedule of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, on pages 4-16 and 57-66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Davenport Community School District's basic financial statements. The combining and individual fund statements and schedules and 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the Davenport Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Davenport Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Davenport Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
December 16, 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, 2022

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, 2022. 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:

2021-22 FINANCIAL HIGHLIGHTS

- The General Fund June 30, 2022 fund balance increased \$6,794,183 from the June 30, 2021 fund balance of \$28,499,620 to \$35,293,803.
- The District net position increased \$38,018,640 from \$170,929,871 to \$208,948,511. The increase is primarily due to the decrease in net pension liability and related deferrals.
- The District continues to be successful in receiving donations and local, state and federal grants. In 2022, the District received approximately \$50 million in operating grants.

USING THIS ANNUAL REPORT

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

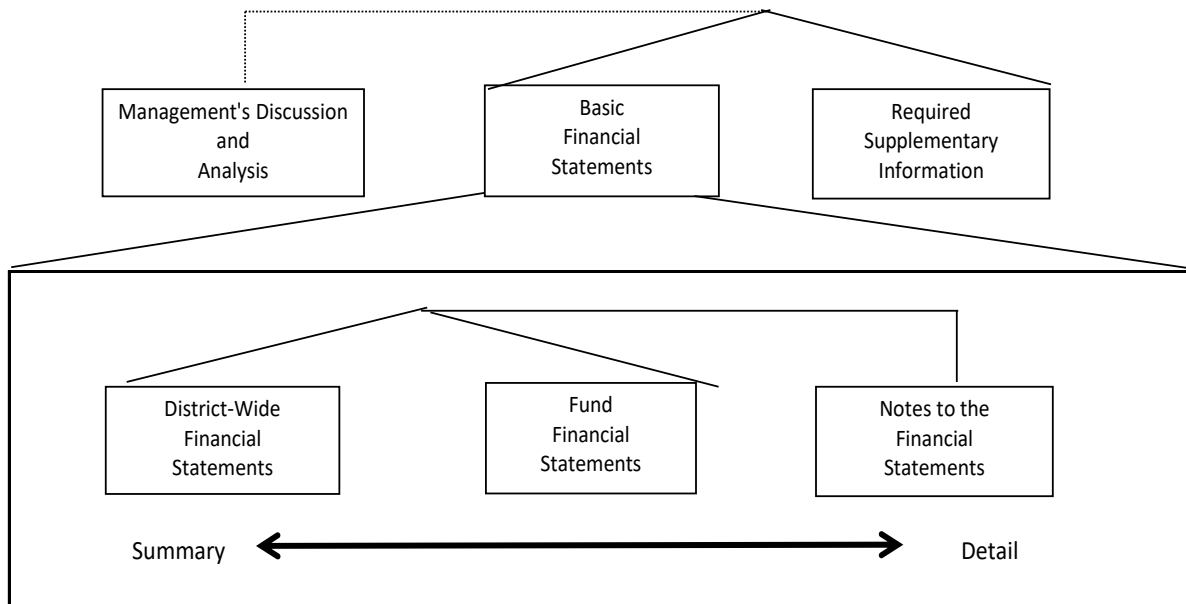
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about 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, 2022**

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, 2022

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

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, 2022

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 2021-22 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, 2022

- 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 changes in 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, 2022

Government-Wide Financial Analysis

Figure A-3 below provides a summary of the District's net position as of June 30, 2022 compared to June 30, 2021.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	2022	2021	2022	2021	2022	2021	2021-22
Current and other assets	\$ 232,058,476	\$ 203,253,880	\$ 6,141,528	\$ 4,159,607	\$ 238,200,004	\$ 207,413,487	14.84%
Capital assets	170,232,729	181,479,785	229,868	250,396	170,462,597	181,730,181	-6.20%
Total assets	402,291,205	384,733,665	6,371,396	4,410,003	408,662,601	389,143,668	5.02%
Deferred outflows of resources	17,680,179	27,005,864	531,822	810,564	18,212,001	27,816,428	-34.53%
Long-term liabilities	19,514,380	124,103,529	362,847	3,181,937	19,877,227	127,285,466	-84.38%
Other liabilities	36,055,227	35,388,910	535,587	1,140,703	36,590,814	36,529,613	0.17%
Total liabilities	55,569,607	159,492,439	898,434	4,322,640	56,468,041	163,815,079	-65.53%
Deferred inflows of resources	159,135,724	81,922,487	2,322,326	292,659	161,458,050	82,215,146	96.38%
Net position:							
Net investment in capital assets	166,631,233	175,539,233	229,868	250,396	166,861,101	175,789,629	-5.08%
Restricted	64,522,555	49,259,585	-	-	64,522,555	49,259,585	30.98%
Unrestricted	(25,887,735)	(54,474,215)	3,452,590	354,872	(22,435,145)	(54,119,343)	-58.55%
Total net position	\$ 205,266,053	\$ 170,324,603	\$ 3,682,458	\$ 605,268	\$ 208,948,511	\$ 170,929,871	22.24%

The District's net position has increased from the prior year. The District's combined net position as of June 30, 2022 increased by \$38,018,640 (22.2%) over the June 30, 2021 combined net position. Net position in the governmental activities increased by \$34,941,450 (20.5%). The net position of the District's business-type activities increased by \$3,077,190 (508.4%).

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 \$15,262,970 (30.98%) 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 \$31,684,198. This increase in unrestricted net position was primarily due to net pension liability and related deferrals of inflows and deferral of outflows of resources experiencing improved investment earnings and reducing the District net liabilities by approximately \$18.9 million.

Davenport Community School District

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

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

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2021-22
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program revenues:							
Charges for services	\$ 5,304,985	\$ 5,413,081	\$ 1,157,033	\$ 594,702	\$ 6,462,018	\$ 6,007,783	7.6%
Operating grants and contributions	51,686,295	43,656,177	11,286,095	8,007,478	62,972,390	51,663,655	21.9%
Capital grants and contributions	157,913	-	-	-	157,913	-	100.0%
General revenues:							
Property taxes	71,583,420	72,969,966	-	-	71,583,420	72,969,966	-1.9%
Utility tax	2,837,368	1,454,192	-	-	2,837,368	1,454,192	95.1%
Revenue in lieu of tax	1,855,761	2,297,375	-	-	1,855,761	2,297,375	-19.2%
State foundation aid	83,136,458	85,008,357	-	-	83,136,458	85,008,357	-2.2%
Statewide sales and services tax	17,778,658	16,596,751	-	-	17,778,658	16,596,751	7.1%
Interest and investment earnings	414,097	412,884	13,555	16,148	427,652	429,032	-0.3%
Total revenues	234,754,955	227,808,783	12,456,683	8,618,328	247,211,638	236,427,111	4.6%
Expenses:							
Instruction	126,658,619	138,563,617	-	-	126,658,619	138,563,617	-8.6%
Support services	65,075,305	70,017,076	-	-	65,075,305	70,017,076	-7.1%
Noninstructional	784,979	666,042	9,249,127	8,218,570	10,034,106	8,884,612	12.9%
Other	7,424,968	7,503,563	-	-	7,424,968	7,503,563	-1.0%
Total expenses	199,943,871	216,750,298	9,249,127	8,218,570	209,192,998	224,968,868	-7.0%
Change in net position before transfers	34,811,084	11,058,485	3,207,556	399,758	38,018,640	11,458,243	231.8%
Transfers	130,366	(176,344)	(130,366)	176,344	-	-	N/A
Increase (decrease) in net position	34,941,450	10,882,141	3,077,190	576,102	38,018,640	11,458,243	231.8%
Net position, beginning	170,324,603	159,442,462	605,268	29,166	170,929,871	159,471,628	
Net position, ending	\$ 205,266,053	\$ 170,324,603	\$ 3,682,458	\$ 605,268	\$ 208,948,511	\$ 170,929,871	

In 2021-22, local taxes (property taxes and utility taxes), state foundation aid, statewide sales services and use tax and revenue in lieu of taxes accounted for 75.5% of the revenue from governmental activities while charges for services and grants and contributions accounted for 99.9% of the revenue from business-type activities. The District's expenses primarily relate to instruction and support services, which account for 91.7% of the total expenses.

Total revenue for the District increased by \$10,784,527 (4.6%) in the fiscal year ended June 30, 2022. The most significant revenue category changes were operating grants and contributions. Operating grants increased due to COVID-19 Elementary and Secondary School Emergency Relief Funding. In addition, the improved economy in Iowa emerging from the COVID-19 pandemic increased sales tax revenue 1.2 million and utility tax revenue 1.4 million.

Davenport Community School District

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

Total District expenses decreased by \$15,775,870 (7.0%), primarily because of decreases in expenses for benefits due to the decrease in pension expense of \$18.9 million.

Figures A-5 and A-6, which follow, show charts reflecting sources of revenue and distribution of expenses for the 2021-22 fiscal year governmental activities.

Figure A-5 - Sources of Revenues for 2021-2022 Fiscal Year

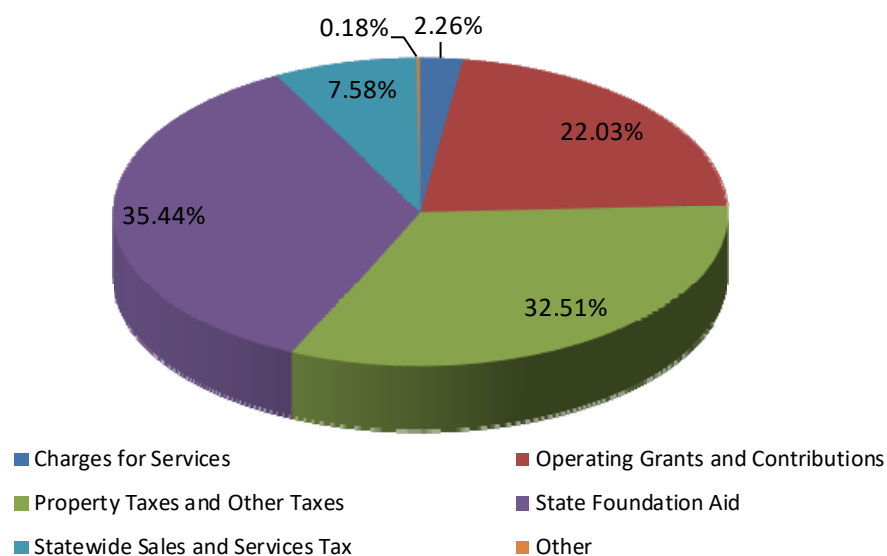
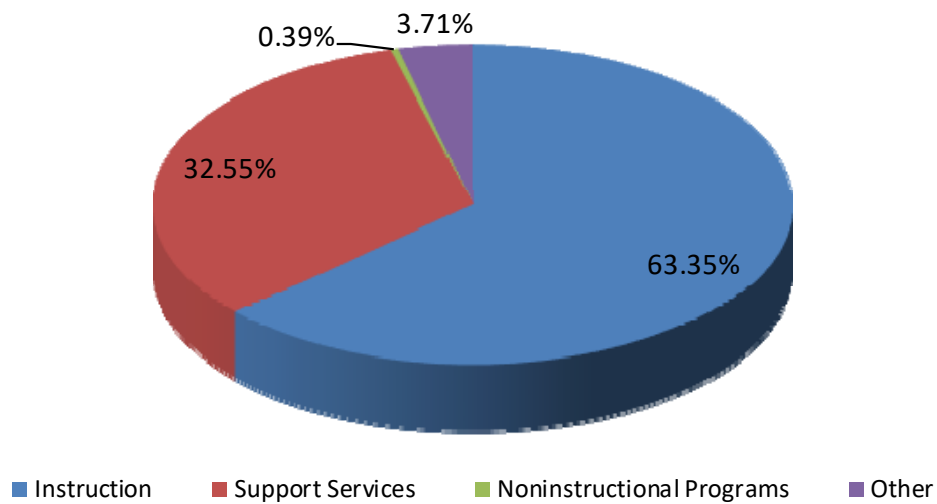


Figure A-6 - Expenses for 2021-2022 Fiscal Year



Davenport Community School District

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

Governmental Activities

Revenue for the District's governmental activities in 2021-22 increased by \$6,946,172 (3.0%) from the previous year, while total expenses decreased by \$16,806,427 (7.8%). Governmental activities net position as of June 30, 2022 increased by \$34,941,450 (20.5%) over the June 30, 2021 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, 2022 compared to the year ended June 30, 2021.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021	
Instruction	\$ 126,658,619	\$ 138,563,617	-8.59%	\$ 78,989,757	\$ 98,096,677	-19.5%
Support services	65,075,305	70,017,076	-7.06%	63,019,661	68,862,083	-8.5%
Noninstructional	784,979	666,042	17.86%	724,441	610,861	18.6%
Other	7,424,968	7,503,563	-1.05%	60,819	111,419	-45.4%
Total	\$ 199,943,871	\$ 216,750,298	-7.75%	\$ 142,794,678	\$ 167,681,040	-14.8%

For the year ended June 30, 2022:

- The cost financed by the users of the District's programs was \$5,304,985.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$51,844,208.
- The net cost of governmental activities was financed with \$71,583,420 in property taxes, \$2,837,368 in utility tax, \$1,855,761 in revenue in lieu of tax, \$83,136,458 of unrestricted state grants, \$17,778,658 in statewide sales and services tax revenue, and \$414,097 in investment earnings.

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.

Davenport Community School District

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

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 2021-22 were \$12,456,683; an increase of \$3,838,355 (44.5%) from 2020-21. 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 \$9,249,127, an increase of \$1,030,557 (12.5%) from 2020-21, primarily due to the increased 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 \$94,289,670 which reflects an increase of \$24,542,694 from last year's ending fund balances of \$69,746,976. The primary reasons for the increase in combined fund balances at the end of the 2021-22 fiscal year are:

- 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 \$6,794,183 (23.8%) from \$28,499,620, as of June 30, 2021 to \$35,293,803 as of June 30, 2022. 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 \$16,410,292 (51.0%). The statewide sales, service and use tax generated \$2,580,609 more in revenue in 2021-22 than in the previous fiscal year. Local tax generated from the physical plant and equipment levy was \$8,017,632 compared to the prior year \$8,124,156 which represents a \$106,524 (0.1%) decrease from 2020-21. Total expenditures were \$7,422,543 in 2021-22 compared to \$8,666,227 in 2020-21.

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 \$3,065,982 (558.6%) during 2021-22 primarily due to an increase in federal funding for COVID-19 and approximately \$562,000 increase in charges for services.

Davenport Community School District

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

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 2021-22 from \$243,822,102 to \$253,822,102.

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 \$5,257,998 due to more federal sources. Total expenditures were underbudget \$33,920,124 due to less expenditures for instruction than anticipated.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2021-22 fiscal year, the District had invested \$170,462,597 (net of accumulated depreciation of \$184,431,091) 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 \$11,267,584 or 6.2% 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 \$12,896,715. Additions in the current year were primarily restroom remodel projects.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021-22
Land	\$ 4,702,173	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173	\$ 4,702,173	0.0%
Land improvements	1,367,712	1,600,726	-	-	1,367,712	1,600,726	-14.6%
Buildings	63,923,960	65,993,886	-	-	63,923,960	65,993,886	-3.1%
Building improvements	98,557,234	106,905,530	-	-	98,557,234	106,905,530	-7.8%
Furniture and equipment	941,898	1,656,508	229,868	250,396	1,171,766	1,906,904	-38.6%
Intangibles	163,971	196,227	-	-	163,971	196,227	-16.4%
Construction in progress	575,781	424,735	-	-	575,781	424,735	35.6%
Total	\$ 170,232,729	\$ 181,479,785	\$ 229,868	\$ 250,396	\$ 170,462,597	\$ 181,730,181	-6.2%

Davenport Community School District

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

Long-Term Liabilities

As of June 30, 2022, the District had \$3,601,496 in revenue bonds including the premium outstanding, \$3,307,182 early retirement liabilities, \$711,194 in total compensated absence liabilities, \$10,224,031 in net OPEB liability, and \$2,033,324 in net pension liability for total outstanding long-term obligations of \$19,877,227 as reflected in Figure A-9 below. The District paid \$2,265,000 in revenue bond principal during fiscal year 2022. 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
	2022	2021	2022	2021	2022	2021	2021-22
Revenue bonds	\$ 3,505,000	\$ 5,770,000	\$ -	\$ -	\$ 3,505,000	\$ 5,770,000	-39.3%
Premium on bonds	96,496	170,552	-	-	96,496	170,552	-43.4%
Early retirement	3,307,182	4,438,993	-	-	3,307,182	4,438,993	-25.5%
Compensated absences	699,352	616,457	11,842	11,988	711,194	628,445	13.2%
Net pension liability	1,980,038	102,530,339	53,286	2,854,100	2,033,324	105,384,439	-98.1%
Net OPEB	9,926,312	10,577,188	297,719	315,849	10,224,031	10,893,037	-6.1%
Total	\$ 19,514,380	\$ 124,103,529	\$ 362,847	\$ 3,181,937	\$ 19,877,227	\$ 127,285,466	-84.4%

Davenport Community School District

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

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 2022-23 fiscal year. The Iowa Legislature has not yet set the supplemental state aid percentage rate for the 2023-24 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.
- In March 2022, the department of education returned full operations control to the school district. In October 2020, the Iowa Department of Education began oversight of the district due to lack of progress on previous citations. 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, 2022 shows a decline in enrollment of 248 students. This equates to a decrease in state funding of approximately \$1,813,000. As a result, the district is on a budget guarantee for fiscal year 2022-23.

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, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 139,305,857	\$ 5,833,194	\$ 145,139,051
Receivables:			
Property tax:			
Current year	739,948	-	739,948
Succeeding year	75,589,391	-	75,589,391
Other	981,951	16,300	998,251
Due from other governments	15,105,885	215,537	15,321,422
Inventories	313,438	76,497	389,935
Prepaid expenses	22,006	-	22,006
Capital assets:			
Nondepreciable	5,277,954	-	5,277,954
Depreciable, net	164,954,775	229,868	165,184,643
Total assets	402,291,205	6,371,396	408,662,601
Deferred Outflows of Resources			
OPEB related deferred outflows	4,034,322	121,193	4,155,515
Pension related deferred outflows	13,645,857	410,629	14,056,486
Total deferred outflows of resources	17,680,179	531,822	18,212,001
Liabilities			
Accounts payable	6,809,153	81,496	6,890,649
Salaries and benefits payable	25,474,057	388,400	25,862,457
Construction contracts payable	30,648	-	30,648
Claims incurred but not reported	3,700,000	-	3,700,000
Unearned revenue	41,369	65,691	107,060
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	2,399,056	-	2,399,056
Early retirement	1,255,472	-	1,255,472
Compensated absences	699,352	11,842	711,194
Portion due after one year:			
Revenue bonds	1,202,440	-	1,202,440
Early retirement	2,051,710	-	2,051,710
Net OPEB liability	9,926,312	297,719	10,224,031
Net pension liability	1,980,038	53,286	2,033,324
Total liabilities	55,569,607	898,434	56,468,041
Deferred Inflows of Resources:			
Deferred revenue from succeeding year property tax	75,589,391	-	75,589,391
OPEB related deferred inflows	3,496,906	102,285	3,599,191
Pension related deferred inflows	80,049,427	2,220,041	82,269,468
Total deferred inflows of resources	159,135,724	2,322,326	161,458,050
Net Position			
Net investment in capital assets	166,631,233	229,868	166,861,101
Restricted for:			
Categorical funding	3,094,298	-	3,094,298
Management levy	7,537,996	-	7,537,996
Physical plant and equipment levy	13,597,986	-	13,597,986
School infrastructure	37,415,345	-	37,415,345
Debt service	2,028,504	-	2,028,504
Student activities	848,426	-	848,426
Unrestricted	(25,887,735)	3,452,590	(22,435,145)
Total net position	\$ 205,266,053	\$ 3,682,458	\$ 208,948,511

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses
Governmental Activities	
Instruction	\$ 126,658,619
Support services:	
Student	16,388,243
Instructional staff	4,548,568
General administration	6,598,041
School administration	8,913,236
Business and central administration	5,235,283
Plant operation and maintenance	15,058,926
Student transportation	8,333,008
Other:	
Non-instructional	784,979
Area education agency	7,364,149
Long-term debt interest	60,819
Total governmental activities	<u>199,943,871</u>
Business-Type Activities	
School nutrition	8,665,273
Before and after school program	583,854
Total business-type activities	<u>9,249,127</u>
Total school district	<u>\$ 209,192,998</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
\$ 4,931,404	\$ 42,737,458	\$ -	\$ (78,989,757)	\$ -	\$ (78,989,757)
23,333	645,759	-	(15,719,151)	-	(15,719,151)
189,838	-	-	(4,358,730)	-	(4,358,730)
9,270	-	-	(6,588,771)	-	(6,588,771)
23,965	-	-	(8,889,271)	-	(8,889,271)
60,561	-	-	(5,174,722)	-	(5,174,722)
64,321	16,171	157,913	(14,820,521)	-	(14,820,521)
2,293	862,220	-	(7,468,495)	-	(7,468,495)
-	60,538	-	(724,441)	-	(724,441)
-	7,364,149	-	-	-	-
-	-	-	(60,819)	-	(60,819)
5,304,985	51,686,295	157,913	(142,794,678)	-	(142,794,678)
591,955	11,261,973	-	-	3,188,655	3,188,655
565,078	24,122	-	-	5,346	5,346
1,157,033	11,286,095	-	-	3,194,001	3,194,001
\$ 6,462,018	\$ 62,972,390	\$ 157,913	(142,794,678)	3,194,001	(139,600,677)

Davenport Community School District

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

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and investments	\$ 54,415,534	\$ 47,861,073	\$ 10,428,482	\$ 112,705,089
Receivables:				
Property tax:				
Current year	597,568	96,740	45,640	739,948
Succeeding year	63,035,003	8,276,944	4,277,444	75,589,391
Other	981,144	-	807	981,951
Due from other governments	11,450,166	3,655,719	-	15,105,885
Inventories	313,438	-	-	313,438
Prepaid items	22,006	-	-	22,006
Total assets	\$ 130,814,859	\$ 59,890,476	\$ 14,752,373	\$ 205,457,708
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 6,203,981	\$ 530,886	\$ 48,200	\$ 6,783,067
Accrued payroll and payroll taxes	25,391,745	38,667	11,803	25,442,215
Construction contracts payable	-	30,648	-	30,648
Unearned revenue	41,369	-	-	41,369
Total liabilities	31,637,095	600,201	60,003	32,297,299
Deferred Inflows of Resources				
Succeeding year property taxes	63,035,003	8,276,944	4,277,444	75,589,391
Sales, services and use tax	-	2,432,390	-	2,432,390
Other grants and donations	848,958	-	-	848,958
Total deferred inflows of resources	63,883,961	10,709,334	4,277,444	78,870,739
Fund Balances				
Nonspendable				
Inventories	313,438	-	-	313,438
Prepaid items	22,006	-	-	22,006
Restricted				
Categorical funding	3,094,298	-	-	3,094,298
Debt service	-	-	2,028,504	2,028,504
Management levy purposes	-	-	7,537,996	7,537,996
Student activities	-	-	848,426	848,426
School infrastructure	-	34,982,955	-	34,982,955
Physical plant and equipment	-	13,597,986	-	13,597,986
Unassigned	31,864,061	-	-	31,864,061
Total fund balances	35,293,803	48,580,941	10,414,926	94,289,670
Total liabilities, deferred inflows of resources, and fund balances	\$ 130,814,859	\$ 59,890,476	\$ 14,752,373	\$ 205,457,708

See Notes to Basic Financial Statements.

Davenport Community School District

Reconciliation of the Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2022

Total Governmental Fund Balances	\$ 94,289,670
----------------------------------	---------------

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	351,821,389	
Accumulated depreciation	<u>(181,588,660)</u>	170,232,729

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	2,432,390	
Other grants and donations	<u>848,958</u>	3,281,348

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.

22,842,840

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	4,034,322	
OPEB related deferred inflows of resources	(3,496,906)	
Pension related deferred outflows of resources	13,645,857	
Pension related deferred inflows of resources	<u>(80,049,427)</u>	(65,866,154)

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	(3,505,000)	
Premium on bonds payable	(96,496)	
Compensated absences	(699,352)	
Accumulated termination pay	(3,307,182)	
Net pension liability	(1,980,038)	
Other post employment benefits obligation	<u>(9,926,312)</u>	(19,514,380)

Net Position of Governmental Activities

\$ 205,266,053

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, 2022

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Property taxes	\$ 58,940,947	\$ 8,017,632	\$ 4,624,841	\$ 71,583,420
Utility taxes	2,343,024	309,794	184,550	2,837,368
Charges for services	1,209,433	-	-	1,209,433
Interest	313,270	50,658	50,169	414,097
Other	2,429,571	107,428	814,463	3,351,462
State sources:				
Sales, services and use tax	-	17,490,904	-	17,490,904
Other state sources	112,382,860	248,296	147,600	112,778,756
Federal sources	24,655,649	-	-	24,655,649
Total revenues	202,274,754	26,224,712	5,821,623	234,321,089
Expenditures:				
Current:				
Instruction	124,208,261	1,249,992	2,375,521	127,833,774
Support services:				
Student	18,521,146	2,187	18,450	18,541,783
Instructional staff	5,111,437	1,710	-	5,113,147
General administration	4,795,064	121,499	2,009,223	6,925,786
School administration	10,023,816	31,687	-	10,055,503
Business and central administration	4,800,964	847,097	-	5,648,061
Plant operation and maintenance	12,421,271	1,012,783	796,898	14,230,952
Student transportation	7,717,865	596,038	26,202	8,340,105
Non-instructional programs	644,166	208,206	-	852,372
Area Education Agency	7,364,149	-	-	7,364,149
Capital outlay	-	3,347,344	-	3,347,344
Debt service:				
Principal	-	-	2,265,000	2,265,000
Interest and fiscal charges	-	4,000	130,875	134,875
Total expenditures	195,608,139	7,422,543	7,622,169	210,652,851
Excess (deficiency) of revenues over (under) expenditures	6,666,615	18,802,169	(1,800,546)	23,668,238
Other financing sources (uses):				
Transfers in	310,618	2,798	2,394,675	2,708,091
Transfers out	(183,050)	(2,394,675)	-	(2,577,725)
Insurance recoveries	-	-	744,090	744,090
Total other financing sources (uses)	127,568	(2,391,877)	3,138,765	874,456
Net change in fund balances	6,794,183	16,410,292	1,338,219	24,542,694
Fund balances, beginning of year	28,499,620	32,170,649	9,076,707	69,746,976
Fund balances, end of year	\$ 35,293,803	\$ 48,580,941	\$ 10,414,926	\$ 94,289,670

See Notes to Basic Financial Statements.

Davenport Community School District

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

Net Change in Fund Balances - Total Governmental Funds		\$	24,542,694
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	1,583,745		
Depreciation expense	<u>(12,830,801)</u>	(11,247,056)	
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.			
		(310,224)	
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.			
		239,691	
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	2,265,000		
Amortization of bond premium	<u>74,056</u>	2,339,056	
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	(82,895)		
Accumulated termination pay	1,131,811		
Pension liability and related deferred inflows and outflows	18,937,577		
OPEB and related deferred inflows and outflows	<u>(609,204)</u>	19,377,289	
Change in Net Position of Governmental Activities		<u><u>\$</u></u>	<u><u>34,941,450</u></u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Net Position

Proprietary Funds

June 30, 2022

	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	\$ 5,627,402	\$ 205,792	\$ 5,833,194	\$ 26,600,768
Due from other governmental units	215,537	-	215,537	-
Other receivables	16,300	-	16,300	-
Inventories	76,497	-	76,497	-
Total current assets	5,935,736	205,792	6,141,528	26,600,768
Noncurrent assets:				
Capital assets,				
net of accumulated depreciation	229,007	861	229,868	-
Total noncurrent assets	229,007	861	229,868	-
Total assets	6,164,743	206,653	6,371,396	26,600,768
Deferred Outflows of Resources:				
OPEB related deferred outflows	116,605	4,588	121,193	-
Pension related deferred outflows	410,140	489	410,629	-
Total deferred outflows of resources	526,745	5,077	531,822	-
Liabilities				
Current Liabilities				
Accounts payable	51,891	29,605	81,496	26,086
Accrued payroll and payroll taxes	356,951	31,449	388,400	31,842
Health claims and costs	-	-	-	3,700,000
Unearned revenue	65,691	-	65,691	-
Compensated absences	5,216	6,626	11,842	-
Total current liabilities	479,749	67,680	547,429	3,757,928
Noncurrent Liabilities				
Net pension liability	108,992	(55,706)	53,286	-
Other post employment				
benefits obligation	287,591	10,128	297,719	-
Total noncurrent liabilities	396,583	(45,578)	351,005	-
Total liabilities	876,332	22,102	898,434	3,757,928
Deferred Inflows of Resources:				
OPEB related deferred inflows	96,641	5,644	102,285	-
Pension related deferred inflows	2,103,678	116,363	2,220,041	-
Total deferred inflows of resources	2,200,319	122,007	2,322,326	-
Net Position				
Investment in capital assets	229,007	861	229,868	-
Unrestricted	3,385,830	66,760	3,452,590	22,842,840
Total net position	\$ 3,614,837	\$ 67,621	\$ 3,682,458	\$ 22,842,840

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, 2022

	Business-type Activities-Enterprise Funds			Governmental
	School	Nonmajor		Activities
	Nutrition Fund	Out of School	Total	Internal
		Time Fund		Service Fund
Operating Revenue:				
Charges for services	\$ 591,955	\$ 565,078	\$ 1,157,033	\$ 29,173,307
Operating Expenses:				
Salaries and benefits	3,999,047	269,856	4,268,903	523,802
Purchased services	224,645	300,339	524,984	1,800,426
Supplies	4,375,705	12,372	4,388,077	-
Other operating costs	-	1,250	1,250	9
Depreciation	65,876	37	65,913	-
Health care	-	-	-	26,609,379
Total operating expenses	8,665,273	583,854	9,249,127	28,933,616
Operating income (loss)	(8,073,318)	(18,776)	(8,092,094)	239,691
Nonoperating Revenues:				
Interest income	11,889	1,666	13,555	-
Intergovernmental	11,241,314	24,000	11,265,314	-
Other nonoperating revenue	20,659	122	20,781	-
Total nonoperating revenues	11,273,862	25,788	11,299,650	-
Income before transfers	3,200,544	7,012	3,207,556	239,691
Transfer in	176,056	4,196	180,252	-
Transfers (out)	(310,618)	-	(310,618)	-
Change in net position	3,065,982	11,208	3,077,190	239,691
Net Position, beginning of year	548,855	56,413	605,268	22,603,149
Net Position, end of year	\$ 3,614,837	\$ 67,621	\$ 3,682,458	\$ 22,842,840

See Notes to Basic Financial Statements.

Davenport Community School District

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

	<u>Business-type Activities-Enterprise Funds</u>			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	\$ 516,823	\$ 565,078	\$ 1,081,901	\$ 29,173,307
Cash payments to employees for services	(4,940,491)	(310,220)	(5,250,711)	(541,841)
Cash payments for insurance claims	-	-	-	(27,109,379)
Cash payments to suppliers for goods or services	(3,845,561)	(314,422)	(4,159,983)	(1,895,009)
Net cash (used in) operating activities	(8,269,229)	(59,564)	(8,328,793)	(372,922)
Cash flows from noncapital financing activities:				
Grants and contributions received	10,922,284	24,000	10,946,284	-
Transfers	(134,562)	4,196	(130,366)	-
Other nonoperating receipts	-	122	122	-
Net cash provided by noncapital financing activities	10,787,722	28,318	10,816,040	-
Cash flows from capital and related financing activities,				
Acquisition of capital assets	(44,487)	(898)	(45,385)	-
Cash flows from investing activities,				
Interest received	11,889	1,666	13,555	-
Net increase (decrease) in cash and cash equivalents	2,485,895	(30,478)	2,455,417	(372,922)
Cash and cash equivalents beginning of year	3,141,507	236,270	337,777	26,973,690
Cash and cash equivalents end of year	<u>\$ 5,627,402</u>	<u>\$ 205,792</u>	<u>\$ 5,833,194</u>	<u>\$ 26,600,768</u>

(Continued)

Davenport Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2022

	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 (used in) operating activities:				
Operating income (loss)	\$ (8,073,318)	\$ (18,776)	\$ (8,092,094)	\$ 239,691
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation	65,876	37	65,913	-
Commodities used	786,609	-	786,609	-
Changes in assets and liabilities:				
Receivables	(14,543)	-	(14,543)	-
Inventories	41,119	-	41,119	-
Unearned revenue	(60,589)	-	(60,589)	-
Accounts payable	(72,939)	(461)	(73,400)	(94,574)
Compensated absences	(523)	377	(146)	-
Health claims and costs	-	-	-	(500,000)
Accrued liabilities	(457,344)	(13,783)	(471,127)	(18,039)
Net pension liability and deferred outflows of resources and deferred inflows of resources	(499,669)	(27,834)	(527,503)	-
Net OPEB liability and deferred outflows of resources and deferred inflows of resources	16,092	876	16,968	-
Net cash (used in) operating activities	\$ (8,269,229)	\$ (59,564)	\$ (8,328,793)	\$ (372,922)
Schedule of noncash items:				
Noncapital financing activities, federal commodities	\$ 786,609	\$ -	\$ 786,609	\$ -

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2022

	<u>Custodial</u>
Assets	
Cash and cash equivalents	<u>\$ 191,735</u>
Total assets	<u><u>\$ 191,735</u></u>
Liabilities	
Accounts payable	<u>\$ 2,158</u>
Total liabilities	<u><u>\$ 2,158</u></u>
Net position	<u><u>\$ 189,577</u></u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended June 30, 2022

	<u>Custodial</u>
Additions	
Contributions	<u>\$ 120,962</u>
Deductions	
Administrative expenses	<u>109,056</u>
Change in net position	11,906
Net position, beginning of year	177,671
Net position, end of year	<u><u>\$ 189,577</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 2021-2022 school year was approximately 14,200 regular and special education students. The District employs approximately 2,100 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 \$7,364,149 pass-through grant from the Area Education Agency in fiscal year 2021-2022 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

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	\$ 11,419,008	\$ -	\$ 215,537
Sales, services and use tax	-	3,655,719	-
Other local entities	31,158	-	-
	<u>\$ 11,450,166</u>	<u>\$ 3,655,719</u>	<u>\$ 215,537</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.

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

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 assets 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 in the proprietary funds and government-wide statement of net position 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.

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)

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 2022, have been accrued as liabilities as of June 30, 2022.

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, 2022.

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, 2022, 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.

Leases: The District recognizes a lease liability and an intangible right-to-use lease asset in the proprietary fund statements and the government-wide financial statements. The District recognizes lease liabilities with an initial, individual net present value of \$5,000 or more. As of June 30, 2022, the District does not have lease obligations.

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

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

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

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

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

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

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.

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)

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.

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

Deferred Inflows of Resources: Deferred inflows of resources represents an acquisition of net assets 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 \$3,094,298 for categorical funding, \$7,537,996 for management levy, \$13,597,986 for physical plant and equipment, \$37,415,345 for school infrastructure, and \$2,028,504 for debt service. Net position restricted by donations and fundraising are student activities of \$848,426.

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, 2022, the book balance of the District's cash deposits plus petty cash totaled \$60,061,496 including certificates of deposit of \$5,508,223 and the bank balances totaled \$54,553,273. As of June 30, 2022, the District also had investments in the Iowa Schools Joint Investment Trust Fund totaling \$85,269,290 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, 2022.

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, 2022.

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	\$ 60,061,496
Iowa Schools Joint Investment Trust (ISJIT)	85,269,290
	<u>\$ 145,330,786</u>
 Governmental Funds	 \$ 112,705,089
Internal Service Fund	26,600,768
Total governmental activities	<u>139,305,857</u>
Business-type Activities/Enterprise Funds	5,833,194
Custodial Fund	191,735
	<u>\$ 145,330,786</u>

Note 3. Interfund Transfers

Interfund transfers as of June 30, 2022 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	310,618
Capital Projects Fund	General Fund	2,798
Nutrition Fund	General Fund	176,056
Nonmajor enterprise fund, Out of School Time Fund	General Fund	4,196
Total		<u>\$ 2,885,545</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, 2022 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	424,735	363,041	211,995	575,781
Total capital assets not being depreciated	5,126,908	363,041	211,995	5,277,954
Capital assets being depreciated:				
Land Improvements	12,657,015	-	-	12,657,015
Buildings	125,286,531	7,204	-	125,293,735
Building improvements	196,070,035	1,046,517	-	197,116,552
Furniture and equipment	9,917,827	378,978	69,345	10,227,460
Intangibles	1,248,673	-	-	1,248,673
Total capital assets being depreciated	345,180,081	1,432,699	69,345	346,543,435
Less accumulated depreciation for:				
Land Improvements	11,056,289	233,014	-	11,289,303
Buildings	59,292,645	2,077,130	-	61,369,775
Buildings improvements	89,164,505	9,394,813	-	98,559,318
Furniture and equipment	8,261,319	1,093,588	69,345	9,285,562
Intangibles	1,052,446	32,256	-	1,084,702
Total accumulated depreciation	168,827,204	12,830,801	69,345	181,588,660
Total capital assets being depreciated, net	176,352,877	(11,398,102)	-	164,954,775
Governmental activities, capital assets, net	\$ 181,479,785	\$ (11,035,061)	\$ 211,995	\$ 170,232,729
Business-type activities:				
Furniture and equipment	\$ 3,026,914	\$ 45,385	\$ -	\$ 3,072,299
Less accumulated depreciation	2,776,518	65,913	-	2,842,431
Business-type activities capital assets, net	\$ 250,396	\$ (20,528)	\$ -	\$ 229,868

Davenport Community School District

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities:

Instruction	\$ 12,632,579
Support services:	
Student support services	8,170
General administration	36,850
Business and central administration	20,161
Plant operation and maintenance	123,123
Central support services	9,918
Total governmental activities depreciation expense	\$ 12,830,801

Business-type activities:

Food service operations	\$ 65,876
Before and after school programs	37
Total business-type activities depreciation expense	\$ 65,913

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 5,770,000	\$ -	\$ 2,265,000	\$ 3,505,000	\$ 2,325,000
Premium on bonds	170,552	-	74,056	96,496	74,056
Total revenue bonds	5,940,552	-	2,339,056	3,601,496	2,399,056
Other Liabilities:					
Early retirement	4,438,993	-	1,131,811	3,307,182	1,255,472
Compensated absences	616,457	938,147	855,252	699,352	699,352
Net pension liability	102,530,339	-	100,550,301	1,980,038	-
OPEB liability	10,577,188	-	650,876	9,926,312	-
Total	\$ 124,103,529	\$ 938,147	\$ 105,527,296	\$ 19,514,380	\$ 4,353,880
Business-type activities:					
Compensated absences	\$ 11,988	\$ 24,044	\$ 24,190	\$ 11,842	\$ 11,842
Net pension liability	2,854,100	-	2,800,814	53,286	-
OPEB liability	315,849	-	18,130	297,719	-
Total	\$ 3,181,937	\$ 24,044	\$ 2,843,134	\$ 362,847	\$ 11,842

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 and Enterprise Funds.

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, 2022, are as follows:

Year ending June 30:	Governmental Activities School Infrastructure Sales, Services, and Use Tax Revenue Bonds		
	Principal	Interest	Total
2023	\$ 2,325,000	\$ 73,025	\$ 2,398,025
2024	1,180,000	23,600	1,203,600
Totals	\$ 3,505,000	\$ 96,625	\$ 3,601,625

Revenue Bonds -Governmental Activities: Two issues of revenue bonds, totaling \$3,505,000, are outstanding at June 30, 2022. 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, 2022, the District had sales, services, and use tax revenue of \$17,490,904 and the amount of principal and interest paid was \$2,394,675. The total remaining principal and interest to be paid on the bonds as of June 30, 2022 was \$3,601,625. 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 \$2,028,504 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, 2021.
- 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. As of June 30, 2022, 242 District retirees participate in the plan. The District has recorded the liability at the net present value of the future payments. During the year ended June 30, 2022, the District paid \$1,663,282 of early retirement benefits.

Legal Debt Margin: As of June 30, 2022, 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, 2022 for each plan are as shown below:

	Rate Tier	Medical
Single		\$ 623
Family		1,507

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

Inactive employees or beneficiaries currently receiving benefit payments	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 \$10,224,031 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2022.

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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	2.50% per annum
Discount rate	3.54% 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 annuitant distinct mortality table adjusted to 2006 with MP2020 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

Changes in the Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at July 1, 2021	\$ 10,893,037	\$ -	\$ 10,893,037
Changes for the year:			
Service cost	871,295	-	871,295
Interest	253,788	-	253,788
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(1,232,614)	-	(1,232,614)
Benefit payments	(561,475)	-	(561,475)
Net changes	(669,006)	-	(669,006)
Balance at June 30, 2022	\$ 10,224,031	\$ -	\$ 10,224,031

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
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 11,122,855	\$ 10,224,031	\$ 9,399,074

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	\$ 9,088,394	\$ 10,224,031	\$ 11,581,698

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,187,648. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,634,123)
Changes of assumptions or other inputs	4,155,515	(1,965,068)
Net difference between projected and actual investments	-	-
Total	\$ 4,155,515	\$ (3,599,191)

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

Year ended June 30:

2023	\$ 62,565
2024	62,565
2025	62,565
2026	62,565
2027	62,565
Thereafter	243,499
	<u>\$ 556,324</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 2022, pursuant to the required rate, regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2022 were \$10,891,450.

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, 2022, the District reported a liability of \$2,033,324 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the District's proportion was -0.588982 percent, which was a decrease of 2.089173 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$8,573,630). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,547,077	\$ 1,553,355
Changes of assumptions	1,329,968	-
Net difference between projected and actual earnings on pension plan investments	-	73,670,640
Changes in proportion and differences between District contributions and proportionate share of contributions	287,991	7,045,473
District contributions subsequent to the measurement date	10,891,450	-
Total	\$ 14,056,486	\$ 82,269,468

\$10,891,450 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ (19,519,998)
2024	(19,787,033)
2025	(18,472,658)
2026	(21,183,388)
2027	(141,355)
Thereafter	-
Total	\$ (79,104,432)

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, 2022 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, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 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%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
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 (asset)	\$ 71,965,999	\$ 2,033,324	\$ (56,574,701)

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, 2022, the District reported payables to IPERS of \$911,597 for legally required District contributions and \$607,410 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, 2022 and 2021 are as follows:

	2022	2021
Balance, beginning of year	\$ 4,200,000	\$ 4,276,000
Incurred claims and claim adjustments	26,337,228	24,125,898
Payment of claims	26,837,228	24,201,898
Balance, end of year	<u>\$ 3,700,000</u>	<u>\$ 4,200,000</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, 2022 is comprised of the following programs:

Program:	Amount
Four year old preschool	\$ 443,631
Professional development	582,825
Teacher salary supplement	112,349
Teacher leadership	1,516,708
Textbook aid	30,764
Success for early readers	142,227
Gifted and talented	265,794
Total	<u><u>\$ 3,094,298</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, 2022, these contracts totaled \$930,907. Work done and payments of \$545,133 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability of \$385,774.

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, 2022 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	\$ 964,296
City of Blue Grass, Iowa	Urban renewal and economic development projects	35,137
City of Walcott, Iowa	Urban renewal and economic development projects	48,751

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2022, this reimbursement amounted to \$427,801.

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

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

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

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

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

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

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

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

As of June 30, 2022, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 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. 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. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

Davenport Community School District

Notes to Basic Financial Statements

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

This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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



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

Required Supplementary Information

Davenport Community School District

Required Supplementary Information

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

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 79,395,780	\$ 1,191,369
State sources	130,269,660	59,429
Federal sources	24,655,649	11,205,885
Total revenues	234,321,089	12,456,683
Expenditures/expenses:		
Instruction	127,833,774	-
Support services	68,855,337	869,999
Noninstructional programs	852,372	8,379,128
Other expenditures	13,111,368	-
Total expenditures/expenses	210,652,851	9,249,127
Excess (deficiency) of revenues over (under) expenditures/expenses	23,668,238	3,207,556
Other financing sources (uses):		
Interfund transfers in	2,708,091	180,252
Interfund transfers out	(2,577,725)	(310,618)
Insurance recoveries	744,090	-
Total other financing sources (uses)	874,456	(130,366)
Net change in fund balances	24,542,694	3,077,190
Balance, beginning of year	69,746,976	605,268
Balance, end of year	\$ 94,289,670	\$ 3,682,458

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	80,587,149	\$ 83,439,200	\$ 83,439,200	\$ (2,852,051)
	130,329,089	130,006,417	130,006,417	322,672
	35,861,534	28,074,157	28,074,157	7,787,377
	246,777,772	241,519,774	241,519,774	5,257,998
	127,833,774	139,858,356	143,858,356	16,024,582
	69,725,336	70,667,989	73,667,989	3,942,653
	9,231,500	8,558,956	11,558,956	2,327,456
	13,111,368	24,736,801	24,736,801	11,625,433
	219,901,978	243,822,102	253,822,102	33,920,124
	26,875,794	(2,302,328)	(12,302,328)	39,178,122
	2,888,343	2,799,404	2,799,404	88,939
	(2,888,343)	(2,799,405)	(2,799,405)	(88,938)
	744,090	(25,016)	-	744,090
	744,090	(25,017)	(1)	744,091
	27,619,884	\$ (2,327,345)	\$ (12,302,329)	\$ 39,922,213
	70,352,244			
\$	97,972,128			

Davenport Community School District

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

	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 871,295	\$ 850,044
Interest	253,788	241,372
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(1,696,694)
Changes in assumptions or other inputs	(1,232,614)	(1,038,991)
Benefit payments	(561,475)	(540,295)
Net changes in total OPEB liability	(669,006)	(2,184,564)
Total OPEB liability - beginning	10,893,037	13,077,601
Total OPEB liability - ending	<u>\$ 10,224,031</u>	<u>\$ 10,893,037</u>
Covered employee payroll	\$ 101,349,212	\$ 98,877,280
Total OPEB liability as a percentage of covered employee payroll	10.09%	11.02%

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%
Discount rate	3.54%	2.21%
Health care cost trend rate	7.00%	7.00%

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.

2020	2019	2018
\$ 703,602	\$ 686,441	\$ 450,222
429,969	405,085	228,231
-	-	-
-	(80,650)	(271,834)
1,778,468	4,044,863	-
(482,291)	(449,087)	(99,191)
2,429,748	4,606,652	307,428
10,647,853	6,041,201	5,733,773
\$ 13,077,601	\$ 10,647,853	\$ 6,041,201
\$ 113,882,532	\$ 111,104,909	\$ 92,742,280
11.48%	9.58%	6.51%
2.50%	2.50%	0.00%
2.21%	3.87%	3.72%
8.00%	8.00%	6.00%

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 Eight Fiscal Years

	2022*	2021*
District's proportion of the net pension liability	-0.588982%	1.500191%
District's proportionate share of the net pension liability	\$ 2,033,324	\$ 105,384,439
District's covered payroll	\$ 117,876,887	\$ 119,200,123
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.72%	88.41%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%

*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.

2020*	2019*	2018*	2017*	2016*	2015*
1.616666%	1.614965%	1.580102%	1.577490%	1.562615%	1.502500%
\$ 93,615,597	\$ 102,198,921	\$ 105,254,760	\$ 99,276,394	\$ 77,200,725	\$ 59,586,686
\$ 123,119,093	\$ 121,449,832	\$ 118,073,180	\$ 113,174,927	\$ 107,021,725	\$ 98,315,409
76.04%	84.15%	89.14%	87.72%	72.14%	60.61%
85.45%	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

	2022	2021	2020	2019
Statutorily required contribution	\$ 10,891,450	\$ 11,110,302	\$ 11,252,491	\$ 11,622,441
Contributions in relation to the statutorily required contribution	\$ (10,891,450)	\$ (11,110,302)	\$ (11,252,491)	\$ (11,622,441)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 115,616,638	\$ 117,876,887	\$ 119,200,123	\$ 123,119,093
Contributions as a percentage of covered payroll	9.42%	9.43%	9.44%	9.44%

See Notes to Required Supplementary Information.

	2018		2017		2016		2015		2014		2013
\$	10,845,472	\$	10,543,936	\$	10,106,521	\$	9,557,040	\$	8,779,566	\$	8,353,920
\$	(10,845,472)	\$	(10,543,936)	\$	(10,106,521)	\$	(9,557,040)	\$	(8,779,566)	\$	(8,353,920)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	121,449,832	\$	118,073,180	\$	113,174,927	\$	107,021,725	\$	98,315,409	\$	96,354,325
	8.93%		8.93%		8.93%		8.93%		8.93%		8.67%

Davenport Community School District

Notes to Basic Financial Statements

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 \$10,000,000.

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 Basic Financial Statements

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.



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

Other Supplementary Information



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



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, 2022**

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Assets				
Cash and Investments	\$ 7,508,567	\$ 891,411	\$ 2,028,504	\$ 10,428,482
Receivables:				
Property tax:				
Current year	45,640	-	-	45,640
Succeeding year	4,277,444	-	-	4,277,444
Other	-	807	-	807
Total assets	\$ 11,831,651	\$ 892,218	\$ 2,028,504	\$ 14,752,373
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 16,211	\$ 31,989	\$ -	\$ 48,200
Accrued payroll and payroll taxes	-	11,803	-	11,803
Total liabilities	16,211	43,792	-	60,003
Deferred inflows of resources,				
Unavailable revenue:				
Succeeding year property taxes	4,277,444	-	-	4,277,444
Total deferred inflows of resources	4,277,444	-	-	4,277,444
Fund balances:				
Restricted for				
Debt service	-	-	2,028,504	2,028,504
Management levy purposes	7,537,996	-	-	7,537,996
Student activities	-	848,426	-	848,426
Total fund balances	7,537,996	848,426	2,028,504	10,414,926
Total liabilities, deferred inflows of resources and fund balances	\$ 11,831,651	\$ 892,218	\$ 2,028,504	\$ 14,752,373

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2022

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Revenues:				
Local sources:				
Property taxes	\$ 4,624,841	\$ -	\$ -	\$ 4,624,841
Utility taxes	184,550	-	-	184,550
Interest	34,920	3,705	11,544	50,169
Other	-	814,463	-	814,463
State sources, other	147,600	-	-	147,600
Total revenues	4,991,911	818,168	11,544	5,821,623
Expenditures:				
Current:				
Instruction	1,674,156	701,365	-	2,375,521
Support service:				
Student support services	18,450	-	-	18,450
General administration	2,009,223	-	-	2,009,223
Plant operation and maintenance	796,898	-	-	796,898
Student transportation	-	26,202	-	26,202
Debt service:				
Principal	-	-	2,265,000	2,265,000
Interest and fiscal charges	-	-	130,875	130,875
Total expenditures	4,498,727	727,567	2,395,875	7,622,169
Excess (deficiency) of revenues over (under) expenditures	493,184	90,601	(2,384,331)	(1,800,546)
Other financing sources:				
Transfers in	-	-	2,394,675	2,394,675
Insurance recoveries	744,090	-	-	744,090
Total other financing sources	744,090	-	2,394,675	3,138,765
Net change in fund balances	1,237,274	90,601	10,344	1,338,219
Fund balances, beginning of year	6,300,722	757,825	2,018,160	9,076,707
Fund balances, end of year	\$ 7,537,996	\$ 848,426	\$ 2,028,504	\$ 10,414,926



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 Changes in Special Revenue Fund, Student Activity Accounts
Year Ended June 30, 2022**

Group	Ending June 30, 2021	Revenues	Expenditures	Ending June 30, 2022
Adams Elementary	\$ 10,982	\$ 4,393	\$ 2,312	\$ 13,063
Blue Grass Elementary	959	2,189	1,718	1,430
Buchanan Elementary	271	705	1,450	(474)
Buffalo Elementary	880	7,758	1,692	6,946
Eisenhower Elementary	12,115	97	1,950	10,262
Fillmore Elementary	8,563	-	-	8,563
Garfield Elementary	2,253	2,469	2,094	2,628
Harrison Elementary	1,101	1,493	1,337	1,257
Hayes Elementary	4,267	-	204	4,063
Jackson Elementary	926	275	424	777
Jefferson Elementary	3,236	-	1,422	1,814
Madison Elementary	465	-	-	465
McKinley Elementary	4,521	232	506	4,247
Monroe Elementary	795	506	1,052	249
Truman Elementary	496	-	-	496
Washington Elementary	8,339	34	-	8,373
Wilson Elementary	2,323	534	378	2,479
Smart Intermediate School	12,310	1,070	1,020	12,360
Sudlow Intermediate School	91,842	35,242	24,620	102,464
Walcott School	29,849	9,213	4,141	34,921
Williams Intermediate School	30,749	294	885	30,158
Wood Intermediate School	26,951	9,709	3,209	33,451
Central High School Athletics	33,613	89,662	90,790	32,485
Central High School	188,511	153,110	126,103	215,518
Mid City High School	8,565	706	818	8,453
North High School Athletics	11,740	92,639	98,657	5,722
North High School	93,185	171,295	138,616	125,864
West High School Athletics	1,310	93,780	98,622	(3,532)
West High School	134,132	124,070	113,866	144,336
Senior High Future Teachers	6,111	5,200	2,701	8,610
District Wide Athletics	(789)	7,769	6,980	-
Unallocated interest income	27,254	3,724	-	30,978
Total Special Revenue Fund, Student Activity By Account	\$ 757,825	\$ 818,168	\$ 727,567	\$ 848,426

Davenport Community School District

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

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 33,951,596	\$ 13,909,477	\$ 47,861,073
Receivables:			
Property tax:			
Current year	-	96,740	96,740
Succeeding year	-	8,276,944	8,276,944
Due from other governments	3,655,719	-	3,655,719
Total assets	\$ 37,607,315	\$ 22,283,161	\$ 59,890,476
Liabilities, Deferred Inflows of Resources, and and Fund Balances			
Liabilities:			
Accounts payable	\$ 141,167	\$ 389,719	\$ 530,886
Accrued payroll and payroll taxes	38,667	-	38,667
Construction contracts payable	12,136	18,512	30,648
Total liabilities	191,970	408,231	600,201
Deferred Inflows of Resources:			
Unavailable revenue:			
Succeeding year property tax	-	8,276,944	8,276,944
Sales, services and use tax	2,432,390	-	2,432,390
Total deferred inflows of resources	2,432,390	8,276,944	10,709,334
Fund Balances:			
Restricted for:			
Physical plant and equipment	-	13,597,986	13,597,986
School infrastructure	34,982,955	-	34,982,955
Total fund balances	34,982,955	13,597,986	48,580,941
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,607,315	\$ 22,283,161	\$ 59,890,476

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2022

	Capital Projects Fund Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Revenues:			
Local sources:			
Property taxes	\$ -	\$ 8,017,632	\$ 8,017,632
Utility taxes	-	309,794	309,794
Interest	30,355	20,303	50,658
Other	-	107,428	107,428
State sources:			
Statewide sales, services, and use tax	17,490,904	-	17,490,904
Other state sources	-	248,296	248,296
Total revenues	17,521,259	8,703,453	26,224,712
Expenditures:			
Current:			
Instruction	1,026,654	223,338	1,249,992
Support services:			
Student	-	2,187	2,187
Instruction	-	1,710	1,710
General administration	108,313	13,186	121,499
School administration	-	31,687	31,687
Business and central administration	-	847,097	847,097
Plant operation and maintenance	532,024	480,759	1,012,783
Student transportation	-	596,038	596,038
Non-instructional programs	138,671	69,535	208,206
Capital outlay	325,151	3,022,193	3,347,344
Debt service:			
Interest and fiscal charges	4,000	-	4,000
Total expenditures	2,134,813	5,287,730	7,422,543
Excess of revenues over expenditures	15,386,446	3,415,723	18,802,169
Other financing sources (uses):			
Transfers in	2,798	-	2,798
Transfers out	(2,394,675)	-	(2,394,675)
Total other financing sources (uses)	(2,391,877)	-	(2,391,877)
Net change in fund balance	12,994,569	3,415,723	16,410,292
Fund balance, beginning of year	21,988,386	10,182,263	32,170,649
Fund balance, end of year	\$ 34,982,955	\$ 13,597,986	\$ 48,580,941

Davenport Community School District

**Schedule of Changes in Amounts Due to Custodial Funds, Activity Accounts
Year Ended June 30, 2022**

Activity Group	Beginning	Revenues	Expenditures	Ending
	June 30, 2021			June 30, 2022
Adams Staff Account	\$ 2,199	\$ -	\$ 118	\$ 2,081
Administration Pop Account	2,652	282	391	2,543
Administration Scholar Account	196	326	-	522
Blue Grass Staff Account	618	840	1,326	132
Buchanan Pop Account	526	610	629	507
Buchanan Boosters Account	421	216	390	247
Buffalo Staff Account	(31)	446	138	277
Buffalo Business Partners	(233)	457	132	92
CV Hayes Staff Account	54	-	-	54
CV Hoover Staff Account	211	-	-	211
CV Hoover Parent Account	54	-	-	54
CV West Staff Account	328	105	-	433
CV West PTO Account	647	-	-	647
CV West Staff Social Account	91	-	-	91
Central Staff Account	22,754	44,816	47,146	20,424
Central Band Orchestra Parent Account	65	-	65	-
Central/North Prom	3,036	3,000	6,036	-
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	91	180	116	155
Fillmore Staff Account	1,141	820	610	1,351
Garfield Staff Account	990	54	523	521
Harrison Staff Account	10,304	1,997	1,785	10,516
Havlife Foundation Account	7,690	10,000	2,578	15,112
Hayes Staff Fund	569	646	612	603
Jackson Staff Fund	392	1,168	1,151	409
Jefferson Staff Fund	4,546	-	339	4,207
Madison Staff Account	970	46	436	580
Metro Fest	2,986	169	84	3,071
Mid City Staff Account	534	100	439	195
McKinley Staff Fund	302	-	-	302
Monroe Staff Account	6,548	1,711	2,376	5,883
North Staff Account	9,189	15,831	14,546	10,474
River Music Experience/Havlife	606	-	-	606
Smart Staff Account	133	1,021	904	250
Sudlow Staff Account	977	798	731	1,044
Truman Staff Account	279	-	-	279
Walcott Staff Account	1,108	893	142	1,859
Washington Staff Account	574	709	326	957
West Staff Account	77,043	24,730	20,705	81,068
West Shrine Account	331	-	-	331
West Athletics Account	3,862	4,000	1,093	6,769
West Boosters Account	290	-	-	290
West After Prom Account	3,000	2,249	-	5,249
Williams Staff Account	1,963	669	265	2,367
Wilson Staff Account	1,848	2,714	2,858	1,704
Wood Staff Account	1,954	380	1,034	1,300
Youth Fest Account	1,638	-	-	1,638
Transfers	-	(1,021)	(1,021)	-
Total Due to Activity Groups	\$ 177,671	\$ 120,962	\$ 109,056	\$ 189,577

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	74
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).	84
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	89
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	94
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	104

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive report for the relevant year.

Davenport Community School District

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

	Fiscal Year			
	2022	2021	2020	2019
Governmental activities:				
Net investment in capital assets	\$ 166,631,233	\$ 175,539,233	\$ 182,499,308	\$ 182,224,117
Restricted	64,522,555	49,259,585	32,591,484	28,370,996
Unrestricted	(25,887,735)	(54,474,215)	(55,648,330)	(46,366,056)
Total governmental activities net position	\$ 205,266,053	\$ 170,324,603	\$ 159,442,462	\$ 164,229,057
Business-type activities				
Net investment in capital assets	\$ 229,868	\$ 250,396	\$ 278,340	\$ 318,172
Unrestricted	3,452,590	354,872	(249,174)	254,249
Total business-type activities net position	\$ 3,682,458	\$ 605,268	\$ 29,166	\$ 572,421
Primary government:				
Net investment in capital assets	\$ 166,861,101	\$ 175,789,629	\$ 182,777,648	\$ 182,542,289
Restricted	64,522,555	49,259,585	32,591,484	28,370,996
Unrestricted	(22,435,145)	(54,119,343)	(55,897,504)	(46,111,807)
Total primary government net position	\$ 208,948,511	\$ 170,929,871	\$ 159,471,628	\$ 164,801,478

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

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 185,028,308	\$ 181,820,851	\$ 173,180,292	\$ 168,031,137	\$ 147,591,718	\$ 145,139,593
24,509,982	18,655,832	23,926,922	25,490,625	38,106,915	30,754,572
(36,231,015)	(22,116,859)	(12,359,839)	(13,563,485)	54,329,549	49,317,951
<u>\$ 173,307,275</u>	<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>
\$ 364,713	\$ 453,108	\$ 501,466	\$ 321,414	\$ 413,546	\$ 358,765
348,798	455,031	310,282	24,659	1,622,191	2,758,445
<u>\$ 713,511</u>	<u>\$ 908,139</u>	<u>\$ 811,748</u>	<u>\$ 346,073</u>	<u>\$ 2,035,737</u>	<u>\$ 3,117,210</u>
\$ 185,393,021	\$ 182,273,959	\$ 173,681,758	\$ 168,352,551	\$ 148,005,264	\$ 145,498,358
24,509,982	18,655,832	23,926,922	25,490,625	38,106,915	30,754,572
(35,882,217)	(21,661,828)	(12,049,557)	(13,538,826)	55,951,740	52,076,396
<u>\$ 174,020,786</u>	<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>

Davenport Community School District

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

	Fiscal Year			
	2022	2021	2020	2019
Expenses:				
Governmental activities:				
Instruction	\$ 126,658,619	\$ 138,563,617	\$ 142,979,181	\$ 148,386,881
Student Support Services	16,388,243	19,069,129	18,347,191	16,983,505
Instructional Staff Support Services	4,548,568	5,366,938	6,168,822	5,903,389
General Administration	6,598,041	6,753,640	7,033,064	6,794,569
School Administration	8,913,236	9,992,526	10,818,959	10,880,137
Business Administration	5,235,283	4,510,778	7,254,229	8,102,302
Plant Operation and Maintenance	15,058,926	17,782,896	16,350,173	18,372,074
Student Transportation	8,333,008	6,541,169	5,794,593	7,438,209
Non-instructional	784,979	666,042	610,909	567,944
Area Education Agency	7,364,149	7,392,144	7,368,697	7,310,665
Interest on Long-term Debt	60,819	111,419	167,934	218,319
Total governmental activities expenses	199,943,871	216,750,298	222,893,752	230,957,994
Business-type activities:				
School Nutrition	8,665,273	7,778,073	7,895,033	8,467,056
Before and after school program	583,854	440,497	526,181	727,393
Total business-type activities expenses	9,249,127	8,218,570	8,421,214	9,194,449
Total primary government expenses	209,192,998	224,968,868	231,314,966	240,152,443
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,931,404	4,257,447	3,417,628	3,999,670
Support services	373,581	1,133,339	425,086	621,542
Other	-	22,295	38,435	-
Operating grants and contributions	51,686,295	43,656,177	39,320,138	41,995,912
Capital grants and contributions	157,913	-	-	103,288
Total governmental revenues	57,149,193	49,069,258	43,201,287	46,720,412
Business-type activities:				
Charges for services:				
Food Services	591,955	388,694	1,162,923	1,610,804
Before and after school program	565,078	206,008	456,798	730,704
Operating grants and contributions	11,286,095	8,007,478	6,552,279	7,027,958
Total business-type revenues	12,443,128	8,602,180	8,172,000	9,369,466
Total primary government revenues	69,592,321	57,671,438	51,373,287	56,089,878
Net (expense) revenues:				
Governmental activities	(142,794,678)	(167,681,040)	(179,692,465)	(184,237,582)
Business-type activities	3,194,001	383,610	(249,214)	175,017
Total primary government net expense	\$ (139,600,677)	\$ (167,297,430)	\$ (179,941,679)	\$ (184,062,565)

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 144,719,877	\$ 139,416,652	\$ 133,042,846	\$ 132,454,398	\$ 125,736,240	\$ 120,970,114
16,813,962	16,441,860	14,959,706	7,013,751	6,346,051	5,607,181
6,699,410	6,354,866	5,481,304	5,517,395	4,898,917	6,550,882
6,419,405	6,288,431	5,639,397	4,800,446	4,195,386	3,774,487
11,360,338	10,816,465	11,431,660	9,719,379	9,651,935	9,200,600
5,901,920	6,830,713	6,451,175	6,179,430	3,447,114	4,693,532
14,944,147	16,490,014	12,958,917	12,718,459	17,392,671	13,549,183
7,299,085	7,195,748	6,385,037	6,427,016	5,856,022	5,061,706
648,153	692,881	666,296	603,339	577,899	534,745
7,269,964	7,046,999	6,885,657	6,817,320	6,461,319	6,218,691
259,519	300,019	349,258	159,982	108,104	-
222,335,780	217,874,648	204,251,253	192,410,915	184,671,658	176,161,121
8,608,677	9,032,980	8,907,468	8,041,263	8,431,050	8,240,850
599,507	399,084	434,523	489,227	945,852	978,362
9,208,184	9,432,064	9,341,991	8,530,490	9,376,902	9,219,212
231,543,964	227,306,712	213,593,244	200,941,405	194,048,560	185,380,333
5,018,786	5,076,599	4,029,551	n/a	n/a	n/a
924,404	993,023	892	n/a	n/a	n/a
196,513	7,500	-	3,368,675	4,199,627	3,945,860
38,660,673	36,505,696	36,047,765	40,542,048	33,676,763	33,862,643
-	-	-	-	74,720	-
44,800,376	42,582,818	40,078,208	43,910,723	37,951,110	37,808,503
1,948,801	1,574,028	1,670,598	1,629,652	1,987,983	1,994,136
599,308	546,132	562,938	635,619	790,137	747,704
6,872,485	7,395,550	7,572,916	6,584,340	6,333,063	6,329,637
9,420,594	9,515,710	9,806,452	8,849,611	9,111,183	9,071,477
54,220,970	52,098,528	49,884,660	52,760,334	47,062,293	46,879,980
(177,535,404)	(175,291,830)	(164,173,045)	(148,500,192)	(146,720,548)	(138,352,618)
212,410	83,646	464,461	319,121	(265,719)	(147,735)
\$ (177,322,994)	\$ (175,208,184)	\$ (163,708,584)	\$ (148,181,071)	\$ (146,986,267)	\$ (138,500,353)

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

	Fiscal Year			
	2022	2021	2020	2019
General revenues and other changes in net position:				
Governmental activities:				
Property Taxes	\$ 71,583,420	\$ 72,969,966	\$ 65,960,146	\$ 65,142,361
Utility Tax	2,837,368	1,454,192	3,366,912	3,440,851
Revenue in lieu of tax	1,855,761	2,297,375	2,295,195	2,372,893
Sales, Services, and Use Tax	17,778,658	16,596,751	15,341,923	15,608,555
Unrestricted State Aid and Grants	83,136,458	85,008,357	86,333,795	86,440,944
Interest and Investment earnings	414,097	412,884	1,286,898	1,801,732
Miscellaneous	-	-	-	-
Transfers	130,366	(176,344)	321,001	352,028
Total governmental activities	177,736,128	178,563,181	175,159,364	175,159,364
Business-type activities:				
Interest and Investment Earnings	13,555	16,148	26,960	35,921
Other	-	-	-	-
Transfers	(130,366)	176,344	(321,001)	(352,028)
Total business-type activities	(116,811)	192,492	(316,107)	(316,107)
Total primary government	177,619,317	178,755,673	174,843,257	174,843,257
Change in net position:				
Governmental activities	34,941,450	178,563,181	(4,786,595)	175,159,364
Business-type activities	3,077,190	192,492	(543,255)	(316,107)
Total primary government	\$ 38,018,640	\$ 178,755,673	\$ 174,843,257	\$ 174,843,257

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 64,862,199	\$ 60,111,185	\$ 60,834,657	\$ 61,247,158	\$ 65,467,771	\$ 64,942,943
3,409,461	3,385,530	3,545,882	3,648,294	2,617,812	2,717,545
2,366,600	3,012,624	-	-	-	-
14,432,786	15,129,201	15,114,132	15,170,683	13,877,511	14,110,961
85,738,422	84,429,673	86,685,533	80,262,330	78,431,166	75,791,773
1,003,549	549,199	86,005	275,646	197,423	165,646
-	2,286,867	2,695,934	1,392,782	126,308	186,829
340,229	-	-	-	818,623	-
172,153,246	168,904,279	168,962,143	161,996,893	161,536,614	157,915,697
10,007	12,745	1,066	892	1,893	1,758
-	-	148	672	976	250
(340,229)	-	-	-	(818,623)	-
(330,222)	12,745	1,214	1,564	(815,754)	2,008
171,823,024	168,917,024	168,963,357	161,998,457	160,720,860	157,917,705
(10,722,416)	(8,631,125)	(6,329,687)	(2,176,152)	13,036,422	11,195,149
(155,205)	225,155	84,860	466,025	(496,633)	(263,711)
\$ (10,877,621)	\$ (8,405,970)	\$ (6,244,827)	\$ (1,710,127)	\$ 12,539,789	\$ 10,931,438

Davenport Community School District

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

	Fiscal Year			
	2022	2021	2020	2019
General Fund:				
Nonspendable	\$ 335,444	\$ 319,426	\$ 201,847	\$ 236,930
Unassigned	31,864,061	22,312,601	19,897,473	12,321,448
Reserved	-	-	-	-
Restricted	3,094,298	5,867,593	5,355,060	4,389,040
Unreserved	-	-	-	-
Total General Fund	35,293,803	28,499,620	25,454,380	16,947,418
All other governmental funds:				
Nonspendable	-	-	-	-
Restricted	58,995,867	41,247,356	26,719,640	23,207,244
Total all other governmental funds	58,995,867	41,247,356	26,719,640	23,207,244
Total governmental funds	\$ 94,289,670	\$ 69,746,976	\$ 52,174,020	\$ 40,154,662

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 201,882	\$ 252,083	\$ 241,009	\$ 398,240	\$ 389,639	\$ 254,798
11,859,845	13,388,037	21,599,151	24,299,600	25,274,148	20,920,870
-	-	-	-	-	-
3,862,718	2,884,123	-	-	-	-
-	-	-	-	-	-
15,924,445	16,524,243	21,840,160	24,697,840	25,663,787	21,175,668
-	-	-	-	19,722	-
19,897,264	17,905,832	23,176,922	37,176,145	38,106,914	29,266,974
19,897,264	17,905,832	23,176,922	37,176,145	38,126,636	29,266,974
<u>\$ 35,821,709</u>	<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>

Davenport Community School District

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2022	2021	2020	2019
Revenues				
Property taxes	\$ 71,583,420	\$ 72,969,966	\$ 65,960,146	\$ 65,142,361
Utility tax	2,837,368	1,454,192	3,366,912	3,440,851
Sales, Services and Use Tax, Pledged as Security for Revenue Bonds	17,490,904	14,910,295	15,604,743	15,637,555
Intergovernmental	137,434,405	130,104,580	127,216,619	128,146,936
Charges for Services	1,209,433	1,388,331	1,299,665	1,775,124
Interest	414,097	412,884	1,286,898	1,801,732
Contributions and Donations	-	-	-	-
Other	3,351,462	3,972,250	3,616,668	4,833,865
Total revenues	234,321,089	225,212,498	218,351,651	220,778,424
Expenditures				
Instruction	127,833,774	124,762,325	119,217,527	128,858,154
Student Support Service	18,523,333	18,752,204	16,868,089	15,976,240
Instructional Staff Support Service	5,131,597	5,263,274	5,706,915	5,593,166
General Administration	6,925,786	6,629,923	6,750,855	6,600,214
School Administration	10,055,503	9,817,443	9,854,117	10,227,792
Business Administration	5,648,061	4,485,015	6,744,411	5,760,558
Plant Operations and Maintenance	14,230,952	16,239,167	14,186,142	14,194,888
Student Transportation	8,340,105	6,530,072	5,779,479	7,424,743
Non-instructional	852,372	657,569	549,589	516,880
Area Education Agency	7,364,149	7,392,144	7,368,697	7,310,665
Capital Outlay	3,347,344	4,538,587	11,225,483	12,839,324
Debt Service:				
Principal	2,265,000	2,210,000	2,160,000	2,105,000
Interest	134,875	185,475	241,990	292,375
Total expenditures	210,652,851	207,463,198	206,653,294	217,699,999
Excess of revenues over (under) expenditures	23,668,238	17,749,300	11,698,357	3,078,425
Other financing sources (uses):				
Transfers in	2,708,091	2,699,331	2,717,276	2,748,303
Transfers out	(2,577,725)	(2,875,675)	(2,396,275)	(2,396,275)
Insurance recoveries	744,090	-	-	-
Proceeds from sale of capital asset	-	-	-	902,500
Issuance of Bonds	-	-	-	-
Premium on Bonds	-	-	-	-
Total other financing sources (uses)	874,456	(176,344)	321,001	1,254,528
Net change in fund balances	\$ 24,542,694	\$ 17,572,956	\$ 12,019,358	\$ 4,332,953
Debt service as a percentage of noncapital expenditures	1.15%	1.22%	1.15%	1.13%

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 64,862,199	\$ 60,257,683	\$ 60,923,170	\$ 61,224,395	\$ 65,473,551	\$ 65,068,981
3,409,461	3,385,530	3,545,882	3,648,294	2,617,812	2,717,545
14,432,786	15,129,201	15,114,132	15,170,683	13,877,511	14,009,961
127,356,077	125,811,260	121,863,419	117,138,327	110,044,423	107,161,891
1,441,259	2,083,336	2,830,493	2,117,326	2,920,189	2,996,858
1,003,549	549,199	86,004	275,645	197,424	165,646
-	-	1,242,293	1,119,312	688,092	652,378
4,900,778	4,715,715	3,268,660	5,029,288	2,855,877	2,353,270
217,406,109	211,931,924	208,874,053	205,723,270	198,674,879	195,126,530
126,994,153	128,268,765	124,646,639	126,118,386	118,583,277	115,417,601
15,988,753	16,333,361	15,309,574	7,376,623	6,346,051	6,589,764
6,438,266	6,306,679	5,595,340	5,715,720	4,898,918	6,541,656
6,258,687	6,242,962	5,691,800	4,880,510	4,195,386	3,759,798
10,813,049	10,737,252	11,724,527	10,187,425	9,651,935	9,196,821
5,577,551	6,631,954	6,495,376	6,312,477	5,317,248	4,591,156
12,917,440	13,799,245	13,197,622	13,085,788	17,314,484	13,463,488
7,289,019	7,188,016	6,379,253	6,422,346	5,856,022	5,054,428
614,211	611,105	678,112	622,734	656,087	530,984
7,269,964	7,046,999	6,885,657	6,817,320	6,461,319	6,218,691
13,795,036	19,837,641	26,708,742	28,885,713	19,940,054	9,732,598
2,065,000	2,025,000	1,995,000	1,000,000	-	-
333,575	374,075	423,314	211,601	108,104	-
216,354,704	225,403,054	225,730,956	217,636,643	199,328,885	181,096,985
1,051,405	(13,471,130)	(16,856,903)	(11,913,373)	(654,006)	14,029,545
2,737,804	2,398,075	12,166,411	2,392,824	1,083,055	3,945
(2,397,575)	(2,398,075)	(12,166,411)	(2,392,824)	(1,083,055)	(3,945)
-	-	-	9,795,000	9,535,000	-
-	-	-	201,934	464,573	-
340,229	-	-	9,996,934	9,999,573	-
\$ 1,391,634	\$ (13,471,130)	\$ (16,856,903)	\$ (1,916,439)	\$ 9,345,567	\$ 14,029,545
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
2020	2021-22	\$ 4,803,960,731	\$ 7,338,013,833	\$ 20,395,313	\$ 21,514,966
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

Source: Iowa Department of Management

Gas and Electric		Total		
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Direct Rate
\$ 173,765,171	\$ 447,504,084	\$ 4,998,121,215	\$ 7,807,032,883	15.29534
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

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
2022	13.99534	1.30000	15.29534	6.04197	16.78000	0.92357	0.32949
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

Source: Scott County Auditor's Office

Davenport Community School District

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

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy	\$ 136,634,033	1	3.36%	\$ 154,438,519	1	4.00%
Rhythm City Casino LLC	57,200,787	2	1.41%			
Iowa American Water Company	42,537,579	3	1.05%	44,694,026	3	1.16%
SDG Macerich North Park Mall LLC	38,388,888	4	0.94%	55,488,075	2	1.44%
THF Davenport North Development	34,701,872	5	0.85%	16,881,188	7	0.44%
Genesis Health System	24,497,667	6	0.60%	13,514,249	10	0.35%
Continental Cement Co (LaFarge Corporation)	23,850,999	7	0.59%			
Putnam Landlord LLC	21,968,264	8	0.54%			
HOA Hotels LLC	21,056,580	9	0.52%			
MedProperties Davenport LLC	20,496,582	10	0.50%			
LaFarge Corporation				21,371,986	4	0.55%
Qwest				664,932	5	0.46%
Hotel Blackhawk LLC				17,073,210	6	0.44%
Iowa 80 Truckstop Inc.				16,470,040	8	0.43%
Wal-Mart Real Estate				13,581,485	9	0.35%
	<u>\$ 421,333,251</u>		<u>10.37%</u>	<u>\$ 354,177,710</u>		<u>9.62%</u>

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*		
2021-22	\$ 71,923,273	\$ 76,599,745	106.50%	\$ 288,674	106.90%
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%

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		
2022	\$ 3,601,496	35.56%	35.66
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%	-

Source: District financial records

N/A: Not Available



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

Davenport Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 25,509,268	100.00%	\$ 25,509,268
Eastern Iowa Community College	37,445,000	59.94%	22,444,533
City of Blue Grass	147,600	99.07%	146,227
City of Buffalo	297,000	100.00%	297,000
City of Davenport	197,490,000	100.00%	197,490,000
City of Walcott	1,700,000	100.00%	1,700,000
City of Durant	2,001,000	3.50%	70,035
Subtotal, overlapping debt			247,657,063
District direct debt			3,601,496
Total direct and overlapping debt			\$ 251,258,559

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 2022

Assessed value	<u>\$ 4,998,121,215</u>
Debt limit (5% of assessed value)	249,906,061
Debt applicable to limit	-
Legal debt margin	<u>\$ 249,906,061</u>

	2022	2021	2020	2019
Debt limit	\$ 249,906,061	\$ 244,741,814	\$ 236,816,516	\$ 229,552,425
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 249,906,061</u>	<u>\$ 244,741,814</u>	<u>\$ 236,816,516</u>	<u>\$ 229,552,425</u>
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

2018	2017	2016	2015	2014	2013
\$ 224,878,256	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771	\$ 199,231,865
-	-	-	-	-	-
\$ 224,878,256	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771	\$ 199,231,865
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		
2022	\$ 17,490,904	\$ 2,265,000	\$ 130,875	7.30	
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	-	-	-	

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
2022	174,170	10,127,058	\$ 58,465	38.4	14,166	3.40
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

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



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

Davenport Community School District

Principal Employers Current Year and Ten Years Ago (Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
John Deere Davenport Works	2,000	1	2.35%			
Arconic (formerly Alcoa)	2,000	2	2.35%	2,200	2	2.70%
Kraft Foods (Oscar Mayer) Heinz	1,600	3	1.88%	1,500	3	1.80%
Genesis Medical Center East	1,574	4	1.85%	4,730	1	5.80%
Tri City Engineering & Integration	1,200	5	1.41%			
Elite Casino Resort	1,000	6	1.18%			
Eaton-Cobham Mission Equipment	900	7	1.06%			
City of Davenport City Hall Civil	800	8	0.94%			
DIRECTV	600	9	0.71%			
Bettendorf Event Ctr	600	10	0.71%			
Mid American				1,230	4	1.50%
APAC Customer Svc Inc.				950	5	1.20%
UPS Distribution				590	6	0.70%
Von Maur				570	7	0.70%
Swiss Valley Farms				550	8	0.70%
Lee Enterprises News/Publishing				490	9	0.60%
Great Dane Trailers				450	10	0.50%
	12,274		14.44%	13,260		16.20%

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

Source: Bi-State Regional Commission, Infogroup, Reference USA Gov.

Davenport Community School District

School Building Information

Last Ten Fiscal Years

(Unaudited)

School	2022	2021	2020	2019
Elementary:				
Adams (1950)				
Square feet	82,282	82,282	82,282	82,282
Capacity	702	702	702	702
Enrollment	497	497	497	553
Blue Grass (1957)				
Square feet	66,884	66,884	66,884	66,884
Capacity	578	578	578	578
Enrollment	275	275	275	289
Buchanan (1971)				
Square feet	56,103	56,103	56,103	56,103
Capacity	554	554	554	554
Enrollment	344	344	344	315
Buffalo (2002)				
Square feet	53,980	53,980	53,980	53,980
Capacity	432	432	432	432
Enrollment	256	256	256	242
Eisenhower (1969)				
Square feet	57,811	57,811	57,811	57,811
Capacity	578	578	578	578
Enrollment	439	439	439	451
Fillmore (1955)				
Square feet	65,231	65,231	65,231	65,231
Capacity	522	522	522	522
Enrollment	418	418	418	387
Garfield (1923)				
Square feet	65,211	65,211	65,211	65,211
Capacity	602	602	602	602
Enrollment	387	387	387	390
Harrison (1953)				
Square feet	72,912	72,912	72,912	72,912
Capacity	602	602	602	602
Enrollment	460	460	460	530
Hayes (1923)				
Square feet	77,618	77,618	77,618	77,618
Capacity	578	578	578	578
Enrollment	314	314	314	347
Jackson (1971)				
Square feet	53,632	53,632	53,632	53,632
Capacity	578	578	578	578
Enrollment	328	328	328	339
Jefferson (1939)				
Square feet	64,514	64,514	64,514	64,514
Capacity	702	702	702	702
Enrollment	408	408	408	450
Lincoln (1939)				
Square feet	-	-	-	59,536
Capacity	-	-	-	483
Enrollment	-	-	-	-

(Continued)

2018	2017	2016	2015	2014	2013
82,282	82,282	82,282	82,282	82,282	82,282
702	586	690	690	690	690
553	504	564	577	570	553
66,884	66,884	66,884	66,884	66,884	66,884
578	438	552	552	552	552
289	290	287	296	329	353
56,103	56,103	56,103	56,103	56,103	56,103
554	531	506	506	506	506
315	303	373	383	391	359
53,980	53,980	53,980	53,980	53,980	53,980
432	439	391	391	391	391
242	217	230	254	251	227
57,811	57,811	57,811	57,811	57,811	57,811
578	506	506	506	506	506
451	436	436	457	462	458
65,231	65,231	65,231	51,980	51,980	51,980
522	522	552	552	552	552
387	440	397	417	416	400
65,211	65,211	90,458	90,458	90,458	90,458
602	673	483	483	483	483
390	345	394	409	462	496
72,912	72,912	72,912	72,912	72,912	72,912
602	479	598	598	598	598
530	387	527	539	567	592
77,618	77,618	77,618	77,618	77,618	77,618
578	463	506	506	506	506
347	325	401	412	416	380
53,632	55,503	55,503	55,503	55,503	55,503
578	464	529	529	529	529
339	303	332	336	378	359
64,514	64,514	64,514	64,514	64,514	64,514
702	488	552	552	552	552
450	403	453	482	427	408
59,536	59,536	59,536	59,536	59,536	59,536
483	483	483	483	483	483
-	-	-	-	-	-

Davenport Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	2022	2021	2020	2019
Madison (1939)				
Square feet	64,614	64,614	64,614	64,614
Capacity	578	578	578	578
Enrollment	407	407	407	412
McKinley (1939)				
Square feet	61,063	61,063	61,063	61,063
Capacity	554	554	554	554
Enrollment	395	395	395	369
Monroe (1938)				
Square feet	72,435	72,435	72,435	72,435
Capacity	598	598	598	598
Enrollment	334	334	334	405
Truman (1977)				
Square feet	61,064	61,064	61,064	61,064
Capacity	391	391	391	391
Enrollment	286	286	286	331
Washington (1939)				
Square feet	48,388	48,388	48,388	48,388
Capacity	384	384	384	384
Enrollment	256	256	256	265
Wilson (1955)				
Square feet	78,401	78,401	78,401	78,401
Capacity	680	680	680	680
Enrollment	446	446	446	476
Intermediates:				
Smart (1917)				
Square feet	134,901	134,901	134,901	134,901
Capacity	809	809	809	809
Enrollment	575	575	575	629
Sudlow (1917)				
Square feet	136,524	136,524	136,524	136,524
Capacity	916	916	916	916
Enrollment	843	843	843	837
Walcott (K-8) (1956)				
Square feet	107,250	107,250	107,250	107,250
Capacity	722	722	722	722
Enrollment	603	603	603	577
Williams (1954)				
Square feet	145,224	145,224	145,224	145,224
Capacity	959	959	959	959
Enrollment	740	740	740	750
Wood (1984)				
Square feet	117,743	117,743	117,743	117,743
Capacity	893	893	893	893
Enrollment	745	745	745	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

2018	2017	2016	2015	2014	2013
64,614	64,614	64,614	64,614	64,614	64,614
578	493	506	506	506	506
412	419	381	390	396	428
61,063	61,063	61,063	61,063	61,063	61,063
554	457	460	460	460	460
369	419	376	395	403	392
72,435	72,435	72,435	72,435	72,435	72,435
534	598	598	598	598	598
376	474	480	495	488	455
61,064	61,064	61,064	61,064	61,064	61,064
391	391	391	391	391	391
369	369	386	435	380	430
48,388	48,388	48,388	48,388	48,388	48,388
322	322	322	322	322	322
265	265	285	315	357	320
78,401	78,401	78,401	78,401	78,401	78,401
626	672	672	672	672	672
339	513	524	544	542	557
134,901	134,901	134,901	134,901	134,901	134,901
809	914	978	978	978	978
629	554	518	493	544	518
136,524	134,524	134,524	134,524	134,524	134,524
916	1,050	978	978	978	978
837	825	734	707	677	676
107,250	107,250	107,250	107,250	107,250	107,250
722	713	722	722	722	722
577	541	392	586	621	600
145,224	145,224	145,224	145,224	145,224	145,224
959	1,033	977	977	977	977
750	709	688	718	748	756
117,743	117,743	117,743	105,815	105,815	105,815
893	914	977	977	977	977
707	554	734	699	737	712
108,018	108,018	108,018	108,018	108,018	108,018
1,050	1,050	829	829	829	829
n/a	825	327	406	441	305

Davenport Community School District

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

School	2022	2021	2020	2019
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	1,428	1,395
Mid City (2015)				
Square feet	53,940	53,940	53,940	53,940
Capacity	293	293	293	293
Enrollment	262	262	262	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	1,154	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	1,443	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	134	123
Child Village at West (2004)				
Square feet	35,400	35,400	35,400	35,400
Capacity	286	286	286	286
Enrollment	279	279	279	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.

2018	2017	2016	2015	2014	2013
394,344	394,344	331,935	331,935	331,935	331,935
1,689	1,841	1,933	1,933	1,933	1,933
1,395	1,245	1,282	1,364	1,362	1,419
53,940	53,940	50,291	37,355	n/a	n/a
293	318	355	355	n/a	n/a
251	250	265	196	n/a	n/a
390,763	390,763	390,763	390,763	390,763	390,763
1,494	1,494	1,551	1,551	1,551	1,551
1,180	1,193	1,152	1,075	1,001	902
453,811	453,811	453,811	453,811	453,811	453,811
2,029	2,129	2,592	2,592	2,592	2,592
1,706	1,647	1,916	1,818	1,911	1,873
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
123	121	187	161	200	128
35,400	35,400	35,400	35,400	35,400	35,400
286	286	286	286	286	286
230	241	384	312	248	262
79,884	79,884	79,884	79,884	79,884	79,884
*	*	*	*	*	*
*	*	*	*	235	214

Davenport Community School District

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

	2022	2021	2020	2019
Administration:				
District Secretary/Treasurer	1	1	1	1
Superintendent	1	1	1	1
Assistant Superintendents	3	2	2	2
Principals	28	28	28	28
Assistant Principals	16	16	16	16
All Other Administrators	11	11	14	9
Total Administration	60	59	62	57
Instructional:				
Teachers	636	695	712	804
Teachers - Special Programs	377	419	424	418
Teachers Aides	386	403	397	403
Total Instructional	1,399	1,517	1,533	1,625
Student Services:				
Counselors	36	38	38	42
Library Specialist	21	23	23	22
Other Education Professional	225	204	187	166
Nurses	21	20	21	21
Other Technical	17	15	15	12
Total Student Services	320	300	284	263
Support Services:				
Business Manager/Accountant	2	2	2	2
Other Professional		22	-	18
Office/Clerical	71	70	74	84
Crafts/Trades	24	24	24	22
Service Workers	232	224	216	212
Total Support Services	329	342	316	338
Total	2,108	2,218	2,195	2,283

Source: District records

2018	2017	2016	2015	2014	2013
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
29	28	29	29	29	29
19	20	21	20	16	13
5	5	9	9	12	13
57	57	63	62	61	59
920	924	964	943	966	903
374	252	221	204	181	175
406	412	397	407	369	337
1,700	1,588	1,582	1,554	1,516	1,415
44	42	44	42	39	38
28	26	28	23	23	23
168	148	148	143	76	49
23	24	22	23	23	17
12	12	17	16	15	25
275	252	259	247	175	152
2	2	2	2	2	2
18	18	21	19	15	18
86	104	114	112	110	104
24	25	25	26	24	26
122	268	251	246	265	261
252	417	413	405	416	410
2,284	2,314	2,317	2,268	2,168	2,036

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
2022	14,166	\$ 195,608,139	\$ 13,808	2.1 %	1,169	12.12	59.00
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

Source: District financial records.

Compliance 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

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

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 1,807,894
National School Lunch Program	10.555	FY22 4553	-	7,877,044
Commodities -DOD (Noncash)	10.555	FY22 4951	-	254,880
Commodities (Noncash)	10.555	FY22 4951	-	531,729
			-	8,663,653
Summer Food Service Program for Children	10.559	FY22 4556	-	280,021
Fresh Fruit and Vegetable Program	10.582	FY22 4557	-	277,759
Child Nutrition Cluster Program Total			-	11,029,327
COVID-19 EBT Administrative Costs	10.649	FY22 4046	-	5,814
School Lunch Equipment Grants Stabilization	10.579	FY22 4011	-	81,522
Pass-Through Iowa Department of Public Health:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY22 4671	-	65,222
Total U.S. Department of Agriculture			-	11,181,885
U.S. Department of Education:				
Pass-Through Iowa Vocational Rehabilitation Services, Vocational Rehabilitation- TAP	84.126	FY22 4598	-	199,494
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY22 4501	-	5,139,840
Title I Grants to Local Educational Agencies	84.010	FY22 4508	-	1,687,080
			-	6,826,920
Special Education Cluster (IDEA), Special Education-Grants to States IDEA, Part B	84.027	FY22 4525	-	1,131,480 (1)
Career and Technical Education-Basic Grants to States	84.048	FY22 4531	-	253,303
McKinney-Vento	84.196	FY22 4565	-	6,697
Twenty-First Century Community Learning Centers	84.287	FY22 4646	-	312,516
Supporting Effective Instruction State Grants	84.367	FY22 4643	-	822,961
Grants for State Assessments	84.369	FY22 4648	-	49,041
Student Support & Academic Enrichment Grants-ESSA Title IV	84.424	FY22 4669	-	548,437

(Continued)

Davenport Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued):				
Pass-Through Iowa Department of Education (continued):				
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	FY22 4052	\$ -	\$ 70,225
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	FY22 4055	-	9,167,184
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	FY22 4048	-	765,392
			-	10,002,801
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY22 4051	-	477,983
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY22 4054	-	81,785
			-	559,768
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY22 4043	-	2,126,848
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY22 4045	-	276,819
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY22 4048	-	263,743
			-	2,667,410
COVID-19 ARP-Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	FY22 4044	-	10,563
Total Education Stabilization Fund			-	13,240,542
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster (IDEA), Special Education - Grants to States				
IDEA, Part B	84.027	FY22 4521	-	754,106
COVID-19 ARP Special Education Grants States, IDEA Part B	84.027X	FY22 4031	-	120,048
			-	874,154
English Language Acquisition State Grants	84.365	FY22 4644	-	23,676
Total U.S. Department of Education			-	24,289,221

(Continued)

Davenport Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
Pass-Through Iowa Department of Education: Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	FY22 4577	\$ -	\$ 639
Pass-Through Substance Abuse and Mental Health Service Administration: Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	FY22 4673	-	17,929
Pass-Through Iowa Department of Health and Human Services: 477 Cluster, Child Care and Development Block Grant	93.575	FY22 4616	-	24,000
COVID-19 Child Care and Development Block Grant	93.575	FY22 4616	-	60,538
			-	84,538
Total U.S. Department of Health and Human Services			-	103,106
Total Expenditures of Federal Awards			\$ -	\$ 35,574,212

(1) Total Assistance Listing 84.027 and 84.027x \$2,005,634 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, 2022

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, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 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.



Kevin Posekany, Chief Financial Officer
 Achievement Service Center
 1702 N. Main Street
 Davenport, Iowa, 52803
 Voice: 563-336-7507
 Email: posekanyk@davenportschools.org

www.davenportschools.org

Davenport Community School District

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

Findings		Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Findings Related to the Financial Statements:			
Material Weaknesses:			
2021-001	The District has insufficient process for identifying year-end adjustments and reporting.	Corrected.	
Significant Deficiencies:			
2021-002	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 2022-002
2021-003	The District has insufficient reconciling and monitoring activities over the District accounts receivable and revenue.	Not corrected.	The Business Department has not made procedural changes. See response and corrective action plan at 2022-001.
Instances of Noncompliance:			
2021-004	The District exceeded the authorized spending authority of the General Fund.	Corrected.	
Findings Related to Federal Awards:			
Material Weakness:			
2021-005	The District has insufficient internal control procedures over allowable costs charged to federal programs.	Corrected.	
Significant Deficiency:			
2021-006	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 2022-003
Instances of Noncompliance:			
2021-007	The District charged the program for unallowable costs.	Corrected.	
2021-008	The District could not provide documentation of test security measures.	Not corrected.	The Business Department has not made procedural changes. See response and corrective action plan at 2022-007.
Other Findings Related to Statutory Reporting:			
IV-H-21	There were variances in the October 2020 supplementary weighting data.	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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 2022-001 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 2022-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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, 2022 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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of 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.

Bohnsack & Frommelt LLP

Moline, Illinois
December 16, 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

Opinion on Each Major Federal Program

We have audited Davenport Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005 through 2022-007. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 and 2022-004 to be significant deficiencies.

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

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
December 16, 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, 2022**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

☐ Yes ☒ No
☒ Yes ☐ None Reported

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

Unmodified

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

☒ Yes ☐ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities- DOD (Noncash)
10.555	Commodities- (Noncash)
10.559	Summer Food Service Program for Children
10.582	Fresh Fruit and Vegetable Program
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
84.425U	COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP-ESSER)
84.425W	COVID-19 ARP-Elementary and Secondary School Emergency Relief- Homeless Children and Youth

Dollar threshold used to distinguish between type A and type B programs: \$1,067,226

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

(Continued)

Davenport Community School District

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

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

Material Weaknesses:

2022-001

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 material weakness is the result of the following:

- There are recurring unexplained and unusually long delays between when a payee pays an invoice to the District and the District deposits the receipts remitted to the Business Office. Of the seven confirmations sent to local districts, four had invoices paid before year-end that were not deposited by the District until two months after payment or were still showing as outstanding at year-end and as of November 2022, the date of our inquiries. Upon our inquiry regarding one confirmation, the check was deposited in November 2022. In both 2021 and 2022, the local schools confirmed they have had to reissue payments due to the District losing the initial receipt.
- During fiscal year 2022, the District implemented a control of having a monthly accounts receivable listing provided to the Chief Financial Officer. We selected two months, March 2022, and May 2022, and noted the following:
 - There is no documentation to support the Chief Financial Officer agreed the listing to the District's balance sheet to ensure it is complete and accurate or approved the listing.
 - The March 2022 listing had invoices from 2018-2021. As of March 23, 2022, the date of the listing, \$78,908 was more than 60 days old with no documented resolution procedures performed.
 - The May 17, 2022, listing had approximately \$164,000 greater than 60 days old. This listing included seven payees that were contacted asking them to reissue their check.
- A confirmation was returned that did not include a receivable the District had recorded as owed and the District was unable to resolve the difference.

Context: As of June 30, 2022, the District reported tuition revenue of approximately \$1,189,000 which is primarily paid by other local school districts. As of June 30, 2022, the District reported approximately \$758,000 as accounts receivable for tuition from other local school districts. Of the accounts receivable total, approximately \$132,000 was confirmed with an error.

Effect: Misappropriation of receipts could occur and not be timely identified.

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

Cause: Deposits sent to the Business Office are not immediately deposited. The District does not have adequate processes in place to readily determine the invoices to be relieved. Monitoring procedures by Business Office officials are not being adequately performed to emphasize the importance of proper cash receipting and collection.

Davenport Community School District

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

Recommendation: We recommend the District remove all access to receipts sent to the Administrative Center from the Business Office. An employee not in the Business Office and not involved in invoice and reconciliation processes should initially open the mail and deposit the receipts. A cash receipt log and the supporting documentation can be prepared by the employee and provided to the Business Office for the Business Office to post the receipts. The District should investigate using the financial software accounts receivable modules for improved reporting capabilities to allow improved monitoring procedures. We recommend the Chief Financial Officer formally document his review of the accounts receivable listing. Any invoices from a local district or other local government that are more than 45 days old should be immediately investigated and resolved.

Response and Corrective Action Plan: The District will review current processes to ensure receipts are safeguarded, timely deposited and routinely reconciled.

Significant Deficiency:

2022-002

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

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.

Context: The District's point of sale system and meal sales had an unreconciled difference of approximately \$27,000. During the audit process, the District was requested by the audit team to investigate the difference. The District subsequently identified approximately \$12,000 of vendor rebates that are separate from the point of sale process resulting in approximately \$15,000 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 and Nutrition Services Department point of sale report for revenue from items sold does not reconcile to the Finance Department held trial balance of revenue accounts. A portion of the difference is vendor rebates recorded in revenue trial balance accounts. The remaining difference is unidentified. A process must be developed to ensure the operations of the Food and Nutrition Services Department are properly recorded in the District's revenue trial balance accounts.

Recommendation: We recommend the District continue to 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: None

Davenport Community School District

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

Part III: Findings and Questioned Costs for Federal Awards

Internal control deficiencies:

Significant Deficiencies:

2022-003

**U.S. Department of Agriculture
Pass-Through Iowa Department of Education
Child Nutrition Cluster Programs:
10.553 School Breakfast Program
10.555 National School Lunch Program
10.555 Commodities-Department of Defense (Noncash)
10.555 Commodities (Noncash)
10.559 Summer Food Service Program For Children
10.582 Fresh Fruit and Vegetable Program
Federal Award Year: 2022, 2021**

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 2022 *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.

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 \$27,000. During the audit process, the District was requested by the audit team to investigate the difference. The District subsequently identified approximately \$12,000 of vendor rebates that are separate from the point of sale process resulting in approximately \$15,000 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 and Nutrition Services Department point of sale report for revenue from items sold does not reconcile to the Finance Department held trial balance of revenue accounts. A portion of the difference is vendor rebates recorded in revenue trial balance accounts. The remaining difference is unidentified. A process must be developed to ensure the operations of the Food and Nutrition Services Department are properly recorded in the District's revenue trial balance accounts.

Davenport Community School District

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

Recommendation: We recommend the District continue to 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.

2022-004

**U.S. Department of Agriculture
Pass-Through Iowa Department of Education
Child Nutrition Cluster Programs:
10.553 School Breakfast Program
10.555 National School Lunch Program
10.555 Commodities- Department of Defense (Noncash)
10.555 Commodities (Noncash)
10.559 Summer Food Service Program For Children
10.582 Fresh Fruit and Vegetable Program
Federal Award Year: 2022**

Finding: The District does not have a process to ensure compliance with reporting requirements within the federal program.

Criteria: The April 2022 Office of Management and Budget Compliance Supplement states the following for Compliance Requirements-Reporting and Recordkeeping:

“Each month’s claim for reimbursement and all data used in the claims review process must be maintained on file. Accurate records must be maintained justifying all meals claimed...”

Condition: The District does not have a process to review monthly data used in computing meal reimbursement claims. The District does not have documentation readily available that was used in computing monthly reimbursement claim reports.

Context: The District reported 169,281 lunch meals and 73,297 breakfast meals, but supporting documentation showed 169,105 lunch meals (176 less) and 73,890 (593 more) for February 2022.

Effect: The District does not have adequate documentation to ensure compliance with federal requirements regarding reporting and recordkeeping. The District could incorrectly report meal counts.

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

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

Recommendation: We recommend the District implement a process to review monthly claim reporting and to retain records used in meal count reporting for the required period of time.

Response and Corrective Action Plan: The District will implement a process to review and retain meal claim reporting documentation as outlined by the Iowa Department of Education and Office of Management and Budget.

Davenport Community School District

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

Instances of noncompliance:

2022-005

U.S. Department of Education

Pass-Through Iowa Department of Education

84.425D Education Stabilization Fund COVID-19

**Elementary and Secondary School Emergency Relief
(ESSER II)**

Federal Award Year: 2022

Finding: The District overcharged the Education Stabilization Fund program for equipment.

Criteria: Consistent with 2 CFR section 200.313 (equipment), Education Stabilization Funds (ESF) may be used to purchase equipment. Capital expenditures for general and special purpose equipment purchases are subject to prior approval by Education Department (ED) or the pass-through entity. In addition, with prior approval by the ED or the pass-through entity, recipients and subrecipients may also use ESF funds to purchase real property, perform construction or minor remodeling, and for improvements to land, buildings, or equipment that meet the overall purpose of the ESF program, which is "to prevent, prepare for, and respond to" the COVID-19 pandemic.

Condition: The District expended Education Stabilization Fund program funding to purchase three vehicles at a price above the amount approved by the Iowa Department of Education.

Context: The District obtained approval to buy up to eight vehicles for up to \$40,000 each. The District purchased three vehicles in the amounts of \$55,348; \$48,351, and \$54,214, which exceeded the maximum approved amount per vehicle and charged the program for the full purchase price.

Effect: The District overspent allowable funds as approved by the Iowa Department of Education for equipment by \$37,913.

Questioned Costs: \$37,913

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

Cause: The District did not compare the actual cost of each vehicle to the Iowa Department of Education approval.

Recommendation: We recommend the District request an amendment if the actual cost exceeds the prior approval limits or only charge the program for the approved portion.

Response and Corrective Action Plan: The District has consulted with the Department of Education on when new requests are required. There are no amended procedures within CASA, per the Department of Education. However, when the District has a CASA request greater than the approved original, we will ask for an amendment, if necessary.

Davenport Community School District

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

2022-006

U.S. Department of Education

Pass-Through Iowa Department of Education

84.425D Education Stabilization Fund COVID-19

**Elementary and Secondary School Emergency Relief
(ESSER II)**

Federal Award Year: 2022

Finding: The District improperly awarded a retention bonus to an ineligible employee.

Criteria: When the U.S. Department of Education (ED) awarded ESSER I, II and III funds to states it noted the funds “generally will not be used for bonuses, merit pay, or similar expenditures, unless related to disruptions or closures resulting from COVID-19.” This does not mean all bonuses, merit pay, or similar expenditures are unallowable, only those unrelated to COVID-related disruptions or closures.

For example, a local educational agency (LEA) might use local ESSER funds to provide employees with additional pay to:

- Address recruitment or retention challenges in light of the pandemic,
- Provide additional compensation to teachers and other staff that work inperson,
- Provide additional compensation to teachers and other staff that have assumed new duties because of COVID,
- Incentivize effective teachers to move to schools with vulnerable students
- that have been disproportionately impacted by the pandemic, or
- Provide additional pay to substitute teachers where there is a shortage.

Districts will also need to be able to document that use of ESSER I/II/III funds for this purpose is necessary and the amount provided is reasonable (2 CFR § 200.404).

The District policy for awarding retention bonuses required the employee to be employed by the District as of February 14, 2022.

Condition: The District used Education Stabilization Fund ESSER II to fund retention bonuses. The District awarded a retention bonus to an employee hired after the February 14, 2022 eligibility date.

Context: The District awarded \$1,300 to an employee hired after the eligibility date.

Effect: Education Stabilization Funds could be expended for ineligible purposes.

Questioned Costs: \$1,300.

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

Cause: The District did not review the bonus listing and hire dates to ensure only eligible employees received the retention bonus.

Recommendation: We recommend the District implement policies and procedures to ensure that retention bonuses are only paid to eligible employees.

Response and Corrective Action Plan: The District will review current policies and procedures for bonus payouts.

Davenport Community School District

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

2022-007

**U.S. Department of Education
Pass-Through Iowa Department of Education
84.010 Title 1 Grants to Local Education Agencies
Federal Award Year: 2022, 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 fiscal year 2022 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.

Context: No documentation was provided for the special test and provision over test security measures for fiscal year 2022. The District testing protocol documentation was prepared in October 2022.

Effect: The District is not in compliance with the Title 1 requirements for test security measures for fiscal year 2022.

Questioned Costs: \$0

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

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.

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, 2022

Part IV: Other Findings Related to Statutory Reporting

IV-A-22

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

IV-B-22

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-22

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

IV-D-22

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

IV-E-22

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

IV-F-22

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

IV-G-22

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

IV-H-22

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2021.

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-22

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

IV-J-22

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

(Continued)

Davenport Community School District

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

IV-K-22

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

IV-L-22

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

IV-M-22

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2022, the District reported the following information regarding the statewide sales and services tax revenue in the District's Statewide Sales, Services and Use Tax account of the Capital Projects Fund:

Beginning balance	\$ 21,988,386
Revenue / transfers in:	
Statewide sales and services tax revenue	17,490,904
Interest and other	30,355
Transfers in	2,798
Expenditures/transfers out:	
Transfers out	(2,394,675)
School infrastructure:	
Buildings	(2,134,813)
Ending balance	<u><u>\$ 34,982,955</u></u>

For the year ended June 30, 2022, 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	\$ 17,490,904



Kevin Posekany, Chief Financial Officer
 Achievement Service Center
 1702 N. Main Street
 Davenport, Iowa, 52803
 Voice: 563-336-7507
 Email: posekanyk@davenportschools.org

www.davenportschools.org

Davenport Community School District

Corrective Action Plan Year Ended June 30, 2022

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Related to the Financial Statements:				
Material Weaknesses:				
2022-001	The District has insufficient reconciling and monitoring activities over District accounts receivable and revenue.	See response and corrective action plan at 2022-001.	Fiscal Year 2023	Kevin Posekany
Significant Deficiencies:				
2022-002	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	See response and corrective action plan at 2022-002.	Fiscal Year 2023	Kevin Posekany
Findings Related to Federal Awards:				
Significant Deficiencies:				
2022-003	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	See response and corrective action plan at 2022-003.	Fiscal Year 2023	Kevin Posekany
2022-004	The District does not have a process to ensure compliance with reporting requirements within the federal program.	See response and corrective action plan at 2022-004.	Fiscal Year 2023	Kevin Posekany
Instances of Noncompliance:				
2022-005	The District overcharged the Education Stabilization Fund program for equipment.	See response and corrective action plan at 2022-005.	Fiscal Year 2023	Kevin Posekany
2022-006	The District improperly awarded a retention bonus to an ineligible employee.	See response and corrective action plan at 2022-006.	Fiscal Year 2023	Kevin Posekany
2022-007	The District could not provide documentation of compliance for test security measures.	See response and corrective action plan at 2022-007.	Fiscal Year 2023	Cindy Lewis
Other Findings Related to Statutory Reporting:				
IV-H-22	There were variances in the October 2021 certified enrollment data.	See response and corrective action plan at IV-H-22.	Fiscal Year 2023	Cindy Lewis