

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, 2023



**DAVENPORT**  
Community Schools  
GROWING EXCELLENCE





# **Davenport Community School District**

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

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**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*

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<b>School Board President</b>	Dan Gosa
<b>Board Vice President</b>	Karen Kline Jerome

<b>Board Member</b>	Kent Paustian	<b>Board Member</b>	Dr. Allison Beck	<b>Board Member</b>	Linda Hayes	<b>Board Member</b>	Bruce Potts	<b>Board Member</b>	Karen Gordon
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**Superintendent of Davenport Community School District** T.J. Schneckloth

<a href="#">Director of Finance</a>	<a href="#">Director of Learning and Results</a>	<a href="#">Executive Director Central Region</a>	<a href="#">Executive Director North Region</a>	<a href="#">Executive Director West Region</a>	<a href="#">Director of Equity and Student Supports</a>	<a href="#">Director of Human Resources</a>	<a href="#">Director of Operations</a>
Kevin Posekany	Cindy Lewis/Diane Campbell	Jon Flynn	Dr. Willie Barney	Ben Driscoll	Courtney Olsen	Jami Weinzierl	Josh Urmanski

*Superintendent's Instructional Cabinet*

*Superintendent's Cabinet*

**Brenda Thie** [School Board Secretary](#)

**Ivy Rostenbach** [Executive Generalist](#)



## 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, 2023**

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<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Education</b>		
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
Vacant	Director	Expires 2025
<b>School District Officials</b>		
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 18, 2023

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, 2023. 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 2023 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 entire School District 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, 2023. 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 13,000 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 2022-23 school year was approximately 13,786 regular and special education students. The District employs approximately 2,175 persons of whom approximately 1,350 are professional staff and 825 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. A new initiative began in January 2023 to upgrade elementary classroom technology with larger viewing and auditory enhancements. This will continue in our middle and high schools in the coming year.

The average age of our elementary buildings is 70 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 77 with 2 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 15<sup>th</sup> 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, 2023, to April 30, 2024, 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 projected 0.18% annual growth rate for the region over the next 30 years. In 2021, the age groups of 60-64 was the largest age groups at 6.9% of the total population. The median age for the region is 41.0, an increase from the 2010 median age of 39.2. By 2027, the median age is expected to be 41.7.
- Race and Ethnicity: The region's population is 17.2% racial minority, with African American being the predominant minority population at 7.1%. In comparison, the US population is 31.8% racial minority. The region has seen an increase in the amount of Hispanic or Latino residents since 2010, from 8.5% to 10.1%.
- Poverty: The rates of poverty for the region by race and ethnicity are above the U.S. rates for Black or African American (34.1%), Two or more races (21.4%), and Asian (13.2%) populations. The total rate of poverty for the region is 12.4%.
- Language spoken at home: 91.0% of the population age 5 and over speak English only compared to 78.3% of the US population. The most common language spoken in the region other than English is Spanish which is spoken among 5.3% 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 91.6%, slightly higher than the U.S. 88.9%. 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 (28.7%). Over a quarter (27.4%) of the regions population age 25 and over have a Bachelor's degree or higher, lower than the US average of 33.7%.
- Income: The region's median household income is \$65,224 compared to the US median income of \$69,021.
- Labor Force: 83.4% of all males aged 20 to 64 are actively in the labor force while 76.4% 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 increased from \$19.53 billion in 2017 to \$20.30 billion in 2021.
  - The per capita personal income for the area has increased a total of 19.7% from 2017-2021 and increased 6.6% from 2020 to 2021. These figures from the Bureau of Economic Analysis are not adjusted for inflation, which likely accounts for much of this change.
- Employment:
  - The Bureau of Labor Statistics for the MSA shows a return to the pre-COVID (2019) annual average unemployment rate of 4.0%.



- The total labor force has been a bit slower to recover but has made a significant increase in 2022. The 2022 labor force was 3,871 (-2.0%) fewer than pre-Covid levels.
- 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 a 17.0% increase in total employment from 2022 to 2060.
  - Management of Companies and Enterprises is projected to have a 232.5% increase in employment to 2060. Real Estate, Professional and Technical Services, Health Care and Social Assistance and Accommodation and Food Services are projected to have the highest industry demand growth of any industry to 2060.
- 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 increased from 89.4 in 2021 to 90.3 for the current period. 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 Orchestra, Quad City Ballet, Bix Beiderbecke Memorial Jazz Fest, Quad City Botanical Center. It is also home to over 40 attractions, festivals, and events.
- Housing:
  - Home sales vary greatly within the region. The 2022 average home sale price increased in all major locations in the past year. The average Illinois Quad Cities Areas home sales price increased 2%, the Iowa Quad Cities Area average home sale price increased 7%.
  - 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 complete with the demolition of the prior structure complete. This project has created/retained 1,137 construction jobs and 643 induced jobs. The twin spans are open to vehicle traffic and have added significant capacity for the movement of freight and people. It also has opened up development on both sides of the Mississippi River.
- The close proximity of multiple transportation modes gives the Bi-State Region an economic advantage over many similar sized communities. Located at the crossroads of Interstates 74, 80

88 and 280; four U.S. Highways 6, 61, 67 and 150 offer residents and businesses abundant access to major metropolitan areas.

#### 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. Encouraging greater numbers of youth seeking post-secondary credentials of some kind would address this issue in part.
- There is a continued need for affordable quality childcare and affordable housing.

#### Challenges to Opportunities:

- The importance of reliable high-speed internet in both urban and rural areas was highlighted by COVID-19. Local government either have or are working to create a more robust high-speed internet network within the region.

#### Opportunities:

- Work on a Chicago to Quad Cities passenger rail line is moving forward. This will bring tourism and jobs to the area.
- Financial institutions have substantial funds available to invest in are projects. Financial resources to assist businesses are further enhance by public sector programs for leveraging private dollars and loan guarantees at local, regional, state and federal levels.
- The rise in use of electric vehicles will continue. With funding through the Infrastructure and Investment and Jobs Act, EV charging stations will be developed in all states. Having a variety of fueling options will help attract customers to wide range of businesses and attractions.

#### Threats:

- There continue to be issues with supply chain disruptions due to labor shortages, inflation and global warming.
- Iowa made changes to its income and property tax formula. Iowa passed property tax cuts in 2013 and again in 2023; the “backfill funding” to partially address the loss of revenue to local governments is being incrementally removed every year, reducing revenue to local governments. Local Iowa governments will be limited to a 3% property tax increase per year.

(Economic Condition and Outlook Source: *Comprehensive Economic Development Strategy for the Bi-State Region –Progress Report 2023 prepared by Bi-State Regional Commission*)

### **Long term financial planning**

Unassigned fund balance in the general fund is up from 2021-22. The District’s solvency ratio for 2022-23 is 15.5%, up from 12.2 in 2021-22. 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 before stabilizing in 2028-29. 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 are 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 a leveling of budget revenues and expenditures to maintain a 12-14% UAB. 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 2022 legislature sets the FY2023 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 received approximately \$70 million to utilize in improving student environments and implementing initiatives to close the learning gap. These funds end in one year and the district is planning what initiatives were successful and will re-evaluate what can be maintained and/or changed in its current environment.

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 were completed with recommendations to the board in September 2022. Priorities will maintain the following:

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

The board approved a phase one plan to replace 2 junior high buildings, close 3 elementaries, move 6<sup>th</sup> grade to the junior high schools and to improve athletic facilities at all 3 high schools. North High School will also begin a multi-phase renovation.

### **Certificate of Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada, (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Davenport Community School District for its annual financial report for the fiscal year ended June 30, 2022. 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, 2022. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

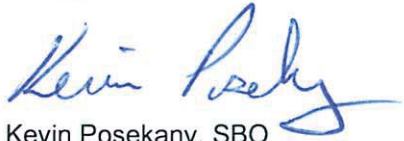
We believe that our current ACFR also conforms to the requirements for the Certificate of Excellence in Financial Reporting, and we are submitting it to ASBO to determine its eligibility for a Certificate.

### **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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrell*

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, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison  
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director**



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# 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.*



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# **Financial Section**



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## **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, 2023, 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, 2023, 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.

#### ***Emphasis of Matter***

As discussed in Note 13 to the financial statements, Davenport Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, June 30, 2022 governmental activities net position is restated by \$15,210, business-type activities and the nonmajor School Nutrition Fund is restated by \$3,073. Our opinions are not modified with respect to this matter.

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, 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 18, 2023



**DAVENPORT**  
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## **Davenport Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2023**

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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, 2023. 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:

#### **2022-23 FINANCIAL HIGHLIGHTS**

- The General Fund June 30, 2023 fund balance increased \$15,374,436 from the June 30, 2022 fund balance of \$35,293,803 to \$50,668,239.
- The District net position increased \$44,189,250 from restated \$208,966,794 to \$253,156,044. 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 2023, the District received approximately \$60 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.

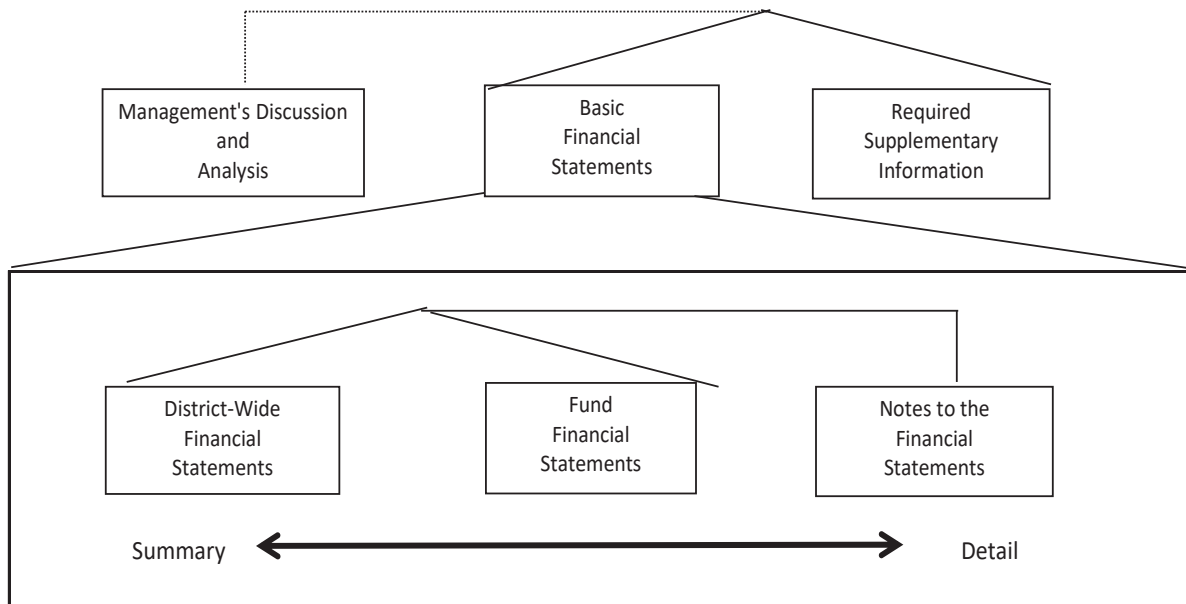
## Davenport Community School District

### Management's Discussion and Analysis Year Ended June 30, 2023

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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, 2023

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.

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>				
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, 2023

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## 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 and before and after care programs are included here.

### Fund Financial Statements

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

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

The District has three kinds of funds:

- 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 2022-23 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, 2023

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- 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 and the 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 Funds.

Teacher and Paraeducator Registered Apprenticeship Program: This fund is used to operate the Teacher and Paraeducator Registered Apprenticeship program from Iowa Workforce Development. The District operates as the fiscal agent for Districts in the Mississippi Valley School District Consortium.

Staff Activities 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, 2023

#### Government-Wide Financial Analysis

Figure A-3 below provides a summary of the District's net position as of June 30, 2023 compared to June 30, 2022.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	Restated		Restated		Restated		
	2023	2022	2023	2022	2023	2022	2022-23
Current and other assets	\$ 259,926,485	\$ 232,058,476	\$ 7,406,769	\$ 6,141,528	\$ 267,333,254	\$ 238,200,004	12.2%
Capital assets	167,324,858	170,321,359	396,776	429,486	167,721,634	170,750,845	-1.8%
<b>Total assets</b>	<b>427,251,343</b>	<b>402,379,835</b>	<b>7,803,545</b>	<b>6,571,014</b>	<b>435,054,888</b>	<b>408,950,849</b>	<b>6.4%</b>
Deferred outflows of resources	16,475,351	17,680,179	506,238	531,822	16,981,589	18,212,001	-6.8%
Noncurrent liabilities	65,065,311	19,587,800	1,922,691	559,392	66,988,002	20,147,192	232.5%
Current liabilities	38,508,035	36,055,227	355,325	535,587	38,863,360	36,590,814	6.2%
<b>Total liabilities</b>	<b>103,573,346</b>	<b>55,643,027</b>	<b>2,278,016</b>	<b>1,094,979</b>	<b>105,851,362</b>	<b>56,738,006</b>	<b>86.6%</b>
Deferred inflows of resources	92,501,771	159,135,724	527,300	2,322,326	93,029,071	161,458,050	-42.4%
Net position:							
Net investment in capital assets	163,816,080	166,646,443	241,846	232,941	164,057,926	166,879,384	-1.7%
Restricted	79,833,208	64,522,555	-	-	79,833,208	64,522,555	23.7%
Unrestricted	4,002,289	(25,887,735)	5,262,621	3,452,590	9,264,910	(22,435,145)	141.3%
<b>Total net position</b>	<b>\$ 247,651,577</b>	<b>\$ 205,281,263</b>	<b>\$ 5,504,467</b>	<b>\$ 3,685,531</b>	<b>\$ 253,156,044</b>	<b>\$ 208,966,794</b>	<b>21.1%</b>

The District's net position has increased from the prior year. The District's combined net position as of June 30, 2023 increased by \$44,189,250 (21.1%) over the June 30, 2022 combined net position. Net position in the governmental activities increased by \$42,370,314 (20.6%). The net position of the District's business-type activities increased by \$1,818,936 (49.4%).

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 \$15,310,653 (23.7%) 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 \$31,700,055. 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 \$13.6 million.

## Davenport Community School District

### Management's Discussion and Analysis Year Ended June 30, 2023

Figure A-4 shows the changes in net position for the year ended June 30, 2023 compared to the year ended June 30, 2022.

**Figure A-4 Changes in Net Position From Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	Not restated		Not restated		Not restated		
	2023	2022	2023	2022	2023	2022	2022-23
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 4,898,890	\$ 5,304,985	\$ 1,406,662	\$ 1,157,033	\$ 6,305,552	\$ 6,462,018	-2.4%
Operating grants and contributions	59,872,759	51,686,295	10,033,248	11,286,095	69,906,007	62,972,390	11.0%
Capital grants and contributions	2,568,020	157,913	19,460	-	2,587,480	157,913	1538.5%
General revenues:							
Property taxes	74,705,386	71,583,420	-	-	74,705,386	71,583,420	4.4%
Utility tax	3,151,074	2,837,368	-	-	3,151,074	2,837,368	11.1%
Revenue in lieu of tax	21,782	1,855,761	-	-	21,782	1,855,761	-98.8%
Other taxes	98,963	-	-	-	98,963	-	100.0%
State foundation aid	86,284,082	83,136,458	-	-	86,284,082	83,136,458	3.8%
Statewide sales and services tax	17,308,002	17,778,658	-	-	17,308,002	17,778,658	-2.6%
Interest and investment earnings	5,547,344	414,097	137,025	13,555	5,684,369	427,652	1229.2%
<b>Total revenues</b>	<b>254,456,302</b>	<b>234,754,955</b>	<b>11,596,395</b>	<b>12,456,683</b>	<b>266,052,697</b>	<b>247,211,638</b>	<b>7.6%</b>
<b>Expenses:</b>							
Instruction	131,333,688	126,658,619	-	-	131,333,688	126,658,619	3.7%
Support services	72,730,774	65,075,305	-	-	72,730,774	65,075,305	11.8%
Noninstructional	687,135	784,979	9,639,235	9,249,127	10,326,370	10,034,106	2.9%
Other	7,472,615	7,424,968	-	-	7,472,615	7,424,968	0.6%
<b>Total expenses</b>	<b>212,224,212</b>	<b>199,943,871</b>	<b>9,639,235</b>	<b>9,249,127</b>	<b>221,863,447</b>	<b>209,192,998</b>	<b>6.1%</b>
Change in net position before transfers	42,232,090	34,811,084	1,957,160	3,207,556	44,189,250	38,018,640	16.2%
Transfers	138,224	130,366	(138,224)	(130,366)	-	-	N/A
<b>Increase (decrease) in net position</b>	<b>42,370,314</b>	<b>34,941,450</b>	<b>1,818,936</b>	<b>3,077,190</b>	<b>44,189,250</b>	<b>38,018,640</b>	<b>16.2%</b>
Net position, beginning as restated	205,281,263	170,324,603	3,685,531	605,268	208,966,794	170,929,871	
Net position, ending	\$ 247,651,577	\$ 205,266,053	\$ 5,504,467	\$ 3,682,458	\$ 253,156,044	\$ 208,948,511	
	\$ 181,569,289						

In 2022-23, local taxes (property taxes and utility taxes), state foundation aid, statewide sales services and use tax and revenue in lieu of taxes accounted for 71.3% of the revenue from governmental activities while charges for services and grants and contributions accounted for 98.7% of the revenue from business-type activities. The District's expenses primarily relate to instruction and support services, which account for 92.0% of the total expenses.

Total revenue for the District increased by \$18,841,059 (7.6%) in the fiscal year ended June 30, 2023. The most significant revenue category changes were operating grants and contributions and capital grants and contributions. Operating grants and capital grants increased due to COVID-19 Elementary and Secondary School Emergency Relief Funding and due to insurance proceeds. In addition, increasing interest rates increased interest and investment earnings by \$5.3 million.

## Davenport Community School District

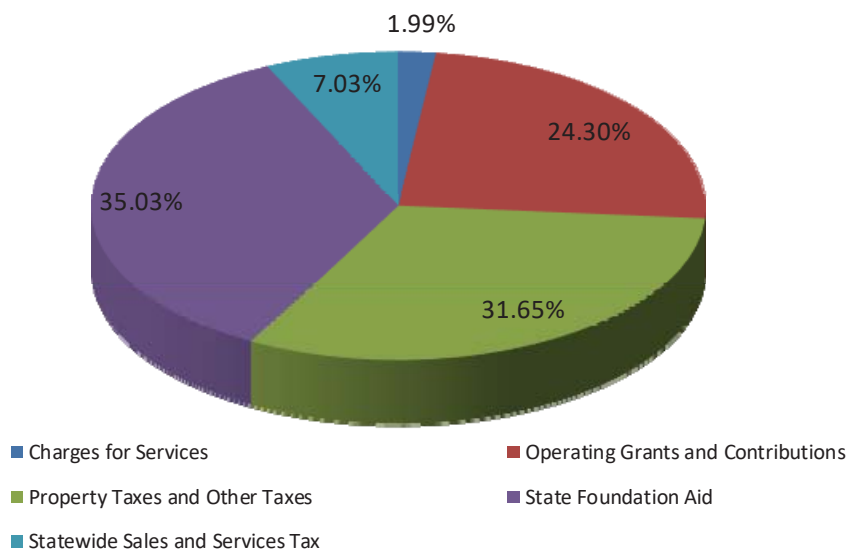
### Management's Discussion and Analysis Year Ended June 30, 2023

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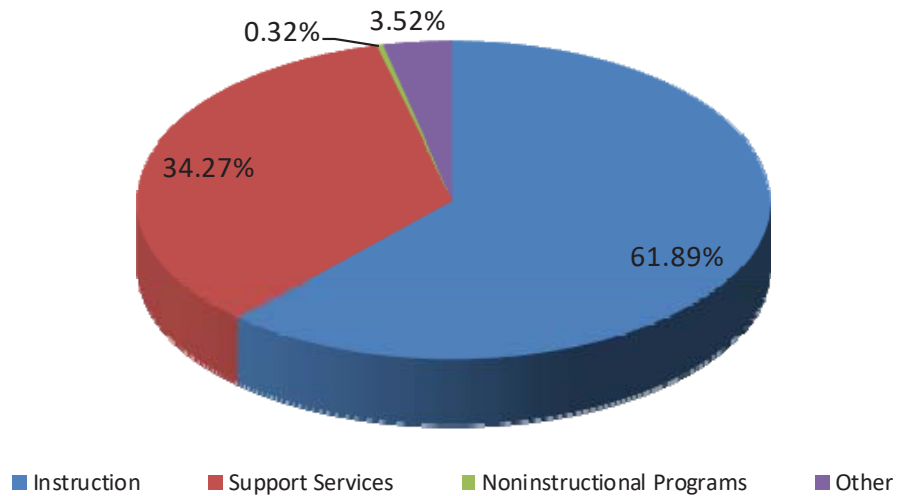
Total District expenses increased by \$12,670,449 (6.1%), primarily because of increases in salary and benefit cost and cost increases for supplies and materials.

Figures A-5 and A-6, which follow, show charts reflecting sources of revenue and distribution of expenses for the 2022-23 fiscal year governmental activities.

**Figure A-5 - Sources of Revenues for 2022-2023 Fiscal Year**



**Figure A-6 - Expenses for 2022-2023 Fiscal Year**





## Davenport Community School District

### Management's Discussion and Analysis Year Ended June 30, 2023

#### Governmental Activities

Revenue for the District's governmental activities in 2022-23 increased by \$19,701,347 (8.4%) from the previous year, while total expenses increased by \$12,280,341 (6.1%). Governmental activities net position as of June 30, 2023 increased by \$42,370,314 (20.6%) over the June 30, 2022 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, 2023 compared to the year ended June 30, 2022.

**Figure A-7 Net Cost of Governmental Activities**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022	
Instruction	\$ 131,333,688	\$ 126,658,619	3.69%	\$ 76,268,456	\$ 78,989,757	-3.4%
Support services	72,730,774	65,075,305	11.76%	67,807,864	63,019,661	7.6%
Noninstructional	687,135	784,979	-12.46%	687,135	724,441	-5.1%
Other	7,472,615	7,424,968	0.64%	121,088	60,819	99.1%
<b>Total</b>	<b>\$ 212,224,212</b>	<b>\$ 199,943,871</b>	<b>6.14%</b>	<b>\$ 144,884,543</b>	<b>\$ 142,794,678</b>	<b>1.5%</b>

For the year ended June 30, 2023:

- The cost financed by the users of the District's programs was \$4,898,890.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$62,440,779.
- The net cost of governmental activities was financed with \$74,705,386 in property taxes, \$3,151,074 in utility tax, \$21,782 in revenue in lieu of tax, \$86,284,082 of unrestricted state grants, \$17,308,002 in statewide sales and services tax revenue, \$98,963 in other taxes and \$5,547,344 in investment earnings.

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.

## **Davenport Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2023**

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#### **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 2022-23 were \$11,596,395; a decrease of \$860,288 (6.9%) from 2021-22. The decrease is primarily due to federal funding received due to COVID-19 in the prior year. Other revenues of these activities were comprised of federal and state reimbursements and interest. Expenses were \$9,639,235, an increase of \$390,108 (4.2%) from 2021-22, 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.

As the District completed the year, its governmental funds reported combined fund balances of \$124,530,503 which reflects an increase of \$30,240,833 from last year's ending fund balances of \$94,289,670. The primary reasons for the increase in combined fund balances at the end of the 2022-23 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.
- The COVID-19 federal sources applied to operating costs.

#### **Governmental Fund Highlights**

- The fund balance in the District's General Fund increased by \$15,374,436 (43.6%) from \$35,293,803, as of June 30, 2022 to \$50,668,239 as of June 30, 2023. The General Fund experienced an increase in revenue from property taxes for increased assessed valuations and increased tax rate and from federal grants for COVID-19 funding.
- The fund balance in the Capital Projects Fund increased by \$15,478,006 (31.9%). The statewide sales, service and use tax generated \$2,249,488 more in revenue in 2022-23 than in the previous fiscal year. Local tax generated from the physical plant and equipment levy was \$8,182,583 compared to the prior year \$8,017,623 which represents a \$164,951 (2.1%) increase from 2021-22. Total expenditures were \$16,884,568 in 2022-23 compared to \$7,422,543 in 2021-22.

#### **Proprietary Fund Highlights**

The District's proprietary funds were the nonmajor enterprise funds, the School Nutrition Fund and the 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 \$1,879,590 (52.0%) during 2022-23 primarily due to an increase of approximately \$286,000 increase in charges for services and approximately \$108,000 increase in investment earnings.
- The net position of the Out of School Time Fund decreased by \$60,654 (89.7%) during 2022-23 due to a decrease in grant revenues and in charges for services due to less COVID-19 funding.

## Davenport Community School District

### Management's Discussion and Analysis Year Ended June 30, 2023

#### 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.

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 less than budget by \$1,813,132 due to less federal sources. Total expenditures were under budget \$8,963,931 due to less expenditures for instruction than anticipated.

The District overexpended the budget in the support services and other expenditures functions.

#### Capital Asset and Debt Administration

##### Capital Assets

By the end of the 2022-23 fiscal year, the District had invested \$167,721,634 (net of accumulated depreciation and amortization of \$196,453,444) 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 \$3,029,211 or 1.8% 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 \$12,050,942. 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
	Restated		Restated		Restated		
	2023	2022	2023	2022	2023	2022	2022-23
Land	\$ 4,702,173	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173	\$ 4,702,173	0.0%
Land improvements	1,187,862	1,367,712	-	-	1,187,862	1,367,712	-13.1%
Buildings	61,913,990	63,923,960	-	-	61,913,990	63,923,960	-3.1%
Building improvements	93,509,148	98,557,234	-	-	93,509,148	98,557,234	-5.1%
Furniture and equipment	1,337,827	941,898	237,082	229,868	1,574,909	1,171,766	34.4%
Intangibles	131,715	163,971	-	-	131,715	163,971	-19.7%
Intangible right to use lease equipment	93,221	-	-	-	93,221	-	100.0%
Intangible right to use IT subscription	196,520	88,630	159,694	199,618	356,214	288,248	23.6%
Construction in progress	4,252,402	575,781	-	-	4,252,402	575,781	638.5%
<b>Total</b>	<b>\$ 167,324,858</b>	<b>\$ 170,321,359</b>	<b>\$ 396,776</b>	<b>\$ 429,486</b>	<b>\$ 167,721,634</b>	<b>\$ 170,750,845</b>	<b>-1.8%</b>

## Davenport Community School District

### Management's Discussion and Analysis Year Ended June 30, 2023

#### Long-Term Liabilities

As of June 30, 2023, the District had \$1,202,440 in revenue bonds including the premium outstanding, \$2,051,710 early retirement liabilities, \$788,539 in total compensated absence liabilities, \$93,975 in lease obligations, \$326,182 in IT subscription obligations, \$8,408,503 in net OPEB liability, and \$54,116,653 in net pension liability for total outstanding long-term obligations of \$66,988,002 as reflected in Figure A-9 below. The District paid \$2,325,000 in revenue bond principal during fiscal year 2023. 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
	Restated		Restated		Restated		
	2023	2022	2023	2022	2023	2022	2022-23
Revenue bonds	\$ 1,180,000	\$ 3,505,000	\$ -	\$ -	\$ 1,180,000	\$ 3,505,000	-66.3%
Premium on bonds	22,440	96,496	-	-	22,440	96,496	-76.7%
Lease obligation	93,975	-	-	-	93,975	-	100.0%
IT subscription obligation	171,252	73,420	154,930	196,545	326,182	269,965	20.8%
Early retirement	2,051,710	3,307,182	-	-	2,051,710	3,307,182	-38.0%
Compensated absences	761,669	699,352	26,870	11,842	788,539	711,194	10.9%
Net pension liability	52,623,263	1,980,038	1,493,390	53,286	54,116,653	2,033,324	2561.5%
Net OPEB	8,161,002	9,926,312	247,501	297,719	8,408,503	10,224,031	-17.8%
<b>Total</b>	<b>\$ 65,065,311</b>	<b>\$ 19,587,800</b>	<b>\$ 1,922,691</b>	<b>\$ 559,392</b>	<b>\$ 66,988,002</b>	<b>\$ 20,147,192</b>	<b>232.5%</b>

## **Davenport Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2023**

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#### **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 3% for the 2023-24 fiscal year. The Iowa Legislature has not yet set the supplemental state aid percentage rate for the 2024-25 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.
- The District's certified enrollment count on October 1, 2023 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 2023-24.

#### **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, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 167,242,493	\$ 7,201,448	\$ 174,443,941
Receivables:			
Property tax:			
Current year	612,036	-	612,036
Succeeding year	72,385,989	-	72,385,989
Other	1,376,141	12,661	1,388,802
Due from other governments	17,926,094	108,430	18,034,524
Inventories	371,214	84,230	455,444
Prepaid expenses	12,518	-	12,518
Capital assets:			
Nondepreciable	8,954,575	-	8,954,575
Depreciable, net	158,370,283	396,776	158,767,059
<b>Total assets</b>	<b>427,251,343</b>	<b>7,803,545</b>	<b>435,054,888</b>
<b>Deferred Outflows of Resources</b>			
OPEB related deferred outflows	3,595,387	108,706	3,704,093
Pension related deferred outflows	12,879,964	397,532	13,277,496
<b>Total deferred outflows of resources</b>	<b>16,475,351</b>	<b>506,238</b>	<b>16,981,589</b>
<b>Liabilities</b>			
Accounts payable	9,861,169	77,564	9,938,733
Salaries and benefits payable	24,992,579	58,494	25,051,073
Construction contracts payable	154,287	-	154,287
Claims incurred but not reported	3,500,000	-	3,500,000
Unearned revenue	-	219,267	219,267
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	1,202,440	-	1,202,440
IT subscription obligation	88,667	36,757	125,424
Lease obligation	35,983	-	35,983
Early retirement	947,930	-	947,930
Compensated absences	761,669	26,870	788,539
Portion due after one year:			
IT subscription obligation	82,585	118,173	200,758
Lease obligation Early retirement Net OPEB liability Net pension liability	57,992	-	57,992
	1,103,780	-	1,103,780
	8,161,002	247,501	8,408,503
	52,623,263	1,493,390	54,116,653
<b>Total liabilities</b>	<b>103,573,346</b>	<b>2,278,016</b>	<b>105,851,362</b>
<b>Deferred Inflows of Resources:</b>			
Deferred revenue from succeeding year property tax	72,385,989	-	72,385,989
OPEB related deferred inflows	5,097,317	147,813	5,245,130
Pension related deferred inflows	15,018,465	379,487	15,397,952
<b>Total deferred inflows of resources</b>	<b>92,501,771</b>	<b>527,300</b>	<b>93,029,071</b>
<b>Net Position</b>			
Net investment in capital assets	163,816,080	241,846	164,057,926
Restricted for:			
Categorical funding	3,929,833	-	3,929,833
Management levy	7,684,664	-	7,684,664
Physical plant and equipment levy	16,038,885	-	16,038,885
School infrastructure	50,061,173	-	50,061,173
Debt service	1,203,600	-	1,203,600
Student activities	915,053	-	915,053
Unrestricted	4,002,289	5,262,621	9,264,910
<b>Total net position</b>	<b>\$ 247,651,577</b>	<b>\$ 5,504,467</b>	<b>\$ 253,156,044</b>

See Notes to Basic Financial Statements.

**Davenport Community School District**

**Statement of Activities**

**Year Ended June 30, 2023**

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Functions/Programs	Expenses
Governmental Activities	
Instruction	\$ 131,333,688
Support services:	
Student	16,833,953
Instructional staff	7,452,981
General administration	6,485,250
School administration	9,646,041
Business and central administration	7,971,397
Plant operation and maintenance	15,988,936
Student transportation	8,352,216
Other:	
Non-instructional	687,135
Area education agency	7,351,527
Long-term debt interest	121,088
Total governmental activities	<u>212,224,212</u>
Business-Type Activities	
School nutrition	9,022,319
Before and after school program	616,916
Total business-type activities	<u>9,639,235</u>
Total school district	<u>\$ 221,863,447</u>

**General Revenues:**

Property tax levied for general purposes  
Utility tax  
Other taxes  
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, as restated

Net position, end of year

See Notes to Basic Financial Statements



Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
\$ 2,596,556	\$ 51,041,546	\$ 1,427,130	\$ (76,268,456)	\$ -	\$ (76,268,456)	
841,701	120,000	-	(15,872,252)	-	(15,872,252)	
521,351	-	-	(6,931,630)	-	(6,931,630)	
150,603	-	-	(6,334,647)	-	(6,334,647)	
148,378	-	-	(9,497,663)	-	(9,497,663)	
537,340	-	-	(7,434,057)	-	(7,434,057)	
102,961	12,032	1,140,890	(14,733,053)	-	(14,733,053)	
-	1,347,654	-	(7,004,562)	-	(7,004,562)	
-	-	-	(687,135)	-	(687,135)	
-	7,351,527	-	-	-	-	
-	-	-	(121,088)	-	(121,088)	
4,898,890	59,872,759	2,568,020	(144,884,543)	-	(144,884,543)	
877,816	10,033,248	19,460	-	1,908,205	1,908,205	
528,846	-	-	-	(88,070)	(88,070)	
1,406,662	10,033,248	19,460	-	1,820,135	1,820,135	
\$ 6,305,552	\$ 69,906,007	\$ 2,587,480	(144,884,543)	1,820,135	(143,064,408)	

**Davenport Community School District**

**Balance Sheet  
Governmental Funds  
June 30, 2023**

	General	Capital Projects	Nonmajor	Total
<b>Assets</b>				
Cash and investments	\$ 65,308,906	\$ 64,657,253	\$ 9,813,999	\$ 139,780,158
Receivables:				
Property tax:				
Current year	510,524	66,857	34,655	612,036
Succeeding year	57,425,327	8,264,071	6,696,591	72,385,989
Other	1,375,941	-	200	1,376,141
Due from other governments	16,536,959	1,389,135	-	17,926,094
Due from other funds	1,021	-	-	1,021
Inventories	371,214	-	-	371,214
Prepaid items	12,518	-	-	12,518
<b>Total assets</b>	<b>\$ 141,542,410</b>	<b>\$ 74,377,316</b>	<b>\$ 16,545,445</b>	<b>\$ 232,465,171</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 7,001,849	\$ 1,886,824	\$ 37,279	\$ 8,925,952
Accrued payroll and payroll taxes	24,961,463	12,166	8,258	24,981,887
Retainage payable	-	154,287	-	154,287
Due to other funds	-	1,021	-	1,021
<b>Total liabilities</b>	<b>31,963,312</b>	<b>2,054,298</b>	<b>45,537</b>	<b>34,063,147</b>
Deferred Inflows of Resources				
Succeeding year property taxes	57,425,327	8,264,071	6,696,591	72,385,989
Other grants and donations	1,485,532	-	-	1,485,532
<b>Total deferred inflows of resources</b>	<b>58,910,859</b>	<b>8,264,071</b>	<b>6,696,591</b>	<b>73,871,521</b>
Fund Balances				
Nonspendable				
Inventories	371,214	-	-	371,214
Prepaid items	12,518	-	-	12,518
Restricted				
Categorical funding	3,929,833	-	-	3,929,833
Debt service	-	-	1,203,600	1,203,600
Management levy purposes	-	-	7,684,664	7,684,664
Student activities	-	-	915,053	915,053
School infrastructure	-	48,858,140	-	48,858,140
Physical plant and equipment	-	15,200,807	-	15,200,807
Unassigned	46,354,674	-	-	46,354,674
<b>Total fund balances</b>	<b>50,668,239</b>	<b>64,058,947</b>	<b>9,803,317</b>	<b>124,530,503</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 141,542,410</b>	<b>\$ 74,377,316</b>	<b>\$ 16,545,445</b>	<b>\$ 232,465,171</b>

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, 2023

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Total Governmental Fund Balances	\$ 124,530,503
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Amounts reported for Governmental Activities in the Statement of  
Net Position are different because:

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported as assets in the  
governmental funds:

Capital assets	360,873,338	
Accumulated depreciation	<u>(193,548,480)</u>	167,324,858

Receivables not collected within 60 days of year-end are not  
available soon enough to pay for the current period's expenditures  
and, therefore, are deferred inflows of resources in the funds:

Other grants and donations	1,485,532
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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.

23,016,426
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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	3,595,387	
OPEB related deferred inflows of resources	(5,097,317)	
Pension related deferred outflows of resources	12,879,964	
Pension related deferred inflows of resources	<u>(15,018,465)</u>	(3,640,431)

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	(1,180,000)	
Premium on bonds payable	(22,440)	
IT subscription obligation	(171,252)	
Lease obligation	(93,975)	
Compensated absences	(761,669)	
Accumulated termination pay	(2,051,710)	
Net pension liability	(52,623,263)	
Other post employment benefits obligation	<u>(8,161,002)</u>	(65,065,311)

<b>Net Position of Governmental Activities</b>	<b>\$ 247,651,577</b>
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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, 2023**

Revenues:	General	Capital Projects	Nonmajor	Total
Local sources:				
Property taxes	\$ 62,295,616	\$ 8,182,583	\$ 4,227,187	\$ 74,705,386
Utility taxes	2,634,347	337,390	179,337	3,151,074
Other taxes	82,735	10,596	5,632	98,963
Charges for services	1,253,595	-	-	1,253,595
Interest	4,528,072	512,103	507,169	5,547,344
Other	2,779,119	90,863	775,313	3,645,295
State sources:				
Sales, services and use tax	-	19,740,392	-	19,740,392
Other state sources	114,522,757	2,332	1,240	114,526,329
Federal sources	32,442,850	-	-	32,442,850
<b>Total revenues</b>	<b>220,539,091</b>	<b>28,876,259</b>	<b>5,695,878</b>	<b>255,111,228</b>
Expenditures:				
Current:				
Instruction	124,780,135	3,118,419	2,093,841	129,992,395
Support services:				
Student	18,441,094	979	-	18,442,073
Instructional staff	7,861,627	-	-	7,861,627
General administration	4,557,348	-	2,164,413	6,721,761
School administration	10,564,648	-	-	10,564,648
Business and central administration	5,799,548	2,364,434	45,038	8,209,020
Plant operation and maintenance	13,994,864	378,960	1,012,007	15,385,831
Student transportation	7,715,541	591,760	50,580	8,357,881
Non-instructional programs	620,606	110,952	-	731,558
Area Education Agency	7,351,527	-	-	7,351,527
Capital outlay	-	10,202,851	-	10,202,851
Debt service:				
Principal	-	-	2,429,722	2,429,722
Interest and fiscal charges	-	116,213	78,931	195,144
<b>Total expenditures</b>	<b>201,686,938</b>	<b>16,884,568</b>	<b>7,874,532</b>	<b>226,446,038</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>18,852,153</b>	<b>11,991,691</b>	<b>(2,178,654)</b>	<b>28,665,190</b>
Other financing sources (uses):				
Transfers in	321,658	3,651,955	1,567,045	5,540,658
Transfers out	(3,817,826)	(1,584,608)	-	(5,402,434)
Issuance of long-term debt	18,451	278,078	-	296,529
Insurance proceeds	-	1,140,890	-	1,140,890
<b>Total other financing sources (uses)</b>	<b>(3,477,717)</b>	<b>3,486,315</b>	<b>1,567,045</b>	<b>1,575,643</b>
<b>Net change in fund balances</b>	<b>15,374,436</b>	<b>15,478,006</b>	<b>(611,609)</b>	<b>30,240,833</b>
Fund balances, beginning of year	35,293,803	48,580,941	10,414,926	94,289,670
Fund balances, end of year	\$ 50,668,239	\$ 64,058,947	\$ 9,803,317	\$ 124,530,503

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, 2023

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Net Change in Fund Balances - Total Governmental Funds \$ 30,240,833

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	8,951,954	
Depreciation expense	<u>(11,948,455)</u>	(2,996,501)

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.

Sales services and use tax	(2,432,390)	
Other grants and donations	<u>636,574</u>	(1,795,816)

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.

173,586

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:

Issuance of long-term debt	(296,529)	
Repayment of long-term debt	2,429,722	
Amortization of bond premium	<u>74,056</u>	2,207,249

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	(62,317)	
Accumulated termination pay	1,255,472	
Pension liability and related deferred inflows and outflows	13,621,844	
OPEB and related deferred inflows and outflows	<u>(274,036)</u>	14,540,963
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 42,370,314</u></u>

See Notes to Basic Financial Statements.

**Davenport Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2023**

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 7,201,448	\$ 27,462,335
Due from other governmental units	108,430	-
Other receivables	12,661	-
Inventories	84,230	-
<b>Total current assets</b>	<b>7,406,769</b>	<b>27,462,335</b>
Noncurrent Assets		
Capital assets, net of accumulated depreciation	396,776	-
<b>Total noncurrent assets</b>	<b>396,776</b>	<b>-</b>
<b>Total assets</b>	<b>7,803,545</b>	<b>27,462,335</b>
<b>Deferred Outflows of Resources:</b>		
OPEB related deferred outflows	108,706	-
Pension related deferred outflows	397,532	-
<b>Total deferred outflows of resources</b>	<b>506,238</b>	<b>-</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	77,564	935,217
Accrued payroll and payroll taxes	58,494	10,692
Health claims and costs	-	3,500,000
Unearned revenue	219,267	-
Compensated absences	26,870	-
IT subscription obligation	36,757	-
<b>Total current liabilities</b>	<b>418,952</b>	<b>4,445,909</b>
Noncurrent Liabilities		
Net pension liability	1,493,390	-
Other post employment benefits obligation	247,501	-
IT subscription obligation	118,173	-
<b>Total noncurrent liabilities</b>	<b>1,859,064</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,278,016</b>	<b>4,445,909</b>
<b>Deferred Inflows of Resources:</b>		
OPEB related deferred inflows	147,813	-
Pension related deferred inflows	379,487	-
<b>Total deferred inflows of resources</b>	<b>527,300</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	241,846	-
Unrestricted	5,262,621	23,016,426
<b>Total net position</b>	<b>\$ 5,504,467</b>	<b>\$ 23,016,426</b>

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, 2023**

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating Revenue:		
Charges for services	\$ 1,406,662	\$ 28,451,860
Operating Expenses:		
Salaries and benefits	4,378,567	590,991
Purchased services	515,034	141,537
Supplies	4,636,903	-
Other operating costs	5,679	7
Depreciation	102,487	-
Health care	-	27,545,739
<b>Total operating expenses</b>	<b>9,638,670</b>	<b>28,278,274</b>
<b>Operating income (loss)</b>	<b>(8,232,008)</b>	<b>173,586</b>
Nonoperating Revenues (Expenses):		
Interest income	137,025	-
Interest expense	(565)	-
Intergovernmental	9,998,905	-
Other nonoperating revenue	34,343	-
<b>Total nonoperating revenues (expenses)</b>	<b>10,169,708</b>	<b>-</b>
<b>Income before transfers and capital contributions</b>	<b>1,937,700</b>	<b>173,586</b>
Capital contributions	19,460	-
Transfer in	183,434	-
Transfers (out)	(321,658)	-
<b>Change in net position</b>	<b>1,818,936</b>	<b>173,586</b>
Net Position, beginning of year, as restated	3,685,531	22,842,840
Net Position, end of year	<b>\$ 5,504,467</b>	<b>\$ 23,016,426</b>

See Notes to Basic Financial Statements.

**Davenport Community School District**

**Statement of Cash Flows**

**Proprietary Funds**

**Year Ended June 30, 2023**

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities		
Cash received from user charges	\$ 1,563,877	\$ 28,451,860
Cash payments to employees for services	(5,073,001)	(612,141)
Cash payments for insurance claims	-	(26,631,023)
Cash payments to suppliers for good or services	(4,291,612)	(347,129)
<b>Net cash provided by (used in) operating activities</b>	<b>(7,800,736)</b>	<b>861,567</b>
Cash flows from noncapital financing activities:		
Grants and contributions received	9,228,343	-
Proceeds from other funds	183,434	-
Payments to other funds	(321,658)	-
Other nonoperating receipts	34,343	-
<b>Net cash provided by noncapital financing activities</b>	<b>9,124,462</b>	<b>-</b>
Cash flows from capital and related financing activities,		
Acquisition of capital assets	(52,007)	-
Proceeds from sale of capital asset	1,690	-
Principal paid on IT subscription obligation	(41,615)	-
Interest paid on IT subscription obligation	(565)	-
<b>Net cash (used in) capital financing activities</b>	<b>(92,497)</b>	<b>-</b>
Cash flows from investing activities,		
Interest received	137,025	-
<b>Net increase in cash and cash equivalents</b>	<b>1,368,254</b>	<b>861,567</b>
Cash and cash equivalents beginning of year	5,833,194	26,600,768
Cash and cash equivalents end of year	<b>\$ 7,201,448</b>	<b>\$ 27,462,335</b>

(Continued)



Davenport Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2023

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (8,232,008)	\$ 173,586
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	102,487	-
Commodities used	877,669	-
Changes in assets and liabilities:		
Receivables	3,639	-
Inventories	(7,733)	-
Unearned revenue	153,576	-
Accounts payable	(3,932)	909,131
Compensated absences	15,028	-
Health claims and costs	-	(200,000)
Accrued liabilities	(329,906)	(21,150)
Net pension liability and deferred outflows of resources and deferred inflows of resources	(387,353)	-
Net OPEB liability and deferred outflows of resources and deferred inflows of resources	7,797	-
<b>Net cash (used in) operating activities</b>	<b>\$ (7,800,736)</b>	<b>\$ 861,567</b>
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 877,669	\$ -
Capital financing activities, capital contributions	\$ 19,460	\$ -

See Notes to Basic Financial Statements.

**Davenport Community School District**

**Statement of Fiduciary Net Position (Deficit)**

**Fiduciary Funds**

**June 30, 2023**

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	<u>Custodial</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 204,273
Due from other governments	178,950
<b>Total assets</b>	<u>\$ 383,223</u>
<b>Liabilities</b>	
Accounts payable	\$ 437,392
<b>Total liabilities</b>	<u>437,392</u>
<b>Net position (deficit)</b>	<u>\$ (54,169)</u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Changes in Fiduciary Net Position (Deficit)

Fiduciary Funds

Year Ended June 30, 2023

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	Custodial
<b>Additions</b>	
Contributions	\$ 104,757
Federal sources	178,950
<b>Total additions</b>	<u>283,707</u>
<b>Deductions</b>	
Administrative expenses	91,892
Program expenses	435,561
<b>Total deductions</b>	<u>527,453</u>
<b>Change in net position</b>	(243,746)
Net position, beginning of year	189,577
Net position (deficit), end of year	<u><u>\$ (54,169)</u></u>

See Notes to Basic Financial Statements.



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**Community Schools**  
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## **Davenport Community School District**

### **Notes to Basic Financial Statements**

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#### **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 2022-2023 school year was approximately 15,800 regular and special education students. The District employs approximately 2,200 individuals.

##### **Reporting Entity**

For financial reporting purposes, the District has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria are: a) appointing a voting majority of an organization's governing board, and b) the ability of the District to impose its will on that organization or b) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District; and c) fiscal dependency. The District has no component units which meet the GASB criteria.

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

The District has the following fund types:

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

## Davenport Community School District

### Notes to Basic Financial Statements

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#### **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 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. The District has two proprietary fund types, enterprise funds and an internal service fund.

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

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#### **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 nonmajor enterprise funds:

**School Nutrition Fund** – accounts for the activities of the District's school lunch, breakfast and summer fund programs.

**Out of School Time Fund** – accounts for before and after school programs.

Additionally, the 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 custodial 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 custodial funds 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

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#### **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 is employed by the governmental 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 \$7,351,527 pass-through grant from the Area Education Agency in fiscal year 2022-2023 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

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#### **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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2022.

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	\$ 16,522,055	\$ -	\$ 108,430
Sales, services and use tax	-	1,389,135	-
Other local entities	14,904	-	-
	<u>\$ 16,536,959</u>	<u>\$ 1,389,135</u>	<u>\$ 108,430</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

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

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

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

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

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

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

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

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

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net 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

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#### **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 2023, have been accrued as liabilities as of June 30, 2023.

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, 2023.

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, 2023, 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.

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.

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

## Davenport Community School District

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

## Davenport Community School District

### Notes to Basic Financial Statements

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

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.

Net position restricted through enabling legislation include \$3,929,833 for categorical funding, \$7,684,664 for management levy, \$16,038,885 for physical plant and equipment, \$50,061,173 for school infrastructure, and \$1,203,600 for debt service. Net position restricted by donations and fundraising are student activities of \$915,053.

The Teacher and Paraeducator Registered Apprenticeship Program Fund, a custodial fund, has a deficit net position of (\$256,611). The deficit will be resolved with future grant funding.

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.

## 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)

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. The District overexpended the budget in the support services and other expenditures functions.

#### 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, 2023, the book balance of the District's cash deposits, petty cash and certificate of deposits totaled \$61,612,851 and the bank balances totaled \$68,492,022.

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.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2023, the District's investments were as follows:

	Investment Maturities (in Years)					Level Input	Rating	
	Fair Value	Less than 1	1-5	6-10	>10		Standard & Poor	Fitch
Investment Pools,								
Iowa Schools Joint								
Investment Trust	\$ 67,666,620	\$ 67,666,620	\$ -	\$ -	\$ -	N/A	AAAm	N/A
Treasury Bills	45,368,743	45,368,743	-	-	-	2	AA+	AAA
	<u>\$ 113,035,363</u>	<u>\$ 113,035,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 2. Cash and Pooled Investments (Continued)

At June 30, 2023, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund and money market funds which are valued at amortized cost of \$67,666,620 pursuant to Rule 2a-7 under the investment Company Act of 2040. There were no limitations or restrictions on withdrawals of the ISJIT investments

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. The District has no formal investment policy that would limit its investment choices to items other than those allowed by Iowa law. The credit ratings related to the Iowa Schools Joint Investment Trust and Treasury Bills are disclosed in the chart above.

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, 2023.

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.

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

Cash Deposits, Certificates of Deposit and Petty Cash	\$ 61,612,851
Investment Pools, Iowa Schools Joint Investment Trust (ISJIT)	67,666,620
Treasury Bills	45,368,743
	<u>\$ 174,648,214</u>
 Governmental Funds	 \$ 139,780,158
Internal Service Fund	27,462,335
Total governmental activities	<u>167,242,493</u>
Business-type Activities/Enterprise Funds	7,201,448
Custodial Fund	204,273
	<u>\$ 174,648,214</u>



# Davenport Community School District

## Notes to Basic Financial Statements

### Note 3. Interfund Transfers

Interfund transfers as of June 30, 2023 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ 321,658	\$ 3,817,826
Capital Projects Fund	3,651,955	1,584,608
Nonmajor governmental fund, Debt Service Fund	1,567,045	-
Nonmajor enterprise fund, Nutrition Fund	172,865	321,658
Nonmajor enterprise fund, Out of School Time Fund	10,569	-
<b>Total</b>	<b>\$ 5,724,092</b>	<b>\$ 5,724,092</b>

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. Transfers from the General Fund to the Debt Service Fund are for subscription and lease obligations. Transfers from the General Fund to Capital Projects Fund were to transfer grant proceeds that were to fund capital projects.

### Note 4. Capital Assets

Capital assets for business-type activity for the year ended June 30, 2023 is as follows:

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated/ amortized:				
Furniture and equipment	\$ 3,072,299	\$ 71,467	\$ 44,971	\$ 3,098,795
Intangible right to use IT subscription	202,945	-	-	202,945
<b>Total capital assets being depreciated/amortized</b>	<b>3,275,244</b>	<b>71,467</b>	<b>44,971</b>	<b>3,301,740</b>
Less accumulated depreciation and amortization for:				
Furniture and equipment	2,842,431	62,563	43,281	2,861,713
Intangible right to use IT subscription	3,327	39,924	-	43,251
<b>Total accumulated depreciation/ amortization</b>	<b>2,845,758</b>	<b>102,487</b>	<b>43,281</b>	<b>2,904,964</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 429,486</b>	<b>\$ (31,020)</b>	<b>\$ 1,690</b>	<b>\$ 396,776</b>



# Davenport Community School District

## Notes to Basic Financial Statements

### Note 4. Capital Assets

Capital assets for governmental activity for the year ended June 30, 2023 is as follows:

	Restated 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	575,781	3,816,617	139,996	4,252,402
<b>Total capital assets not being depreciated and amortized</b>	<b>5,277,954</b>	<b>3,816,617</b>	<b>139,996</b>	<b>8,954,575</b>
Capital assets being depreciated and amortized:				
Land improvements	12,657,015	-	-	12,657,015
Buildings	125,293,735	-	-	125,293,735
Building improvements	197,116,552	4,184,196	-	201,300,748
Furniture and equipment	10,227,460	794,608	7,320	11,014,748
Intangibles	1,248,673	-	-	1,248,673
Intangible right to use lease equipment	-	117,410	-	117,410
Intangible right to use IT subscription	107,315	179,119	-	286,434
<b>Total capital assets being depreciated and amortized</b>	<b>346,650,750</b>	<b>5,275,333</b>	<b>7,320</b>	<b>351,918,763</b>
Less accumulated depreciation and amortization for:				
Land improvements	11,289,303	179,850	-	11,469,153
Buildings	61,369,775	2,009,970	-	63,379,745
Buildings improvements	98,559,318	9,232,282	-	107,791,600
Furniture and equipment	9,285,562	398,679	7,320	9,676,921
Intangibles	1,084,702	32,256	-	1,116,958
Intangible right to use lease equipment	-	24,189	-	24,189
Intangible right to use IT subscription	18,685	71,229	-	89,914
<b>Total accumulated depreciation and amortization</b>	<b>181,607,345</b>	<b>11,948,455</b>	<b>7,320</b>	<b>193,548,480</b>
<b>Total capital assets being depreciated and amortized, net</b>	<b>165,043,405</b>	<b>(6,673,122)</b>	<b>-</b>	<b>158,370,283</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 170,321,359</b>	<b>\$ (2,856,505)</b>	<b>\$ 139,996</b>	<b>\$ 167,324,858</b>

## 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	\$ 11,622,697
Support services:	
Student support services	8,021
General administration	33,232
Business and central administration	97,763
Plant operation and maintenance	176,581
Central support services	10,161
<b>Total governmental activities depreciation expense</b>	<b>\$ 11,948,455</b>

Business-type activities:

Food service operations	\$ 102,282
Before and after school programs	205
<b>Total business-type activities depreciation expense</b>	<b>\$ 102,487</b>

#### Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 3,505,000	\$ -	\$ 2,325,000	\$ 1,180,000	\$ 1,180,000
Premium on bonds	96,496	-	74,056	22,440	22,440
Total revenue bonds	3,601,496	-	2,399,056	1,202,440	1,202,440
Other Liabilities:					
Early retirement	3,307,182	-	1,255,472	2,051,710	947,930
Compensated absences	699,352	893,777	831,460	761,669	761,669
Lease obligation	-	117,410	23,435	93,975	35,983
IT subscription obligation	73,420	179,119	81,287	171,252	88,667
Net pension liability	1,980,038	50,643,225	-	52,623,263	-
OPEB liability	9,926,312	-	1,765,310	8,161,002	-
<b>Total</b>	<b>\$ 19,587,800</b>	<b>\$ 51,833,531</b>	<b>\$ 6,356,020</b>	<b>\$ 65,065,311</b>	<b>\$ 3,036,689</b>
Business-type activities:					
Compensated absences	\$ 11,842	\$ 41,898	\$ 26,870	\$ 26,870	\$ 26,870
IT subscription obligation	196,545	-	41,615	154,930	36,757
Net pension liability	53,286	1,440,104	-	1,493,390	-
OPEB liability	297,719	-	50,218	247,501	-
<b>Total</b>	<b>\$ 559,392</b>	<b>\$ 1,482,002</b>	<b>\$ 118,703</b>	<b>\$ 1,922,691</b>	<b>\$ 63,627</b>

## Davenport Community School District

### Notes to Basic Financial Statements

#### Note 5. Long-Term Liabilities (Continued)

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.

Annual debt service requirements on all outstanding indebtedness as of June 30, 2023, are as follows:

Year ending June 30:	Governmental Activities School Infrastructure Sales, Services, and Use Tax Revenue Bonds		
	Principal	Interest	Total
2024	\$ 1,180,000	\$ 23,600	\$ 1,203,600

Revenue Bonds -Governmental Activities: Two issues of revenue bonds, totaling \$1,180,000, are outstanding at June 30, 2023. 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, 2023, the District had sales, services, and use tax revenue of \$19,740,392 and the amount of principal and interest paid was \$2,398,025. The total remaining principal and interest to be paid on the bonds as of June 30, 2023 was \$1,203,600. 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 \$1,203,600 of cash and investments in the Debt Service Fund to comply with this requirement.

Leases: The District has entered into several leases for equipment. The leases expire June 30, 2027. The details of the leases are as follows:

Year ending June 30:	Leases		
	Principal	Interest	Total
2024	\$ 35,983	\$ 2,725	\$ 38,708
2025	37,261	1,447	38,708
2026	16,814	327	17,141
2027	3,917	87	4,004
<b>Totals</b>	<b>\$ 93,975</b>	<b>\$ 4,586</b>	<b>\$ 98,561</b>

## Davenport Community School District

### Notes to Basic Financial Statements

#### Note 5. Long-Term Liabilities (Continued)

Subscription-Based Information Technology Arrangements (SBITA): The District has entered into several subscription based information technology arrangements (SBITA). The arrangements expire between June 30, 2024 and June 30, 2027. The details of the arrangements are as follows:

Year ending June 30:	SBITA- Governmental Activities		
	Principal	Interest	Total
2024	\$ 88,667	\$ 5,994	\$ 94,661
2025	70,096	2,890	72,986
2026	12,488	437	12,925
<b>Totals</b>	<b>\$ 171,251</b>	<b>\$ 9,321</b>	<b>\$ 180,572</b>

Year ending June 30:	SBITA- Business-Type Activities		
	Principal	Interest	Total
2024	\$ 36,757	\$ 5,423	\$ 42,180
2025	38,044	4,136	42,180
2026	39,375	2,805	42,180
2027	40,754	1,426	42,180
<b>Totals</b>	<b>\$ 154,930</b>	<b>\$ 13,790</b>	<b>\$ 168,720</b>

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. The early retirement liability as of June 30, 2023 of \$2,051,710 is the remaining liability for Early Retirement Incentive Plans issued in 2019, 2020 and 2021.

The early retirement benefit for these plan years ranged from \$25,000 to \$50,000 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, 2023, 175 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, 2023, the District paid \$1,354,688 of early retirement benefits.

Legal Debt Margin: As of June 30, 2023, the District did not hold any outstanding general obligation debt and therefore did not exceed the statutory debt limit.

## Davenport Community School District

### Notes to Basic Financial Statements

#### 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		\$ 674
Family		1,631

Employees covered by benefit terms: As of July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	91
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	2,152
	<u>2,243</u>

#### Total OPEB Liability

The District's total OPEB liability of \$8,408,503 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial assumptions and other inputs: The total OPEB liability in the 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	3.65% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.00%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 5.00%

The discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. Mortality rates were based on the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period 2010–2022.

# Davenport Community School District

## Notes to Basic Financial Statements

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

#### Changes in the Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 10,224,031	\$ -	\$ 10,224,031
Changes for the year:			
Service cost	580,014	-	580,014
Interest	304,298	-	304,298
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,277,784)	-	(1,277,784)
Changes in assumptions or other inputs	(956,500)	-	(956,500)
Benefit payments	(465,556)	-	(465,556)
Net changes	(1,815,528)	-	(1,815,528)
Balance at June 30, 2023	\$ 8,408,503	\$ -	\$ 8,408,503

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

Differences between expected and actual experience was due to differences in actual experience in the retirees, terminations, claim experience, and plan options than expected.

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 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability	\$ 9,125,978	\$ 8,408,503	\$ 7,746,374

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 Trend Rates		
	1% Decrease 5.00%	6.00%	1% Increase 7.00%
Total OPEB liability	\$ 7,492,810	\$ 8,408,503	\$ 9,498,826

## Davenport Community School District

### Notes to Basic Financial Statements

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$747,388. At June 30, 2023, 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	\$ -	\$ (2,619,298)
Changes of assumptions or other inputs	3,704,093	(2,625,832)
Net difference between projected and actual investments	-	-
<b>Total</b>	<b>\$ 3,704,093</b>	<b>\$ (5,245,130)</b>

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:

2024	\$ (136,925)
2025	(136,925)
2026	(136,925)
2027	(136,925)
2028	(136,925)
Thereafter	(856,412)
	<b>\$ (1,541,037)</b>

#### 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](http://www.ipers.org).

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

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

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

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 7. Pension and Retirement Benefits (Continued)

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 2023, 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, 2023 were \$10,762,650.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the District reported a liability of \$54,116,653 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 1.432359 percent, which was an increase of 2.021341 percent from its proportion measured as of June 30, 2021.



## Davenport Community School District

### Notes to Basic Financial Statements

#### Note 7. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2023, the District recognized pension (revenue) of (\$3,246,547). At June 30, 2023, 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	\$ 2,398,986	\$ 741,279
Changes of assumptions	54,602	9,977
Net difference between projected and actual earnings on pension plan investments	-	5,793,015
Changes in proportion and differences between District contributions and proportionate share of contributions	61,258	8,853,681
District contributions subsequent to the measurement date	10,762,650	-
<b>Total</b>	<b>\$ 13,277,496</b>	<b>\$ 15,397,952</b>

\$10,762,650 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, 2024. 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,	
2024	\$ (7,795,751)
2025	(6,560,898)
2026	(9,074,224)
2027	10,763,883
2028	(216,116)
Thereafter	-
<b>Total</b>	<b>\$ (12,883,106)</b>

There were no non-employer contributing entities at IPERS.

## Davenport Community School District

### Notes to Basic Financial Statements

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#### 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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%	3.57%
International equity	17.5%	4.79%
Global smart beta equity	6.0%	4.16%
Core plus fixed income	20.0%	1.66%
Public credit	4.0%	3.77%
Cash	1.0%	0.77%
Private equity	13.0%	7.57%
Private real assets	8.5%	3.55%
Private credit	8.0%	3.63%
<b>Total</b>	<b>100%</b>	

## Davenport Community School District

### Notes to Basic Financial Statements

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#### 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)	\$ 100,825,831	\$ 54,116,653	\$ 12,953,028

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](http://www.ipers.org).

Payables to the Pension Plan: At June 30, 2023, the District reported payables to IPERS of \$923,901 for legally required District contributions and \$615,608 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

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#### Note 8. Risk Management (Continued)

Changes in the accrual balance for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Balance, beginning of year	\$ 3,700,000	\$ 4,200,000
Incurred claims and claim adjustments	26,431,023	26,337,228
Payment of claims	26,631,023	26,837,228
Balance, end of year	<u>\$ 3,500,000</u>	<u>\$ 3,700,000</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, 2023 is comprised of the following programs:

Program:	Amount
Four year old preschool	\$ 639,710
Professional development	604,498
Teacher salary supplement	55,592
Teacher leadership	2,058,685
Textbook aid	8,737
Success for early readers	103,902
Gifted and talented	369,735
Home school assistance program	88,974
<b>Total</b>	<u><u>\$ 3,929,833</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, 2023, these contracts totaled \$14,270,257. Work done and payments of \$4,098,114 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability of \$10,172,143.

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

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#### 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, 2023 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Davenport, Iowa	Urban renewal and economic development projects	\$ 1,055,764
City of Blue Grass, Iowa	Urban renewal and economic development projects	39,952
City of Walcott, Iowa	Urban renewal and economic development projects	43,824

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, 2023, this reimbursement amounted to \$476,576.

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

The District adopted the following statements during the year ended June 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019. 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.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. 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.

## Davenport Community School District

### Notes to Basic Financial Statements

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. 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. 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.

Other than the restatement for the implementation of GASB Statement No. 96 as discussed in Note 13, the implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2023, 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. 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. 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 School District

### Notes to Basic Financial Statements

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#### Note 13. Restatement

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, was implemented as of the beginning of the year ended June 30, 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The beginning net position of governmental activities, business-type activities and the School Nutrition Fund were restated as follows:

	Governmental Activities	Business-Type Activities	School Nutrition Fund
Net Position, June 30, 2022	\$ 205,266,053	\$ 3,682,458	\$ 3,614,837
Right to use subscription IT asset	107,315	202,945	202,945
Accumulated amortization	(18,685)	(3,327)	(3,327)
Subscription IT obligation	(73,420)	(196,545)	(196,545)
Net Position, June 30, 2022, as restated	<u>\$ 205,281,263</u>	<u>\$ 3,685,531</u>	<u>\$ 3,617,910</u>



**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, 2023**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 88,401,657	\$ 1,578,030
State sources	134,266,721	59,429
Federal sources	32,442,850	9,939,476
<b>Total revenues</b>	<b>255,111,228</b>	<b>11,576,935</b>
Expenditures/expenses:		
Instruction	129,992,395	-
Support services	75,542,841	607,433
Noninstructional programs	731,558	9,031,802
Other expenditures	20,179,244	-
<b>Total expenditures/expenses</b>	<b>226,446,038</b>	<b>9,639,235</b>
<b>Excess of revenues over ( expenditures/expenses</b>	<b>28,665,190</b>	<b>1,937,700</b>
Other financing sources (uses):		
Interfund transfers in	5,540,658	183,434
Interfund transfers out	(5,402,434)	(321,658)
Issuance of long-term debt	296,529	-
Capital contributions	-	19,460
Insurance proceeds	1,140,890	-
<b>Total other financing sources (uses)</b>	<b>1,575,643</b>	<b>(118,764)</b>
<b>Net change in fund balances</b>	<b>30,240,833</b>	<b>1,818,936</b>
Balance, beginning of year, as restated	94,289,670	3,685,531
Balance, end of year	<b>\$ 124,530,503</b>	<b>\$ 5,504,467</b>

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	89,979,687	\$ 85,904,496	\$ 85,904,496	\$ 4,075,191
	134,326,150	131,568,782	131,568,782	2,757,368
	42,382,326	51,028,017	51,028,017	(8,645,691)
	266,688,163	268,501,295	268,501,295	(1,813,132)
	129,992,395	143,283,701	143,283,701	13,291,306
	76,150,274	74,614,854	74,614,854	(1,535,420)
	9,763,360	10,234,851	10,234,851	471,491
	20,179,244	16,915,798	16,915,798	(3,263,446)
	236,085,273	245,049,204	245,049,204	8,963,931
	30,602,890	23,452,091	23,452,091	7,150,799
	5,724,092	2,784,576	2,784,576	2,939,516
	(5,724,092)	(2,784,576)	(2,784,576)	(2,939,516)
	296,529	-	-	296,529
	19,460	-	-	19,460
	1,140,890	-	-	1,140,890
	1,456,879	-	-	1,456,879
	32,059,769	\$ 23,452,091	\$ 23,452,091	\$ 8,607,678
	97,975,201			
\$	130,034,970			

**Davenport Community School District**

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

	2023	2022
Total OPEB liability		
Changes for the year:		
Service cost	\$ 580,014	\$ 871,295
Interest	304,298	253,788
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,277,784)	-
Changes in assumptions or other inputs	(956,500)	(1,232,614)
Benefit payments	(465,556)	(561,475)
Net changes in total OPEB liability	(1,815,528)	(669,006)
Total OPEB liability - beginning	10,224,031	10,893,037
Total OPEB liability - ending	<u>\$ 8,408,503</u>	<u>\$ 10,224,031</u>
Covered employee payroll	\$ 106,788,121	\$ 101,349,212
Total OPEB liability as a percentage of covered employee payroll	7.87%	10.09%

**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 differences in actual experience in retirees, terminations, claim experience, and plan option than expected.

Changes of assumption:

Changes in assumptions were as follows:

Salary increases	2.50%	2.50%
Discount rate	3.65%	3.54%
Health care cost trend rate	6.00%	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.

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2021	2020	2019	2018
\$ 850,044	\$ 703,602	\$ 686,441	\$ 450,222
241,372	429,969	405,085	228,231
-	-	-	-
(1,696,694)	-	(80,650)	(271,834)
(1,038,991)	1,778,468	4,044,863	-
(540,295)	(482,291)	(449,087)	(99,191)
(2,184,564)	2,429,748	4,606,652	307,428
13,077,601	10,647,853	6,041,201	5,733,773
\$ 10,893,037	\$ 13,077,601	\$ 10,647,853	\$ 6,041,201

\$ 98,877,280    \$ 113,882,532    \$ 111,104,909    \$ 92,742,280

11.02%                      11.48%                      9.58%                      6.51%

2.50%                      2.50%                      2.50%                      0.00%  
2.21%                      2.21%                      3.87%                      3.72%  
7.00%                      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 Nine Fiscal Years

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	2023*	2022*	2021*
District's proportion of the net pension liability	1.432359%	-0.588982%	1.500191%
District's proportionate share of the net pension liability	\$ 54,116,653	\$ 2,033,324	\$ 105,384,439
District's covered payroll	\$ 115,616,638	\$ 117,876,887	\$ 119,200,123
District's proportionate share of the net pension liability as a percentage of its covered payroll	46.81%	1.72%	88.41%
Plan fiduciary net pension as a percentage of the total pension liability	91.40%	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.

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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**

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	2023	2022	2021	2020
Statutorily required contribution	\$ 10,762,650	\$ 10,891,450	\$ 11,110,302	\$ 11,252,491
Contributions in relation to the statutorily required contribution	\$ (10,762,650)	\$ (10,891,450)	\$ (11,110,302)	\$ (11,252,491)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 114,152,413	\$ 115,616,638	\$ 117,876,887	\$ 119,200,123
Contributions as a percentage of covered payroll	9.43%	9.42%	9.43%	9.44%

See Notes to Required Supplementary Information.



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	2019		2018		2017		2016		2015		2014
\$	11,622,441	\$	10,845,472	\$	10,543,936	\$	10,106,521	\$	9,557,040	\$	8,779,566
\$	(11,622,441)	\$	(10,845,472)	\$	(10,543,936)	\$	(10,106,521)	\$	(9,557,040)	\$	(8,779,566)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	123,119,093	\$	121,449,832	\$	118,073,180	\$	113,174,927	\$	107,021,725	\$	98,315,409
	9.44%		8.93%		8.93%		8.93%		8.93%		8.93%

## **Davenport Community School District**

### **Notes to Basic Financial Statements**

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#### **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.

The District overexpended the budget in the support services and other expenditures functions.

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

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#### Note 2. Iowa Public Employees' Retirement System Pension Liability

##### Changes of benefit terms:

There are no significant changes in benefit terms.

##### Changes of assumptions:

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

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

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

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

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

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

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

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



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## **Other Supplementary Information**



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## **Nonmajor Governmental Funds**

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

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

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

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

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

**Davenport Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
<b>Assets</b>				
Cash and Investments	\$ 7,654,091	\$ 956,308	\$ 1,203,600	\$ 9,813,999
Receivables:				
Property tax:				
Current year	34,655	-	-	34,655
Succeeding year	6,696,591	-	-	6,696,591
Other	-	200	-	200
<b>Total assets</b>	<b>\$ 14,385,337</b>	<b>\$ 956,508</b>	<b>\$ 1,203,600</b>	<b>\$ 16,545,445</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 4,082	\$ 33,197	\$ -	\$ 37,279
Accrued payroll and payroll taxes	-	8,258	-	8,258
<b>Total liabilities</b>	<b>4,082</b>	<b>41,455</b>	<b>-</b>	<b>45,537</b>
Deferred inflows of resources,				
Unavailable revenue:				
Succeeding year property taxes	6,696,591	-	-	6,696,591
<b>Total deferred inflows of resources</b>	<b>6,696,591</b>	<b>-</b>	<b>-</b>	<b>6,696,591</b>
Fund balances:				
Restricted for				
Debt service	-	-	1,203,600	1,203,600
Management levy purposes	7,684,664	-	-	7,684,664
Student activities	-	915,053	-	915,053
<b>Total fund balances</b>	<b>7,684,664</b>	<b>915,053</b>	<b>1,203,600</b>	<b>9,803,317</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,385,337</b>	<b>\$ 956,508</b>	<b>\$ 1,203,600</b>	<b>\$ 16,545,445</b>



**Davenport Community School District**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023**

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Property taxes	\$ 4,227,187	\$ -	\$ -	\$ 4,227,187
Utility taxes	179,337	-	-	179,337
Other taxes	5,632	-	-	5,632
Interest	353,015	37,450	116,704	507,169
Other	-	775,313	-	775,313
State sources, other	1,240	-	-	1,240
<b>Total revenues</b>	<b>4,766,411</b>	<b>812,763</b>	<b>116,704</b>	<b>5,695,878</b>
Expenditures:				
Current:				
Instruction	1,398,285	695,556	-	2,093,841
Support service:				
General administration	2,164,413	-	-	2,164,413
Business and central administration	45,038	-	-	45,038
Plant operation and maintenance	1,012,007	-	-	1,012,007
Student transportation	-	50,580	-	50,580
Debt service:				
Principal	-	-	2,429,722	2,429,722
Interest and fiscal charges	-	-	78,931	78,931
<b>Total expenditures</b>	<b>4,619,743</b>	<b>746,136</b>	<b>2,508,653</b>	<b>7,874,532</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>146,668</b>	<b>66,627</b>	<b>(2,391,949)</b>	<b>(2,178,654)</b>
Other financing sources:				
Transfers in	-	-	1,567,045	1,567,045
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>1,567,045</b>	<b>1,567,045</b>
<b>Net change in fund balances</b>	<b>146,668</b>	<b>66,627</b>	<b>(824,904)</b>	<b>(611,609)</b>
Fund balances, beginning of year	7,537,996	848,426	2,028,504	10,414,926
Fund balances, end of year	\$ 7,684,664	\$ 915,053	\$ 1,203,600	\$ 9,803,317



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# Davenport Community School District

## Schedule of Changes in Special Revenue Fund, Student Activity Accounts Year Ended June 30, 2023

Group	Beginning June 30, 2022	Revenues	Expenditures	Ending June 30, 2023
Adams Elementary	\$ 13,063	\$ 7,312	\$ 2,925	\$ 17,450
Blue Grass Elementary	1,430	1,337	491	2,276
Buchanan Elementary	(474)	1,144	-	670
Buffalo Elementary	6,946	13,307	7,974	12,279
Eisenhower Elementary	10,262	780	7,521	3,521
Fillmore Elementary	8,563	510	6,783	2,290
Garfield Elementary	2,628	1,896	26	4,498
Harrison Elementary	1,257	2,008	335	2,930
Hayes Elementary	4,063	284	-	4,347
Jackson Elementary	777	2,345	1,028	2,094
Jefferson Elementary	1,814	1,168	706	2,276
Madison Elementary	465	540	-	1,005
McKinley Elementary	4,247	1,089	445	4,891
Monroe Elementary	249	400	440	209
Truman Elementary	496	1,343	1,343	496
Washington Elementary	8,373	492	-	8,865
Wilson Elementary	2,479	1,506	917	3,068
Smart Intermediate School	12,360	1,357	608	13,109
Sudlow Intermediate School	102,464	24,384	35,550	91,298
Walcott School	34,921	4,293	5,707	33,507
Williams Intermediate School	30,158	1,091	567	30,682
Wood Intermediate School	33,451	28,294	23,233	38,512
Central High School Athletics	32,485	88,161	89,604	31,042
Central High School	215,518	103,485	95,035	223,968
Mid City High School	8,453	500	267	8,686
North High School Athletics	5,722	93,525	104,048	(4,801)
North High School	125,864	144,879	144,640	126,103
West High School Athletics	(3,532)	103,684	98,427	1,725
West High School	144,336	126,693	104,973	166,056
Senior High Future Teachers	8,610	343	4,310	4,643
District Wide Athletics	-	17,163	8,233	8,930
Unallocated interest income	30,978	37,450	-	68,428
Total Special Revenue Fund, Student Activity By Account	\$ 848,426	\$ 812,763	\$ 746,136	\$ 915,053

Davenport Community School District

Schedule of Combining Balance Sheet  
Capital Projects Fund - By Account  
June 30, 2023

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 48,685,225	\$ 15,972,028	\$ 64,657,253
Receivables:			
Property tax:			
Current year	-	66,857	66,857
Succeeding year	-	8,264,071	8,264,071
Due from other governments	1,389,135	-	1,389,135
<b>Total assets</b>	<b>\$ 50,074,360</b>	<b>\$ 24,302,956</b>	<b>\$ 74,377,316</b>
<b>Liabilities, Deferred Inflows of Resources, and and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,197,183	\$ 689,641	\$ 1,886,824
Accrued payroll and payroll taxes	12,166	-	12,166
Retainage payable	5,850	148,437	154,287
Due to other funds	1,021	-	1,021
<b>Total liabilities</b>	<b>1,216,220</b>	<b>838,078</b>	<b>2,054,298</b>
Deferred Inflows of Resources:			
Unavailable revenue:			
Succeeding year property tax	-	8,264,071	8,264,071
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>8,264,071</b>	<b>8,264,071</b>
Fund Balances:			
Restricted for:			
Physical plant and equipment	-	15,200,807	15,200,807
School infrastructure	48,858,140	-	48,858,140
<b>Total fund balances</b>	<b>48,858,140</b>	<b>15,200,807</b>	<b>64,058,947</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 50,074,360</b>	<b>\$ 24,302,956</b>	<b>\$ 74,377,316</b>

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund - By Account  
Year Ended June 30, 2023

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Property taxes	\$ -	\$ 8,182,583	\$ 8,182,583
Utility taxes	-	337,390	337,390
Other taxes	-	10,596	10,596
Interest	306,856	205,247	512,103
Other	-	90,863	90,863
State sources:			
Statewide sales, services, and use tax	19,740,392	-	19,740,392
Other state sources	-	2,332	2,332
<b>Total revenues</b>	<b>20,047,248</b>	<b>8,829,011</b>	<b>28,876,259</b>
Expenditures:			
Current:			
Instruction	2,474,597	643,822	3,118,419
Support services:			
Student	-	979	979
Business and central administration	1,349,671	1,014,763	2,364,434
Plant operation and maintenance	-	378,960	378,960
Student transportation	-	591,760	591,760
Non-instructional programs	24,115	86,837	110,952
Capital outlay	1,292,477	8,910,374	10,202,851
Debt service:			
Interest and fiscal charges	17,254	98,959	116,213
<b>Total expenditures</b>	<b>5,158,114</b>	<b>11,726,454</b>	<b>16,884,568</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,889,134</b>	<b>(2,897,443)</b>	<b>11,991,691</b>
Other financing sources (uses):			
Insurance proceeds	-	1,140,890	1,140,890
Issuance of long term debt	-	278,078	278,078
Transfers in	443,668	3,208,287	3,651,955
Transfers out	(1,457,617)	(126,991)	(1,584,608)
<b>Total other financing sources (uses)</b>	<b>(1,013,949)</b>	<b>4,500,264</b>	<b>3,486,315</b>
<b>Net change in fund balance</b>	<b>13,875,185</b>	<b>1,602,821</b>	<b>15,478,006</b>
Fund balance, beginning of year	34,982,955	13,597,986	48,580,941
Fund balance, end of year	\$ 48,858,140	\$ 15,200,807	\$ 64,058,947



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### **Nonmajor Enterprise Funds**

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

**School Nutrition Fund** – This fund accounts for the activities of the District's school lunch, breakfast and summer food program.

**Out of School Time Fund**– This fund accounts before and after school programs.

**Davenport Community School District**

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

**June 30, 2023**

	School Nutrition Fund	Out of School Time Fund	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 7,100,057	\$ 101,391	\$ 7,201,448
Due from other governmental units	108,430	-	108,430
Other receivables	12,661	-	12,661
Inventories	84,230	-	84,230
<b>Total current assets</b>	<b>7,305,378</b>	<b>101,391</b>	<b>7,406,769</b>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	395,620	1,156	396,776
<b>Total noncurrent assets</b>	<b>395,620</b>	<b>1,156</b>	<b>396,776</b>
<b>Total assets</b>	<b>7,700,998</b>	<b>102,547</b>	<b>7,803,545</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	104,872	3,834	108,706
Pension related deferred outflows	389,668	7,864	397,532
<b>Total deferred outflows of resources</b>	<b>494,540</b>	<b>11,698</b>	<b>506,238</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	56,125	21,439	77,564
Accrued payroll and payroll taxes	47,641	10,853	58,494
Unearned revenue	219,267	-	219,267
Compensated absences	12,151	14,719	26,870
IT subscription obligation	36,757	-	36,757
<b>Total current liabilities</b>	<b>371,941</b>	<b>47,011</b>	<b>418,952</b>
Noncurrent Liabilities			
Net pension liability	1,462,638	30,752	1,493,390
Other post employment benefits obligation	240,405	7,096	247,501
IT subscription obligation	118,173	-	118,173
<b>Total noncurrent liabilities</b>	<b>1,821,216</b>	<b>37,848</b>	<b>1,859,064</b>
<b>Total liabilities</b>	<b>2,193,157</b>	<b>84,859</b>	<b>2,278,016</b>
<b>Deferred Inflows of Resources:</b>			
OPEB related deferred inflows	139,419	8,394	147,813
Pension related deferred inflows	365,462	14,025	379,487
<b>Total deferred inflows of resources</b>	<b>504,881</b>	<b>22,419</b>	<b>527,300</b>
<b>Net Position</b>			
Net investment in capital assets	240,690	1,156	241,846
Unrestricted	5,256,810	5,811	5,262,621
<b>Total net position</b>	<b>\$ 5,497,500</b>	<b>\$ 6,967</b>	<b>\$ 5,504,467</b>



**Davenport Community School District**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2023**

	School Nutrition Fund	Out of School Time Fund	Total
Operating Revenue:			
Charges for services	\$ 877,816	\$ 528,846	\$ 1,406,662
Operating Expenses:			
Salaries and benefits	4,082,052	296,515	4,378,567
Purchased services	202,435	312,599	515,034
Supplies	4,634,985	1,918	4,636,903
Other operating costs	-	5,679	5,679
Depreciation	102,282	205	102,487
<b>Total operating expenses</b>	<b>9,021,754</b>	<b>616,916</b>	<b>9,638,670</b>
<b>Operating (loss)</b>	<b>(8,143,938)</b>	<b>(88,070)</b>	<b>(8,232,008)</b>
Nonoperating Revenues (Expenses):			
Interest income	120,187	16,838	137,025
Interest expense	(565)	-	(565)
Intergovernmental	9,998,905	-	9,998,905
Other nonoperating revenue	34,334	9	34,343
<b>Total nonoperating revenues (expenses)</b>	<b>10,152,861</b>	<b>16,847</b>	<b>10,169,708</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>2,008,923</b>	<b>(71,223)</b>	<b>1,937,700</b>
Capital contributions	19,460	-	19,460
Transfer in	172,865	10,569	183,434
Transfers (out)	(321,658)	-	(321,658)
<b>Change in net position</b>	<b>1,879,590</b>	<b>(60,654)</b>	<b>1,818,936</b>
Net Position, beginning of year, as restated	3,617,910	67,621	3,685,531
Net Position, end of year	\$ 5,497,500	\$ 6,967	\$ 5,504,467

**Davenport Community School District**

**Combining Statement of Cash Flows**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2023**

	School Nutrition Fund	Out of School Time Fund	Total
Cash flows from operating activities			
Cash received from user charges	\$ 1,035,031	\$ 528,846	\$ 1,563,877
Cash payments to employees for services	(4,741,200)	(331,801)	(5,073,001)
Cash payments to suppliers for goods or services	(3,963,250)	(328,362)	(4,291,612)
<b>Net cash (used in) operating activities</b>	<b>(7,669,419)</b>	<b>(131,317)</b>	<b>(7,800,736)</b>
Cash flows from noncapital financing activities:			
Grants and contributions received	9,228,343	-	9,228,343
Proceeds from other funds	172,865	10,569	183,434
Payments to other funds	(321,658)	-	(321,658)
Other nonoperating receipts	34,334	9	34,343
<b>Net cash provided by noncapital financing activities</b>	<b>9,113,884</b>	<b>10,578</b>	<b>9,124,462</b>
Cash flows from capital and related financing activities,			
Acquisition of capital assets	(51,507)	(500)	(52,007)
Proceeds from sale of capital asset	1,690	-	1,690
Principal paid on IT subscription obligation	(41,615)	-	(41,615)
Interest paid on IT subscription obligation	(565)	-	(565)
<b>Net cash (used in) capital financing activities</b>	<b>(91,997)</b>	<b>(500)</b>	<b>(92,497)</b>
Cash flows from investing activities,			
Interest received	120,187	16,838	137,025
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,472,655</b>	<b>(104,401)</b>	<b>1,368,254</b>
Cash and cash equivalents beginning of year	5,627,402	205,792	5,833,194
Cash and cash equivalents end of year	<u>\$ 7,100,057</u>	<u>\$ 101,391</u>	<u>\$ 7,201,448</u>

(Continued)

**Davenport Community School District**

**Combining Statement of Cash Flows (Continued)**

**Nonmajor Enterprise Funds**

**Year Ended June 30, 2023**

	School Nutrition Fund	Out of School Time Fund	Total
Reconciliation of operating (loss) to net cash (used in) operating activities:			
Operating (loss)	\$ (8,143,938)	\$ (88,070)	\$ (8,232,008)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation	102,282	205	102,487
Commodities used	877,669	-	877,669
Changes in assets and liabilities:			
Receivables	3,639	-	3,639
Inventories	(7,733)	-	(7,733)
Unearned revenue	153,576	-	153,576
Accounts payable	4,234	(8,166)	(3,932)
Compensated absences	6,935	8,093	15,028
Accrued liabilities	(309,310)	(20,596)	(329,906)
Net pension liability and deferred outflows of resources and deferred inflows of resources	(364,098)	(23,255)	(387,353)
Net OPEB liability and deferred outflows of resources and deferred inflows of resources	7,325	472	7,797
<b>Net cash (used in) operating activities</b>	<b>\$ (7,669,419)</b>	<b>\$ (131,317)</b>	<b>\$ (7,800,736)</b>

Schedule of noncash items:

Noncapital financing activities,  
federal commodities

\$ 877,669	\$ -	\$ 877,669
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Capital financing activities,  
capital contributions

\$ 19,460	\$ -	\$ 19,460
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## **Fiduciary Funds**

Fiduciary funds focus on net position and changes in net position. The District's fiduciary funds include custodial funds.

The custodial funds 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 District has the following custodial funds.

**Teacher and Paraeducator Registered Apprenticeship Program** – To operate the Teacher and Paraeducator Registered Apprenticeship program from Iowa Workforce Development. The District operates as the fiscal agent for Districts in the Mississippi Valley School District Consortium.

**Staff Activities** – Includes assets held for staff activities not funded by the District.

Davenport Community School District

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Custodial		
	Teacher and Paraeducator Registered Apprenticeship Program	Staff Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 204,273	\$ 204,273
Due from other governments	178,950	-	178,950
<b>Total assets</b>	<b>\$ 178,950</b>	<b>\$ 204,273</b>	<b>\$ 383,223</b>
<b>Liabilities</b>			
Accounts payable	\$ 435,561	\$ 1,831	\$ 437,392
<b>Total liabilities</b>	<b>435,561</b>	<b>1,831</b>	<b>437,392</b>
<b>Net position (deficit)</b>	<b>\$ (256,611)</b>	<b>\$ 202,442</b>	<b>\$ (54,169)</b>

Davenport Community School District

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2023

	Custodial		
	Teacher and Paraeducator Registered Apprenticeship Program	Staff Activities	Total
<b>Additions</b>			
Contributions	\$ -	\$ 104,757	\$ 104,757
Federal sources	178,950	-	178,950
<b>Total additions</b>	<u>178,950</u>	<u>104,757</u>	<u>283,707</u>
<b>Deductions</b>			
Administrative expenses	-	91,892	91,892
Program expenses	435,561	-	435,561
<b>Total deductions</b>	<u>435,561</u>	<u>91,892</u>	<u>527,453</u>
<b>Change in net position</b>	(256,611)	12,865	(243,746)
Net position, beginning of year	-	189,577	189,577
Net position, end of year	<u>\$ (256,611)</u>	<u>\$ 202,442</u>	<u>\$ (54,169)</u>

**Davenport Community School District**

**Schedule of Changes in Fiduciary Net Position- Custodial Funds, by Activity Accounts**  
**Year Ended June 30, 2023**

Activity Group	Beginning June 30, 2022	Revenues	Expenditures	Ending June 30, 2023
Adams Staff Account	\$ 2,081	\$ -	\$ -	\$ 2,081
Administration Pop Account	2,543	349	-	2,892
Administration Scholar Account	522	-	-	522
Blue Grass Staff Account	132	177	170	139
Buchanan Pop Account	507	897	1,356	48
Buchanan Boosters Account	247	949	894	302
Buffalo Staff Account	277	80	159	198
Buffalo Business Partners	92	4	-	96
CV Hayes Staff Account	54	-	-	54
CV Hoover Staff Account	211	-	-	211
CV Hoover Parent Account	54	-	-	54
CV West Staff Account	433	-	-	433
CV West PTO Account	647	-	242	405
CV West Staff Social Account	91	-	-	91
Central Staff Account	20,424	17,062	21,250	16,236
Davenport Learning Staff Account	2,038	-	2,038	-
Districtwide Drop Out Event	921	-	-	921
Districtwide Symphony	(787)	787	-	-
Eisenhower Staff Account	155	1,015	462	708
Fillmore Staff Account	1,351	722	1,811	262
Garfield Staff Account	521	610	581	550
Harrison Staff Account	10,516	1,268	1,050	10,734
Havlife Foundation Account	15,112	-	5,862	9,250
Hayes Staff Fund	603	-	309	294
Jackson Staff Fund	409	690	400	699
Jefferson Staff Fund	4,207	1,000	1,933	3,274
Madison Staff Account	580	215	-	795
Metro Fest	3,071	418	88	3,401
Mid City Staff Account	195	2,340	-	2,535
McKinley Staff Fund	302	101	-	403
Monroe Staff Account	5,883	2,078	7,450	511
North Staff Account	10,474	19,299	13,641	16,132
River Music Experience/Havlife	606	-	-	606
Smart Staff Account	250	729	-	979
Sudlow Staff Account	1,044	471	385	1,130
Truman Staff Account	279	9,813	2,086	8,006
Walcott Staff Account	1,859	764	895	1,728
Washington Staff Account	957	335	847	445
West Staff Account	81,068	21,911	12,096	90,883
West Shrine Account	331	-	-	331
West Athletics Account	6,769	16,649	8,717	14,701
West Boosters Account	290	-	-	290
West After Prom Account	5,249	1,100	3,278	3,071
Williams Staff Account	2,367	249	-	2,616
Wilson Staff Account	1,704	2,331	3,522	513
Wood Staff Account	1,300	344	370	1,274
Youth Fest Account	1,638	-	-	1,638
Total Net Position- All Accounts	\$ 189,577	\$ 104,757	\$ 91,892	\$ 202,442



# **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

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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
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	80
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	90
<b>Debt Capacity</b>	
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.	95
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	100
<b>Operating Information</b>	
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.	102

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

**Davenport Community School District**

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

	Fiscal Year			
	2023	2022	2021	2020
Governmental activities:				
Net investment in capital assets	\$ 163,816,080	\$ 166,631,233	\$ 175,539,233	\$ 182,499,308
Restricted	79,833,208	64,522,555	49,259,585	32,591,484
Unrestricted	4,002,289	(25,887,735)	(54,474,215)	(55,648,330)
<b>Total governmental activities net position</b>	<b>\$ 247,651,577</b>	<b>\$ 205,266,053</b>	<b>\$ 170,324,603</b>	<b>\$ 159,442,462</b>
Business-type activities				
Net investment in capital assets	\$ 241,846	\$ 229,868	\$ 250,396	\$ 278,340
Unrestricted	5,262,621	3,452,590	354,872	(249,174)
<b>Total business-type activities net position</b>	<b>\$ 5,504,467</b>	<b>\$ 3,682,458</b>	<b>\$ 605,268</b>	<b>\$ 29,166</b>
Primary government:				
Net investment in capital assets	\$ 164,057,926	\$ 166,861,101	\$ 175,789,629	\$ 182,777,648
Restricted	79,833,208	64,522,555	49,259,585	32,591,484
Unrestricted	9,264,910	(22,435,145)	(54,119,343)	(55,897,504)
<b>Total primary government net position</b>	<b>\$ 253,156,044</b>	<b>\$ 208,948,511</b>	<b>\$ 170,929,871</b>	<b>\$ 159,471,628</b>

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

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 182,224,117	\$ 185,028,308	\$ 181,820,851	\$ 173,180,292	\$ 168,031,137	\$ 147,591,718
28,370,996	24,509,982	18,655,832	23,926,922	25,490,625	38,106,915
(46,366,056)	(36,231,015)	(22,116,859)	(12,359,839)	(13,563,485)	54,329,549
<u>\$ 164,229,057</u>	<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>
\$ 318,172	\$ 364,713	\$ 453,108	\$ 501,466	\$ 321,414	\$ 413,546
254,249	348,798	455,031	310,282	24,659	1,622,191
<u>\$ 572,421</u>	<u>\$ 713,511</u>	<u>\$ 908,139</u>	<u>\$ 811,748</u>	<u>\$ 346,073</u>	<u>\$ 2,035,737</u>
\$ 182,542,289	\$ 185,393,021	\$ 182,273,959	\$ 173,681,758	\$ 168,352,551	\$ 148,005,264
28,370,996	24,509,982	18,655,832	23,926,922	25,490,625	38,106,915
(46,111,807)	(35,882,217)	(21,661,828)	(12,049,557)	(13,538,826)	55,951,740
<u>\$ 164,801,478</u>	<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>

# Davenport Community School District

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

	Fiscal Year			
	2023	2022	2021	2020
Expenses:				
Governmental activities:				
Instruction	\$ 131,333,688	\$ 126,658,619	\$ 138,563,617	\$ 142,979,181
Student Support Services	16,833,953	16,388,243	19,069,129	18,347,191
Instructional Staff Support Services	7,452,981	4,548,568	5,366,938	6,168,822
General Administration	6,485,250	6,598,041	6,753,640	7,033,064
School Administration	9,646,041	8,913,236	9,992,526	10,818,959
Business Administration	7,971,397	5,235,283	4,510,778	7,254,229
Plant Operation and Maintenance	15,988,936	15,058,926	17,782,896	16,350,173
Student Transportation	8,352,216	8,333,008	6,541,169	5,794,593
Non-instructional	687,135	784,979	666,042	610,909
Area Education Agency	7,351,527	7,364,149	7,392,144	7,368,697
Interest on Long-term Debt	121,088	60,819	111,419	167,934
<b>Total governmental activities expenses</b>	<b>212,224,212</b>	<b>199,943,871</b>	<b>216,750,298</b>	<b>222,893,752</b>
Business-type activities:				
School Nutrition	9,022,319	8,665,273	7,778,073	7,895,033
Before and after school program	616,916	583,854	440,497	526,181
<b>Total business-type activities expenses</b>	<b>9,639,235</b>	<b>9,249,127</b>	<b>8,218,570</b>	<b>8,421,214</b>
<b>Total primary government expenses</b>	<b>221,863,447</b>	<b>209,192,998</b>	<b>224,968,868</b>	<b>231,314,966</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	2,596,556	4,931,404	4,257,447	3,417,628
Support services	2,302,334	373,581	1,133,339	425,086
Other	-	-	22,295	38,435
Operating grants and contributions	59,872,759	51,686,295	43,656,177	39,320,138
Capital grants and contributions	2,568,020	157,913	-	-
<b>Total governmental revenues</b>	<b>67,339,669</b>	<b>57,149,193</b>	<b>49,069,258</b>	<b>43,201,287</b>
Business-type activities:				
Charges for services:				
Food Services	877,816	388,694	1,162,923	1,610,804
Before and after school program	528,846	206,008	456,798	730,704
Operating grants and contributions	10,033,248	8,007,478	6,552,279	7,027,958
Capital grants and contributions	19,460	-	-	-
<b>Total business-type revenues</b>	<b>11,459,370</b>	<b>8,602,180</b>	<b>8,172,000</b>	<b>9,369,466</b>
<b>Total primary government revenues</b>	<b>78,799,039</b>	<b>57,671,438</b>	<b>51,373,287</b>	<b>56,089,878</b>
Net (expense) revenues:				
Governmental activities	(144,884,543)	(167,681,040)	(179,692,465)	(184,237,582)
Business-type activities	1,820,135	383,610	(249,214)	175,017
<b>Total primary government net expense</b>	<b>\$ (143,064,408)</b>	<b>\$ (167,297,430)</b>	<b>\$ (179,941,679)</b>	<b>\$ (184,062,565)</b>

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 148,386,881	\$ 144,719,877	\$ 139,416,652	\$ 133,042,846	\$ 132,454,398	\$ 125,736,240
16,983,505	16,813,962	16,441,860	14,959,706	7,013,751	6,346,051
5,903,389	6,699,410	6,354,866	5,481,304	5,517,395	4,898,917
6,794,569	6,419,405	6,288,431	5,639,397	4,800,446	4,195,386
10,880,137	11,360,338	10,816,465	11,431,660	9,719,379	9,651,935
8,102,302	5,901,920	6,830,713	6,451,175	6,179,430	3,447,114
18,372,074	14,944,147	16,490,014	12,958,917	12,718,459	17,392,671
7,438,209	7,299,085	7,195,748	6,385,037	6,427,016	5,856,022
567,944	648,153	692,881	666,296	603,339	577,899
7,310,665	7,269,964	7,046,999	6,885,657	6,817,320	6,461,319
218,319	259,519	300,019	349,258	159,982	108,104
230,957,994	222,335,780	217,874,648	204,251,253	192,410,915	184,671,658
8,467,056	8,608,677	9,032,980	8,907,468	8,041,263	8,431,050
727,393	599,507	399,084	434,523	489,227	945,852
9,194,449	9,208,184	9,432,064	9,341,991	8,530,490	9,376,902
240,152,443	231,543,964	227,306,712	213,593,244	200,941,405	194,048,560
3,999,670	5,018,786	5,076,599	4,029,551	n/a	n/a
621,542	924,404	993,023	892	n/a	n/a
-	196,513	7,500	-	3,368,675	4,199,627
41,995,912	38,660,673	36,505,696	36,047,765	40,542,048	33,676,763
103,288	-	-	-	-	74,720
46,720,412	44,800,376	42,582,818	40,078,208	43,910,723	37,951,110
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			
	2023	2022	2021	2020
General revenues and other changes in net position:				
Governmental activities:				
Property Taxes	\$ 74,705,386	\$ 71,583,420	\$ 72,969,966	\$ 65,960,146
Utility Tax	3,151,074	2,837,368	1,454,192	3,366,912
Revenue in lieu of tax	21,782	1,855,761	2,297,375	2,295,195
Sales, Services, and Use Tax	17,308,002	17,778,658	16,596,751	15,341,923
Unrestricted State Aid and Grants	86,284,082	83,136,458	85,008,357	86,333,795
Interest and Investment earnings	5,547,344	414,097	412,884	1,286,898
Other taxes	98,963	-	-	-
Transfers	138,224	130,366	(176,344)	321,001
<b>Total governmental activities</b>	<b>187,254,857</b>	<b>177,736,128</b>	<b>178,563,181</b>	<b>175,159,364</b>
Business-type activities:				
Interest and Investment Earnings	137,025	13,555	16,148	26,960
Other	-	-	-	-
Transfers	(138,224)	(130,366)	176,344	(321,001)
<b>Total business-type activities</b>	<b>(1,199)</b>	<b>(116,811)</b>	<b>192,492</b>	<b>(316,107)</b>
<b>Total primary government</b>	<b>187,253,658</b>	<b>177,619,317</b>	<b>178,755,673</b>	<b>174,843,257</b>
Change in net position:				
Governmental activities	42,370,314	34,941,450	178,563,181	(4,786,595)
Business-type activities	1,818,936	3,077,190	192,492	(543,255)
<b>Total primary government</b>	<b>\$ 44,189,250</b>	<b>\$ 38,018,640</b>	<b>\$ 178,755,673</b>	<b>\$ 174,843,257</b>



Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 65,142,361	\$ 64,862,199	\$ 60,111,185	\$ 60,834,657	\$ 61,247,158	\$ 65,467,771
3,440,851	3,409,461	3,385,530	3,545,882	3,648,294	2,617,812
2,372,893	2,366,600	3,012,624	-	-	-
15,608,555	14,432,786	15,129,201	15,114,132	15,170,683	13,877,511
86,440,944	85,738,422	84,429,673	86,685,533	80,262,330	78,431,166
1,801,732	1,003,549	549,199	86,005	275,646	197,423
-	-	2,286,867	2,695,934	1,392,782	126,308
352,028	340,229	-	-	-	818,623
175,159,364	172,153,246	168,904,279	168,962,143	161,996,893	161,536,614
35,921	10,007	12,745	1,066	892	1,893
-	-	-	148	672	976
(352,028)	(340,229)	-	-	-	(818,623)
(316,107)	(330,222)	12,745	1,214	1,564	(815,754)
174,843,257	171,823,024	168,917,024	168,963,357	161,998,457	160,720,860
175,159,364	(10,722,416)	(8,631,125)	(6,329,687)	(2,176,152)	13,036,422
(316,107)	(155,205)	225,155	84,860	466,025	(496,633)
\$ 174,843,257	\$ (10,877,621)	\$ (8,405,970)	\$ (6,244,827)	\$ (1,710,127)	\$ 12,539,789

**Davenport Community School District**

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

	Fiscal Year			
	2023	2022	2021	2020
General Fund:				
Nonspendable	\$ 383,732	\$ 335,444	\$ 319,426	\$ 201,847
Unassigned	-	31,864,061	22,312,601	19,897,473
Restricted	3,929,833	3,094,298	5,867,593	5,355,060
Unreserved	46,354,674	-	-	-
<b>Total General Fund</b>	<b>50,668,239</b>	<b>35,293,803</b>	<b>28,499,620</b>	<b>25,454,380</b>
All other governmental funds:				
Nonspendable	-	-	-	-
Restricted	73,862,264	58,995,867	41,247,356	26,719,640
<b>Total all other governmental funds</b>	<b>73,862,264</b>	<b>58,995,867</b>	<b>41,247,356</b>	<b>26,719,640</b>
<b>Total governmental funds</b>	<b>\$ 124,530,503</b>	<b>\$ 94,289,670</b>	<b>\$ 69,746,976</b>	<b>\$ 52,174,020</b>

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Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 236,930	\$ 201,882	\$ 252,083	\$ 241,009	\$ 398,240	\$ 389,639
12,321,448	11,859,845	13,388,037	21,599,151	24,299,600	25,274,148
4,389,040	3,862,718	2,884,123	-	-	-
-	-	-	-	-	-
16,947,418	15,924,445	16,524,243	21,840,160	24,697,840	25,663,787
-	-	-	-	-	19,722
23,207,244	19,897,264	17,905,832	23,176,922	37,176,145	38,106,914
23,207,244	19,897,264	17,905,832	23,176,922	37,176,145	38,126,636
\$ 40,154,662	\$ 35,821,709	\$ 34,430,075	\$ 45,017,082	\$ 61,873,985	\$ 63,790,423

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**Davenport Community School District**

**Change in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2023	2022	2021	2020
<b>Revenues</b>				
Property taxes	\$ 74,705,386	\$ 71,583,420	\$ 72,969,966	\$ 65,960,146
Utility tax	3,151,074	2,837,368	1,454,192	3,366,912
Sales, Services and Use Tax, Pledged as Security for Revenue Bonds	19,740,392	17,490,904	14,910,295	15,604,743
Intergovernmental	146,969,179	137,434,405	130,104,580	127,216,619
Charges for Services	1,253,595	1,209,433	1,388,331	1,299,665
Interest	5,547,344	414,097	412,884	1,286,898
Contributions and Donations	-	-	-	-
Other	3,744,258	3,351,462	3,972,250	3,616,668
<b>Total revenues</b>	<b>255,111,228</b>	<b>234,321,089</b>	<b>225,212,498</b>	<b>218,351,651</b>
<b>Expenditures</b>				
Instruction	129,992,395	127,833,774	124,762,325	119,217,527
Student Support Service	18,442,073	18,523,333	18,752,204	16,868,089
Instructional Staff Support Service	7,861,627	5,131,597	5,263,274	5,706,915
General Administration	6,721,761	6,925,786	6,629,923	6,750,855
School Administration	10,564,648	10,055,503	9,817,443	9,854,117
Business Administration	8,209,020	5,648,061	4,485,015	6,744,411
Plant Operations and Maintenance	15,385,831	14,230,952	16,239,167	14,186,142
Student Transportation	8,357,881	8,340,105	6,530,072	5,779,479
Non-instructional	731,558	852,372	657,569	549,589
Area Education Agency	7,351,527	7,364,149	7,392,144	7,368,697
Capital Outlay	10,202,851	3,347,344	4,538,587	11,225,483
Debt Service:				
Principal	2,429,722	2,265,000	2,210,000	2,160,000
Interest	195,144	134,875	185,475	241,990
<b>Total expenditures</b>	<b>226,446,038</b>	<b>210,652,851</b>	<b>207,463,198</b>	<b>206,653,294</b>
<b>Excess of revenues over (under) expenditures</b>	<b>28,665,190</b>	<b>23,668,238</b>	<b>17,749,300</b>	<b>11,698,357</b>
<b>Other financing sources (uses):</b>				
Transfers in	5,540,658	2,708,091	2,699,331	2,717,276
Transfers out	(5,402,434)	(2,577,725)	(2,875,675)	(2,396,275)
Insurance recoveries	1,140,890	744,090	-	-
Proceeds from sale of capital asset	-	-	-	-
Issuance of long-term debt	296,529	-	-	-
Premium on Bonds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,575,643</b>	<b>874,456</b>	<b>(176,344)</b>	<b>321,001</b>
<b>Net change in fund balances</b>	<b>\$ 30,240,833</b>	<b>\$ 24,542,694</b>	<b>\$ 17,572,956</b>	<b>\$ 12,019,358</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.21%</b>	<b>1.15%</b>	<b>1.22%</b>	<b>1.15%</b>

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 65,142,361 3,440,851	\$ 64,862,199 3,409,461	\$ 60,257,683 3,385,530	\$ 60,923,170 3,545,882	\$ 61,224,395 3,648,294	\$ 65,473,551 2,617,812
15,637,555	14,432,786	15,129,201	15,114,132	15,170,683	13,877,511
128,146,936	127,356,077	125,811,260	121,863,419	117,138,327	110,044,423
1,775,124	1,441,259	2,083,336	2,830,493	2,117,326	2,920,189
1,801,732	1,003,549	549,199	86,004	275,645	197,424
-	-	-	1,242,293	1,119,312	688,092
4,833,865	4,900,778	4,715,715	3,268,660	5,029,288	2,855,877
220,778,424	217,406,109	211,931,924	208,874,053	205,723,270	198,674,879
128,858,154	126,994,153	128,268,765	124,646,639	126,118,386	118,583,277
15,976,240	15,988,753	16,333,361	15,309,574	7,376,623	6,346,051
5,593,166	6,438,266	6,306,679	5,595,340	5,715,720	4,898,918
6,600,214	6,258,687	6,242,962	5,691,800	4,880,510	4,195,386
10,227,792	10,813,049	10,737,252	11,724,527	10,187,425	9,651,935
5,760,558	5,577,551	6,631,954	6,495,376	6,312,477	5,317,248
14,194,888	12,917,440	13,799,245	13,197,622	13,085,788	17,314,484
7,424,743	7,289,019	7,188,016	6,379,253	6,422,346	5,856,022
516,880	614,211	611,105	678,112	622,734	656,087
7,310,665	7,269,964	7,046,999	6,885,657	6,817,320	6,461,319
12,839,324	13,795,036	19,837,641	26,708,742	28,885,713	19,940,054
2,105,000	2,065,000	2,025,000	1,995,000	1,000,000	-
292,375	333,575	374,075	423,314	211,601	108,104
217,699,999	216,354,704	225,403,054	225,730,956	217,636,643	199,328,885
3,078,425	1,051,405	(13,471,130)	(16,856,903)	(11,913,373)	(654,006)
2,748,303	2,737,804	2,398,075	12,166,411	2,392,824	1,083,055
(2,396,275)	(2,397,575)	(2,398,075)	(12,166,411)	(2,392,824)	(1,083,055)
-	-	-	-	-	-
902,500	-	-	-	-	-
-	-	-	-	9,795,000	9,535,000
-	-	-	-	201,934	464,573
1,254,528	340,229	-	-	9,996,934	9,999,573
\$ 4,332,953	\$ 1,391,634	\$ (13,471,130)	\$ (16,856,903)	\$ (1,916,439)	\$ 9,345,567
1.13%	1.16%	1.20%	0.64%	0.06%	0.00%

**Davenport Community School District**

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

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Levy	Collection Year	Real Property		Railroad and Utilities Without Gas and Electric	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
<b>2021</b>	<b>2022-23</b>	<b>\$ 4,937,701,352</b>	<b>\$ 7,781,451,751</b>	<b>\$ 18,552,344</b>	<b>\$ 19,500,865</b>
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

Source: Iowa Department of Management

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Gas and Electric		Total		Direct Rate
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
<b>\$ 183,698,179</b>	<b>\$ 476,028,783</b>	<b>\$ 5,139,951,875</b>	<b>\$ 8,276,981,399</b>	<b>15.59716</b>
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

## 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
<b>2023</b>	<b>14.29716</b>	<b>1.30000</b>	<b>15.59716</b>	<b>5.95000</b>	<b>16.78000</b>	<b>0.94542</b>	<b>0.37025</b>
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

Source: Scott County Auditor's Office



## Davenport Community School District

### Principal Property Taxpayers Current Year and Nine Years Ago (Unaudited)

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy Co.	\$ 135,213,371	1	2.74%	\$ 233,956,408	1	5.74%
Rhythm City Casino LLC	57,127,814	2	1.16%			
Iowa American Water Company	41,368,798	3	0.84%	58,960,052	2	1.45%
THF Davenport North Development	34,649,151	4	0.70%	15,994,099	9	0.39%
Macerich North Park Mall LLC	24,835,865	5	0.50%	55,488,075	3	1.36%
Putnam Landlord LLC	21,773,286	6	0.44%			
MedProperties Davenport LLC	20,443,558	7	0.41%			
Menard Inc.	20,204,557	8	0.41%			
Continental Cement Company LLC	19,227,362	9	0.39%	20,412,834	8	0.50%
Iowa 80 Truckstop Inc	18,591,991	10	0.38%	14,552,658	10	0.36%
Qwest Corporation				26,520,800	4	0.65%
Northern Border Pipeline Company				22,877,800	5	0.56%
RS Davenport Retail LLC				22,162,550	6	0.54%
LaFarge Corporation				21,371,986	7	0.52%
	<u><u>\$ 393,435,753</u></u>		<u><u>7.97%</u></u>	<u><u>\$ 492,297,262</u></u>		<u><u>12.07%</u></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*		
<b>2022-23</b>	<b>\$ 75,589,391</b>	<b>\$ 77,379,664</b>	<b>102.37%</b>	<b>\$ 300,872</b>	<b>102.77%</b>
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%

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		Lease Obligation	IT Subscription Obligation	Total	Percentage of Personal Income	Per Capita
	Revenue	Sales Bonds					
<b>2023</b>	<b>\$</b>	<b>1,202,440</b>	<b>\$ 93,975</b>	<b>\$ 171,252</b>	<b>\$ 1,467,667</b>	<b>0.01%</b>	<b>8.44</b>
2022		3,601,496	-	73,420	3,674,916	0.04%	35.66
2021		5,940,552	-	-	5,940,552	0.06%	58.86
2020		8,224,608	-	-	8,224,608	0.09%	47.56
2019		10,458,664	-	-	10,458,664	0.11%	60.63
2018		12,637,720	-	-	12,637,720	N/A	N/A
2017		14,776,776	-	-	14,776,776	N/A	N/A
2016		16,875,832	-	-	16,875,832	N/A	98.04
2015		18,944,888	-	-	18,944,888	0.23%	110.54
2014		9,999,573	-	-	9,999,573	0.12%	55.96

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, 2023

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 20,601,406	100.00%	\$ 20,601,406
Eastern Iowa Community College	42,400,000	60.62%	25,702,880
City of Buffalo	274,000	100.00%	274,000
City of Davenport	204,510,000	100.00%	204,510,000
City of Walcott	1,700,000	100.00%	1,700,000
City of Durant	1,620,000	3.91%	63,342
<b>Subtotal, overlapping debt</b>			<b>252,851,628</b>
District direct debt			<b>1,467,667</b>
<b>Total direct and overlapping debt</b>			<b>\$ 254,319,295</b>

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 2023				
Assessed value				<b><u>\$ 5,139,951,875</u></b>
Debt limit (5% of assessed value)				<b>256,997,594</b>
Debt applicable to limit				<b>-</b>
Legal debt margin				<b><u>\$ 256,997,594</u></b>
	<b>2023</b>	2022	2021	2020
Debt limit	<b>\$ 256,997,594</b>	\$ 249,906,061	\$ 244,741,814	\$ 236,816,516
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<b><u>\$ 256,997,594</u></b>	<u>\$ 249,906,061</u>	<u>\$ 244,741,814</u>	<u>\$ 236,816,516</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	0.00%	0.00%	0.00%	0.00%

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

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2019	2018	2017	2016	2015	2014
\$ 229,552,425	\$ 224,878,256	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771
-	-	-	-	-	-
\$ 229,552,425	\$ 224,878,256	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771
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		
2023	\$ 19,740,392	\$ 2,325,000	\$ 73,025	8.23	
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	-	-	-	

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
<b>2023</b>	<b>173,924</b>	<b>10,968,288</b>	<b>\$ 63,064</b>	<b>38.7</b>	<b>13,786</b>	<b>3.80</b>
2022	174,170	10,127,058	58,465	38.4	14,166	3.40
2021	173,216	10,127,073	58,465	38.3	14,412	6.10
2020	172,943	9,642,956	55,758	38.0	14,470	10.30
2019	172,509	9,371,206	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

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**  
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**Davenport Community School District**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Davenport CSD	2,117	1	2.40%	2,200	3	2.60%
John Deere Davenport Works	2,000	2	2.30%	840	10	1.00%
Kraft Heinz Co.	1,600	3	1.84%			
Genesis Medical Ctr Davenport	1,574	4	1.81%	5,100	1	6.00%
Tri City Engineering & Integration	1,200	5	1.38%			
Tri City Communications	900	6	1.03%			
Davenport City Hall Civil	800	7	0.92%	1,295	6	1.50%
Eaton	800	8	0.92%			
Cobham	750	9	0.86%			
Bettendorf Event Center	600	10	0.69%			
HyVee				2,645	2	3.10%
Arconic (Alcoa)				2,000	4	2.40%
Oscar Mayer Foods Corp.				1,600	5	1.90%
APAC Customer Service Inc.				1,200	7	1.40%
Isle Casino Hotel Bettendorf				1,000	8	1.20%
Walmart				985	9	1.20%
	<b>12,341</b>		<b>14.15%</b>	<b>21,065</b>		<b>24.90%</b>

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	2023	2022	2021	2020
Elementary:				
Adams (1950)				
Square feet	<b>82,282</b>	82,282	82,282	82,282
Capacity	<b>702</b>	702	702	702
Enrollment	<b>510</b>	497	497	497
Blue Grass (1957)				
Square feet	<b>66,884</b>	66,884	66,884	66,884
Capacity	<b>578</b>	578	578	578
Enrollment	<b>312</b>	275	275	275
Buchanan (1971)				
Square feet	<b>56,103</b>	56,103	56,103	56,103
Capacity	<b>554</b>	554	554	554
Enrollment	<b>355</b>	344	344	344
Buffalo (2002)				
Square feet	<b>53,980</b>	53,980	53,980	53,980
Capacity	<b>432</b>	432	432	432
Enrollment	<b>295</b>	256	256	256
Eisenhower (1969)				
Square feet	<b>57,811</b>	57,811	57,811	57,811
Capacity	<b>578</b>	578	578	578
Enrollment	<b>496</b>	439	439	439
Fillmore (1955)				
Square feet	<b>65,231</b>	65,231	65,231	65,231
Capacity	<b>522</b>	522	522	522
Enrollment	<b>401</b>	418	418	418
Garfield (1923)				
Square feet	<b>65,211</b>	65,211	65,211	65,211
Capacity	<b>602</b>	602	602	602
Enrollment	<b>430</b>	387	387	387
Harrison (1953)				
Square feet	<b>72,912</b>	72,912	72,912	72,912
Capacity	<b>602</b>	602	602	602
Enrollment	<b>509</b>	460	460	460
Hayes (1923)				
Square feet	<b>77,618</b>	77,618	77,618	77,618
Capacity	<b>578</b>	578	578	578
Enrollment	<b>355</b>	314	314	314
Jackson (1971)				
Square feet	<b>53,632</b>	53,632	53,632	53,632
Capacity	<b>578</b>	578	578	578
Enrollment	<b>366</b>	328	328	328
Jefferson (1939)				
Square feet	<b>64,514</b>	64,514	64,514	64,514
Capacity	<b>702</b>	702	702	702
Enrollment	<b>460</b>	408	408	408
Lincoln (1939)				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

(Continued)

2019	2018	2017	2016	2015	2014
82,282	82,282	82,282	82,282	82,282	82,282
702	702	586	690	690	690
553	553	504	564	577	570
66,884	66,884	66,884	66,884	66,884	66,884
578	578	438	552	552	552
289	289	290	287	296	329
56,103	56,103	56,103	56,103	56,103	56,103
554	554	531	506	506	506
315	315	303	373	383	391
53,980	53,980	53,980	53,980	53,980	53,980
432	432	439	391	391	391
242	242	217	230	254	251
57,811	57,811	57,811	57,811	57,811	57,811
578	578	506	506	506	506
451	451	436	436	457	462
65,231	65,231	65,231	65,231	51,980	51,980
522	522	522	552	552	552
387	387	440	397	417	416
65,211	65,211	65,211	90,458	90,458	90,458
602	602	673	483	483	483
390	390	345	394	409	462
72,912	72,912	72,912	72,912	72,912	72,912
602	602	479	598	598	598
530	530	387	527	539	567
77,618	77,618	77,618	77,618	77,618	77,618
578	578	463	506	506	506
347	347	325	401	412	416
53,632	53,632	55,503	55,503	55,503	55,503
578	578	464	529	529	529
339	339	303	332	336	378
64,514	64,514	64,514	64,514	64,514	64,514
702	702	488	552	552	552
450	450	403	453	482	427
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	2023	2022	2021	2020
Madison (1939)				
Square feet	<b>64,614</b>	64,614	64,614	64,614
Capacity	<b>578</b>	578	578	578
Enrollment	<b>380</b>	407	407	412
McKinley (1939)				
Square feet	<b>61,063</b>	61,063	61,063	61,063
Capacity	<b>554</b>	554	554	554
Enrollment	<b>402</b>	395	395	369
Monroe (1938)				
Square feet	<b>72,435</b>	72,435	72,435	72,435
Capacity	<b>598</b>	598	598	598
Enrollment	<b>379</b>	334	334	405
Truman (1977)				
Square feet	<b>61,064</b>	61,064	61,064	61,064
Capacity	<b>391</b>	391	391	391
Enrollment	<b>344</b>	286	286	331
Washington (1939)				
Square feet	<b>48,388</b>	48,388	48,388	48,388
Capacity	<b>384</b>	384	384	384
Enrollment	<b>280</b>	256	256	265
Wilson (1955)				
Square feet	<b>78,401</b>	78,401	78,401	78,401
Capacity	<b>680</b>	680	680	680
Enrollment	<b>433</b>	446	446	476
Intermediates:				
Smart (1917)				
Square feet	<b>134,901</b>	134,901	134,901	134,901
Capacity	<b>809</b>	809	809	809
Enrollment	<b>312</b>	575	575	629
Sudlow (1917)				
Square feet	<b>136,524</b>	136,524	136,524	136,524
Capacity	<b>916</b>	916	916	916
Enrollment	<b>519</b>	843	843	837
Walcott (K-8) (1956)				
Square feet	<b>107,250</b>	107,250	107,250	107,250
Capacity	<b>722</b>	722	722	722
Enrollment	<b>424</b>	603	603	577
Williams (1954)				
Square feet	<b>145,224</b>	145,224	145,224	145,224
Capacity	<b>959</b>	959	959	959
Enrollment	<b>422</b>	740	740	750
Wood (1984)				
Square feet	<b>117,743</b>	117,743	117,743	117,743
Capacity	<b>893</b>	893	893	893
Enrollment	<b>437</b>	745	745	707
Young (1917)				
Square feet	<b>108,018</b>	108,018	108,018	108,018
Capacity	<b>1,050</b>	1,050	1,050	1,050
Enrollment	<b>n/a</b>	n/a	n/a	n/a

2019	2018	2017	2016	2015	2014
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	2023	2022	2021	2020
High:				
Central (1904)				
Square feet	<b>394,344</b>	394,344	394,344	394,344
Capacity	<b>1,689</b>	1,689	1,689	1,689
Enrollment	<b>1,491</b>	1,428	1,428	1,428
Mid City (2015)				
Square feet	<b>53,940</b>	53,940	53,940	53,940
Capacity	<b>293</b>	293	293	293
Enrollment	<b>155</b>	262	262	262
North (1972)				
Square feet	<b>390,763</b>	390,763	390,763	390,763
Capacity	<b>1,494</b>	1,494	1,494	1,494
Enrollment	<b>1,340</b>	1,154	1,154	1,154
West (includes train, rm, & Vest) (1960)				
Square feet	<b>453,811</b>	453,811	453,811	453,811
Capacity	<b>2,029</b>	2,029	2,029	2,029
Enrollment	<b>1,461</b>	1,443	1,443	1,443
Other:				
Child Village at Hoover (1956)				
Square feet	<b>20,002</b>	20,002	20,002	20,002
Capacity	<b>138</b>	138	138	138
Enrollment	<b>84</b>	134	134	134
Child Village at West (2004)				
Square feet	<b>35,400</b>	35,400	35,400	35,400
Capacity	<b>286</b>	286	286	286
Enrollment	<b>191</b>	279	279	279
Davenport Learning Center (Kimberly Center)				
Square feet	<b>79,884</b>	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.



2019	2018	2017	2016	2015	2014
394,344	394,344	394,344	331,935	331,935	331,935
1,689	1,689	1,841	1,933	1,933	1,933
1,395	1,395	1,245	1,282	1,364	1,362
53,940	53,940	53,940	50,291	37,355	n/a
293	293	318	355	355	n/a
251	251	250	265	196	n/a
390,763	390,763	390,763	390,763	390,763	390,763
1,494	1,494	1,494	1,551	1,551	1,551
1,180	1,180	1,193	1,152	1,075	1,001
453,811	453,811	453,811	453,811	453,811	453,811
2,029	2,029	2,129	2,592	2,592	2,592
1,706	1,706	1,647	1,916	1,818	1,911
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
123	123	121	187	161	200
35,400	35,400	35,400	35,400	35,400	35,400
286	286	286	286	286	286
230	230	241	384	312	248
79,884	79,884	79,884	79,884	79,884	79,884
*	*	*	*	*	*
*	*	*	*	*	235

**Davenport Community School District**

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

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Administration:				
District Secretary/Treasurer	<b>1</b>	1	1	1
Superintendent	<b>1</b>	1	1	1
Assistant Superintendents	<b>3</b>	3	2	2
Principals	<b>28</b>	28	28	28
Assistant Principals	<b>16</b>	16	16	16
All Other Administrators	<b>11</b>	11	11	14
<b>Total Administration</b>	<b>60</b>	60	59	62
Instructional:				
Teachers	<b>623</b>	636	695	712
Teachers - Special Programs	<b>360</b>	377	419	424
Teachers Aides	<b>432</b>	386	403	397
<b>Total Instructional</b>	<b>1,415</b>	1,399	1,517	1,533
Student Services:				
Counselors	<b>33</b>	36	38	38
Library Specialist	<b>20</b>	21	23	23
Other Education Professional	<b>203</b>	225	204	187
Nurses	<b>20</b>	21	20	21
Other Technical	<b>16</b>	17	15	15
<b>Total Student Services</b>	<b>292</b>	320	300	284
Support Services:				
Business Manager/Accountant	<b>2</b>	2	2	2
Other Professional	<b>22</b>	-	22	-
Office/Clerical	<b>71</b>	71	70	74
Crafts/Trades	<b>24</b>	24	24	24
Service Workers	<b>220</b>	232	224	216
<b>Total Support Services</b>	<b>339</b>	329	342	316
<b>Total</b>	<b>2,106</b>	<b>2,108</b>	2,218	2,195

Source: District records

2019	2018	2017	2016	2015	2014
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
28	29	28	29	29	29
16	19	20	21	20	16
9	5	5	9	9	12
57	57	57	63	62	61
804	920	924	964	943	966
418	374	252	221	204	181
403	406	412	397	407	369
1,625	1,700	1,588	1,582	1,554	1,516
42	44	42	44	42	39
22	28	26	28	23	23
166	168	148	148	143	76
21	23	24	22	23	23
12	12	12	17	16	15
263	275	252	259	247	175
2	2	2	2	2	2
18	18	18	21	19	15
84	86	104	114	112	110
22	24	25	25	26	24
212	122	268	251	246	265
338	252	417	413	405	416
2,283	2,284	2,314	2,317	2,268	2,168

**Davenport Community School District**

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

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Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
<b>2023</b>	<b>13,786</b>	<b>\$ 201,686,938</b>	<b>\$ 14,630</b>	<b>5.9 %</b>	<b>1,126</b>	<b>12.24</b>	<b>54.55</b>
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

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, 2023**

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
<b>U.S. Department of Agriculture:</b>				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY23 4552	\$ -	\$ 1,797,317
National School Lunch Program	10.555	FY23 4553	-	6,366,676
National School Lunch Program- Supply Chain Assistance	10.555	FY23 4014	-	412,437
Commodities -DOD (Noncash)	10.555	FY23 4951	-	250,706
Commodities (Noncash)	10.555	FY23 4951	-	626,963
			-	7,656,782
Summer Food Service Program for Children	10.559	FY23 4556	-	127,069
Fresh Fruit and Vegetable Program	10.582	FY23 4557	-	254,896
Child Nutrition Cluster Program Total			-	9,836,064
School Lunch Equipment Grants Stabilization	10.579	FY23 4011	-	20,624
Pass-Through Iowa Department of Public Health:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY23 4671	-	75,657
<b>Total U.S. Department of Agriculture</b>			-	9,932,345
<b>U.S. Department of Education:</b>				
Pass-Through Iowa Vocational Rehabilitation Services, Vocational Rehabilitation- TAP				
	84.126	FY23 4598	-	195,675
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY23 4501	-	6,217,753
Title I Grants to Local Educational Agencies	84.010	FY23 4508	-	1,212,436
			-	7,430,189
Special Education Cluster (IDEA), Special Education-Grants to States IDEA, Part B	84.027	FY23 4525	-	682,623 (1)
Career and Technical Education-Basic Grants to States	84.048	FY23 4531	-	300,722
Education for Homeless Children and Youth- McKinney-Vento	84.196	FY23 4565	-	47,249
Supporting Effective Instruction State Grants	84.367	FY23 4643	-	678,205
Student Support & Academic Enrichment Program	84.424	FY23 4669	-	328,022

(Continued)

**Davenport Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2023**

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
<b>U.S. Department of Education (continued):</b>				
Pass-Through Iowa Department of Education (continued):				
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	FY23 4055	\$ -	\$ 8,381,095
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY23 4054	-	247,737
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY23 4043	-	6,045,934
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY23 4045	-	7,593,021
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY23 4049	-	10,000
			-	13,648,955 (2)
COVID-19 ARP-Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ARP-HCY)	84.425W	FY23 4044	-	68,031
Pass-Through Iowa Workforce Development:				
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY23 4047	435,561	755,987 (2)
Total Education Stabilization Fund			435,561	23,101,805
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster (IDEA), Special Education - Grants to States				
IDEA, Part B	84.027	FY23 4521	-	800,541 (1)
English Language Acquisition State Grants	84.365	FY23 4644	-	16,843
<b>Total U.S. Department of Education</b>			435,561	33,581,874

(Continued)



**Davenport Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**

**Year Ended June 30, 2023**

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
<b>U.S. Department of Health and Human Services:</b>				
Pass-Through Iowa Department of Health and Human Services:				
477 Cluster,				
Child Care and Development Block Grant	93.575	FY23 4616	\$ -	\$ 29,939
Foster Care Title IV-E				
Transportation Reimbursement	93.658	FY23 4623	-	3,535
<b>Total U.S. Department of Health and Human Services</b>			-	33,474
<b>U.S. Department of Treasury</b>				
Pass-Through Eastern Iowa Community College:				
COVID-19 Coronavirus State & Local Fiscal				
Recovery GEAR-UP	21.027	FY23 4039	-	23,087
<b>Total Expenditures of Federal Awards</b>			\$ 435,561	\$ 43,570,780

(1) Total Assistance Listing 84.027 \$1,483,164 Special Education Cluster

(2) Total Assistance Listing 84.425U \$14,404,942 of Education Stabilization Fund.

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, 2023**

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#### **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, 2023. 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.



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**Davenport Community School District**

**Summary Schedule of Prior Audit Findings  
 Year Ended June 30, 2023**

Findings		Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
<b>Findings Related to the Financial Statements:</b>			
<b>Material Weaknesses:</b>			
2022-001	The District has insufficient reconciling and monitoring activities over District accounts receivable and revenue.	Partially Corrected.	District has not fully implemented processes. See 2023-001.
<b>Significant Deficiencies:</b>			
2022-002	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	Corrected.	
<b>Findings Related to Federal Awards:</b>			
<b>Significant Deficiencies:</b>			
2022-003	The District has insufficient reconciling and monitoring activities over the School Nutrition Fund charges for services.	Corrected.	
2022-004	The District does not have a process to ensure compliance with reporting requirements within the federal program.	Corrected.	
<b>Instances of Noncompliance:</b>			
2022-005	The District overcharged the Education Stabilization Fund program for equipment.	Partially Corrected.	The District does not have a process to monitor. See 2023-002.
2022-006	The District improperly awarded a retention bonus to an ineligible employee.	Corrected.	
2022-007	The District could not provide documentation of compliance for test security measures.	Corrected.	
<b>Other Findings Related to Statutory Reporting:</b>			
IV-H-22	There were variances in the October 2021 certified enrollment data.	Not corrected.	Student data changes are not timely communicated. See IV-H-23.



**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, 2023, 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 18, 2023.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 96.

**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 Davenport Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider 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, 2023 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.

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

Moline, Illinois  
December 18, 2023



**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, 2023. 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, 2023.

***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 item 2023-002. 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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 to be a significant deficiency.

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 the 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. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 18, 2023



**DAVENPORT**  
**Community Schools**  
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**Davenport Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023**

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**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
Education Stabilization Fund:	
84.425D	COVID-19 Elementary and Secondary School Relief (ESSER II) Fund
84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) 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 (ARP-HCY)

Dollar threshold used to distinguish between type A and type B programs: \$1,307,123

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

(Continued)

## Davenport Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2023

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#### Part II: Findings Related to the Basic Financial Statements

##### Internal control deficiencies:

###### 2023-001

Finding: The District has insufficient collecting and posting activities over District accounts receivable and revenue.

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

Condition: The following conditions were noted:

- The District continues to have recurring and unexplained extensive delays between collecting the receipts and posting the receipts to the District's financial system at the Business Office. For example, a deposit slip selected for testing was dated September 2022 and was not recorded by the District until January 2023. In a sample of twelve receipts, all twelve had deposit slip dates exceeding two weeks prior to the posting date.
- The accounts receivable aging reports provided to the Chief Financial Officer have a significant amount over 60 days old. Invoices paid in July 2023 and August 2023 for June 2023 services accounts receivable were listed on the October 2023 accounts receivable report with a note "paid not yet posted."
- At the Business Office, one position is primarily responsible for posting all receipts collected by the Administrative Center.
- There were accounts receivable invoices paid by area districts after year-end that were not recorded by the District. The District does not have a centralized accounts receivable process.

Cause: One position in the Business Office is primarily responsible for posting all receipts collected by the District into the District's financial system. This position also has access to cash and checks collected by the Administrative Center.

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

Context: The District collects approximately \$1.3 million in tuition revenue and approximately \$2 million in activities and nutrition receipts. The June 30, 2023, accounts receivable for tuition from other local school districts was approximately \$700,000. The October 2023 accounts receivable listing reported over \$500,000 greater than 60 days old. Of that amount, over \$300,000 is greater than 90 days old.

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

Recommendation: In spring 2023, the District implemented additional controls of the Chief Financial Officer being provided two reports to monitor accounts receivable activities. The reports are an aging accounts receivable report and a separate report from staff detailing reasons for accounts receivable greater than 60 days old. This is a key monitoring procedure for the District. In addition to this additional control, we recommend the following:

- The District should remove all access to cash and checks from the Business Office. Cash and checks collected at the Administrative Center should be receipted by a position outside of the Business Office with no billing, posting, or editing capabilities.

(Continued)

## Davenport Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2023

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- The District should review current processes for collecting, depositing, and posting receipts to require deposits to be timely posted to the financial system.
- The Chief Financial Officer should formalize his monthly review of the accounts receivable reports by signing to indicate his review.

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

#### **Instances of noncompliance:**

None

### Part III: Findings and Questioned Costs for Federal Awards

#### **Internal control deficiencies:**

**2023-002**

**U.S. Department of Education**

**Pass-Through Iowa Department of Education**

**Education Stabilization Fund:**

**COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund**

**COVID-19 Governor's Emergency Education Relief (GEER II) Fund**

**COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)**

**COVID-19 ARP-Elementary and Secondary School Emergency Relief-  
Homeless Children and Youth (ARP-HCY)**

Finding: The District does not have a process for monitoring compliance with pre-approval requests under the Education Stabilization Fund program for capital 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 weight room equipment at a price above the amount approved by the Iowa Department of Education.

Cause: The District did not compare the actual cost of the weight room equipment to the Iowa Department of Education approval.

Effect: The District overspent allowable funds as approved by the Iowa Department of Education for equipment by \$16,707.62.

Context: The District obtained approval to buy weight room equipment for the three high schools in the amount of \$158,400. The District purchased items totaling \$175,107.62 which exceeded the maximum approved amount and charged the program for the full purchase price.

(Continued)

## Davenport Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2023

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

Recommendation: We recommend the District implement a system to compare actual costs charged to the program to preapproval amounts and 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 will review current processes for purchasing equipment within Iowa Department of Education approval amounts or seek amendments when approval cost limits cannot be met.

#### Instances of noncompliance:

**2023-003**

**U.S. Department of Education**

**Pass-Through Iowa Department of Education**

**Education Stabilization Fund:**

**COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund**

**COVID-19 Governor's Emergency Education Relief (GEER II) Fund**

**COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)**

**COVID-19 ARP-Elementary and Secondary School Emergency Relief-  
Homeless Children and Youth (ARP-HCY)**

Finding: The District overcharged indirect costs to the Education Stabilization Fund program.

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

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

Condition: The District did not apply the indirect cost rate to the correct modified total direct cost allocation base. The District applied the indirect cost rate to total expenditures of the ESSER II award of the Education Stabilization Fund without first reducing the allocation base by the total indirect costs already included and by the capital outlay object expenditure amounts.

Cause: The District does not prepare a calculation of the modified program direct costs before applying the indirect cost rate.

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

Questioned costs: The District overcharged the program \$94,605 computed by applying the unrestricted indirect cost rate provided by the Iowa Department of Education to the modified total direct cost allocation base which excluded the indirect cost journal entry posted by the District and capital outlay object expenditure amounts.

(Continued)

## **Davenport Community School District**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2023**

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Context: The overcharge represents approximately 1 percent of the ESSER II award modified total direct cost allocation base and approximately 0.5 percent of the total Education Stabilization Fund program modified total direct cost allocation base.

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

Recommendation: We recommend the District annually prepare an indirect cost worksheet to compute the modified total direct cost allocation base for all federal awards to apply indirect cost rates.

Response and Corrective Action Plan: The District will annually prepare a calculation of the modified total direct cost allocation base for all federal awards before applying the indirect cost rate to federal programs.

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

### **IV-A-23**

Certified Budget-

Finding: Expenditures for the year ended June 30, 2023 did exceed the amounts budgeted in the support service and other expenditures function.

Recommendation: The certified budget should be amended before expenditures are allowed to exceed the budget.

Response and Corrective Action Plan: Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

### **IV-B-23**

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-23**

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-23**

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

### **IV-E-23**

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

### **IV-F-23**

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.

(Continued)

## **Davenport Community School District**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2023**

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#### **IV-G-23**

Board Minutes- No transactions requiring Board approval which had not been approved by the Board were noted except as follows:

Finding: No minutes were subsequently published for the March 27, 2023, special meeting in closed session. Two meetings had minutes provided to the newspaper for publication more than two weeks after the meeting.

Recommendation: We recommend the District review current processes to ensure compliance with the Code of Iowa Chapters 269.35 and 279.36 pertaining to Board of Education meeting minutes.

Response and Corrective Action Plan: The District will review current processes to ensure compliance with the Code of Iowa for meeting minutes.

Conclusion: Response accepted.

#### **IV-H-23**

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2022.

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-23**

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

#### **IV-J-23**

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.

#### **IV-K-23**

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

#### **IV-L-23**

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

(Continued)



## Davenport Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2023

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#### IV-M-23

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, 2023, 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	\$ 34,982,955
Revenue / transfers in:	
Statewide sales and services tax revenue	19,740,392
Interest and other	306,856
Transfers in	443,668
Expenditures/transfers out:	
Transfers out	(1,457,617)
School infrastructure:	
Buildings	(5,158,114)
Ending balance	<u>\$ 48,858,140</u>

(Continued)

For the year ended June 30, 2023, 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	\$ 3.84	\$ 19,740,392



**DAVENPORT**  
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**Davenport Community School District**

**Corrective Action Plan  
 Year Ended June 30, 2023**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Findings Related to Basic Financial Statements:</b>				
<b>Significant Deficiency:</b>				
2023-001	The District has insufficient collecting and posting activities over accounts receivable and revenue.	See response and corrective action plan at 2023-001.	Fiscal Year 2024	Kevin Posekany
<b>Findings Related to Federal Awards:</b>				
<b>Significant Deficiency:</b>				
2023-002	The District does not have a process for monitoring compliance with pre-approval requests under the Education Stabilization Fund program for capital equipment.	See response and corrective action plan at 2023-002.	Fiscal Year 2024	Kevin Posekany
<b>Instances of noncompliance:</b>				
2023-003	The District overcharged indirect costs of the Education Stabilization Fund program	See response and corrective action plan at 2023-003.	Fiscal Year 2024	Kevin Posekany
<b>Other Findings Related to Statutory Reporting:</b>				
IV-A-23	The District exceeded the certified budget in the support service and other expenditures function.	See response and corrective action plan at IV-A-23.	Fiscal Year 2024	Kevin Posekany
IV-G-23	No meetings were subsequently published for the March 27, 2023, special meeting in closed session.	See response and corrective action plan at IV-G-23.	Fiscal Year 2024	Kevin Posekany
IV-H-23	There were variances in the October 2022 certified enrollment data.	See response and corrective action plan at IV-H-23.	Fiscal Year 2024	Diane Campbell