

# **Davenport Community School District**

In the Counties of Scott & Muscatine, State of Iowa

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

**Prepared by:**

**Marsha Tangen**

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**Chief Financial Officer  
1606 Brady Street  
Davenport, Iowa 52803**



# **Introductory Section**



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### Introductory Section

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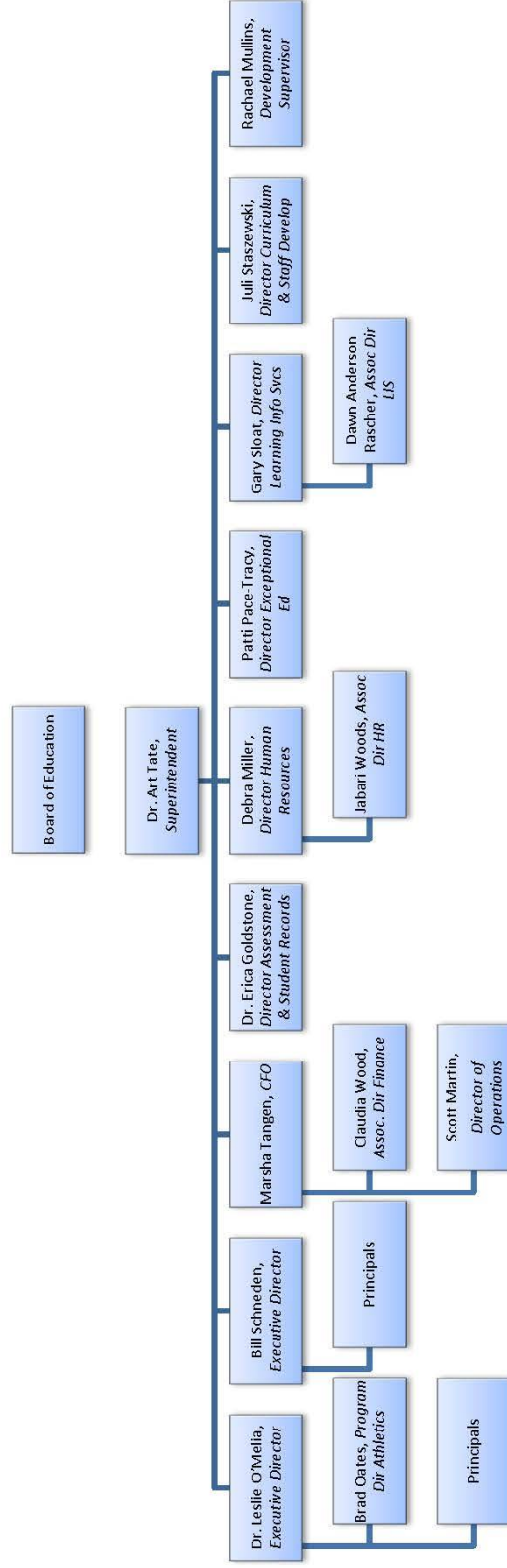
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# Davenport Community School District

## Organizational Chart 2012-13





## DAVENPORT COMMUNITY SCHOOL DISTRICT

### Goal

*The Davenport School Board will actively support the efforts of the superintendent, district, staff and families to ensure continuous student achievement for all students.*

### 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 complete 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, 2013**

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Name	Title	Term Expires
<b>Board of Education</b>		
Patt Zamora	Director	2013
Larry Roberson	Director	2013
Richard Clewell	Director	2013
Nikki DeFauw	Director	2015
Ralph Johanson	President	2015
Ken Krumwiede	Vice President	2015
Bill Sherwood	Director	2015

**School District Officials**

Dr. Arthur Tate	Superintendent
Mary Correthers	Board Secretary/Treasurer
Marsha Tangen	Chief Financial Officer



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

November 26, 2013

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

It is indeed our pleasure to submit to you the Comprehensive Annual Financial Report, (CAFR) for the Davenport Community School District, (the “District”) for the year ending June 30, 2013. 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 the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor’s report on the general purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in a separate section for internal controls and compliance.

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

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

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

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

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

4. The Internal Controls and Compliance Section. The School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. 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.

McGladrey LLP, Certified Public Accountants have issued an unmodified ("clean") opinion on the Davenport Community School District's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

## **Profile of the District**

The county seat, and the largest city in Scott County, is Davenport. 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.

It was 1858 when 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, almost 16,000 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 serves four-year terms and are elected on a nonpartisan basis. The District is the third largest in the state of Iowa. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The District is composed of four high schools, six intermediate schools, nineteen 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 Early Headstart/Headstart programs at additional sites. Enrollment for grades kindergarten through high school was 15,440. The District employs approximately 2068 persons of whom approximately 1250 are professional staff and 818 are support staff.

The average age of our elementary buildings is 60. 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 71 with 3 buildings built in 1917. Wood Intermediate was the last intermediate building constructed and that was in 1984. The district has four high schools; Central High constructed in 1904, West High in 1960, North High School which was originally built in 1972 as Wood Intermediate and was converted to a high school setting in 1984, and the Kimberly Center for Alternative Education which is currently housed in a building with other programs. All of our facilities are in excellent condition as we follow a

rigorous maintenance schedule in order to maintain and enhance the historical beauty and integrity of our older facilities as well as preserve all the facilities in the District.

The curriculum of the Davenport Community Schools meets and, in many cases, exceeds requirements in Iowa, a state that is known for its quality education. In addition to general education courses offered at the high school level a variety of elective Industrial Technology courses is offered, allowing students to get a good head start at honing specialized and marketable skills. Some of the courses have become a tradition, while others have been added to keep pace with the changing times and advancements of technology.

Davenport Community School District also offers a wide range of programming opportunities for students across a wide range of special needs (or disabilities) ages six weeks to graduation. Our commitment is to develop an individualized program based on the need of the student. The program will be provided in the least restrictive environment, based on the plan developed. The Talented & Gifted Program in Davenport serves students who demonstrate outstanding abilities or potential in the areas of general intellectual ability or specific ability aptitude.

Several schools provide immersion English Language Learning (ELL) Programs. Several of our buildings have program service centers where the goal is to help students become proficient in English so they also may attain high academic achievements in our schools. Once students become proficient in English at one of the program service centers, they return to their neighborhood elementary, intermediate, or high school. Recently, the District also began providing limited ELL services at some of our other elementary schools through a resource teacher. Participation in these limited ELL opportunities is decided by the principal, parents and District ELL director.

One elementary operates in a partnership with The Edison Project. Jefferson Elementary formed a partnership with The Edison Project in 1999. Edison provides Jefferson Elementary with a complete educational program based on Edison's unique school design, comprehensive academic programs, and school management principles ("Edison School Design"). Edison provides the management and administrative services necessary to implement and operate its educational program at Jefferson Elementary.

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 in June of 2013. Information from that report is included to provide a look at the current challenges facing the area and opportunities available.

Over the fiscal year July 1, 2012 to June 30, 2013 the Bi-State Region's economy continued to show signs of a gradual recovery with encouraging results in the latest official measures of Gross Regional Product, retail sales and unemployment rate.

Gross Regional Product (GRP) has become a common measure of regional economies. GRP represents the total value of all goods and services produced in a defined economic region. Many economists consider an inflation adjusted growth rate greater than 2% and less than 4% to be healthy. The most recent data available show the metropolitan statistical area within the Bi-State Region increased its GRP 4.7% in current dollars from calendar year 2010-2011.

According to estimates from the Iowa and Illinois departments of revenue, the Region's total retail sales increased nearly 3.7% from FY2011 to FY2012. Adjusting the data to 2012 equivalent dollars shows a gain of 1.6% from 2011 to 2012.

A decline in unemployment rate continues the region's trend of encouraging economic measures. From FY2011 to FY2012 the non-seasonally adjusted unemployment rate dropped from 7.7% to 7.3%. There has been a decline in seasonal unemployment during the winter months. In January 2011 unemployment was 8.6%. By January 2012 the rate was 8.3% and in January 2013 it fell to 8.1%.

The lone blemish among the key economic statistics tracked is total labor force size. In FY2011 the region's labor force averaged 226,144 and fell to 223,761 by the third quarter of 2013. The trend should not however be confused with a decrease in population as the region is actually adding population. The decrease in the labor force is attributable to other factors such as workers leaving the labor force to seek additional training or simply not seeking work.

Bi-State Regional Commission uses the Economic Modeling Systems Inc. to identify possible future economic trends. From 2012 to 2013, it predicts a growth of 1732 jobs at employers located within the Region. The projected job growth may be an indication that unemployment will continue to decrease, while the total labor force holds steady or even grows.

In 2012 the population of the Bi-State Region grew by 1.0% since 2010. A population pyramid is a type of graph that can tell a lot about a community. The population pyramid of the Bi-State Region has a slightly heavier top than bottom with the largest age group of 50-54 which is very similar to the U.S. This type of pyramid can suggest low birth rates and longer life spans. With a median age 2.3 years older than the U.S. this region shows an aging population.

The Davenport economic base is diversified, with a relatively equal distribution among the manufacturing, wholesale and retail, and services sectors. Manufacturing has traditionally been a principal industry in the city. Davenport is also a primary retail and wholesale trade center, drawing from a market area encompassing a radius of up to 100 miles. Business and industry in Davenport benefit from the Quad City financial community. More than 40 area banks and lending institutions, in conjunction with the state of Iowa, have established a fiscal atmosphere favorable to new business and the expansion of existing firms through progressive and conventional financing procedures.

Thirteen industrial islands are located within the Davenport city limits. Items and goods produced include agricultural implements, construction machinery, military equipment, airplane parts, chemicals, meat and food products, lumber and timber, sheet aluminum, metal products, cement and foundry products, electronic parts, clothing, printing and publishing products.

### Economic Threats

The greatest Core Threat to the Region is the loss of jobs on the Rock Island Arsenal due to the restructuring of the U.S. Military. In net, about 1100 Arsenal jobs have left the Bi-State Region as part of the continued restructuring of the US military initiated in 2005 by the Defense Base Closure and Realignment Commission. The realignment was completed in 2011 when the final 316 jobs were moved in September, 2011.

Staff analyzed the economic impact of the Arsenal job loss using software from Economy Modeling Specialists International. The results shows that the 1100 civilian jobs lost precipitated the additional loss of 1214 jobs bringing the total job loss to 2314. Some analysts are projecting an additional round of base closures by 2015.

The federal sequestration and other budget cuts in 2013 will take a serious toll on the Bi-State region. The Rock Island Arsenal offered early retirement to 200 JMTC employees in anticipation of lighter workload. In addition 175 employees have been notified that they are being let go. The Arsenal is also expecting to have 14 furlough days for civilian employees within the 2013 fiscal year. The result is \$25 million in lost wages, between the furlough days and jobs lost.

The elimination of renewable energy tax credits is seen as a threat to our region. The lack of financial incentive may stall or eliminate further redevelopment of future renewable energy projects in the region. It may also negatively affect the agricultural industry as ethanol production through the country would decrease, lowering the value of corn.

Based on the targeted industries identified by the Quad Cities Chambers, more post-secondary training needs to be done in finance; insurance and real estate; instruments (manufacturing, information technology, electrical and engineering); and wind (generator manufacturing, electrical, engineering, and welding) in order to attract industry to the region with the workforces skilled in what they need. There is a growing demand for welding and computer numerical control machines workers that are causing a backup for the training of workers. The programs at the community colleges have wait lists because the programs are limited by the numbers of station available and qualified training staff.



### Economic Opportunities.

The Region may be able to turn the Arsenal job loss into an opportunity for growth and diversification. Despite the overall loss of jobs, the base will actually have a net gain in uniformed personnel. The realignment of high ranking officers and uniformed personnel to the base may indicate that the Department of Defense intends to maintain the Arsenal as a military installation over the long term.

Another positive economic opportunity is the recent removal of the cap on private partnerships with which the Arsenal can contract manufacturing work. The 2012 National Defense Appropriations Act now allows for unlimited partnership between the Arsenal's Joint Manufacturing Technology Center and the private sector. Such partnerships at the Arsenal can strengthen and diversify the regional economy.

In addition, the US Army will be offering businesses a chance to bid on millions of dollars in contracts through the Enhanced Army Global Logistics Enterprise program. This will have a direct benefit to the Region because the Rock Island Arsenal houses a Directorate of Logistics responsible for providing installation level supply, maintenance, transportation, food service and support to soldiers and their families.

Wind as a renewable energy source is a growing industry in the Bi-State Region and may present future opportunities. The rural areas have demonstrated the potential for wind farm development. Interest in developing larger scale wind farms in the Region has also occurred.

The Region has access to Revolving Loan Funds funded by the EDA to assist prospective business with job creation or retention. Since the inception, 103 loans have been made and 3410 jobs created or retained.

The region has access to the Mississippi River, multiple interstate highways, three railroads, an international commercial airport and one of the most active general aviation airports in Iowa. Two new transportation facilities that will have a positive economic impact for the region are on the verge of opening. Metro LINK, the regional transit provider in the Illinois portion of the region was awarded \$5.1 million in federal grants in 2012. The money will be used to build a new transfer facility in downtown Rock Island Illinois and update its fleet.

The region had several major successful expansions over the past fiscal year and could see more this year. One of the largest job creations was at APAC where 500 direct jobs were created. In December 2012 an Illinois ban on carrying concealed firearms was ruled unconstitutional. The ruling is considered positive for the local firearms manufacturing industry as it is home to three firearms manufacturing companies employing approximately 300 people.

(Economic Condition and Outlook Source: *Comprehensive Economic Development Strategy for the Bi-State Region –Progress Report 2013 prepared by Bi-State Regional Commission*)

## **Long term financial planning**

Unassigned fund balance in the general fund is up from 2012-13. The District's solvency ratio for 2012-13 is 12.21%, up from 8.96% in 2012-13. With a solvency ratio between 0-5% a fund balance is considered adequate for short term credit purposes as long as other economic trends such as property tax collections and enrollment are sound. Continued close monitoring of the budget is necessary to prevent operation shortfalls and the deterioration of financial position. In order to meet unforeseen financing requirements it is recommended that the District have a solvency ratio of 5-10%.

The State of Iowa has implemented mid year 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 under funding by the State. The District was able to identify approximately \$5 million in reductions for 2012-13 leaving additional requirements to be covered through cash reserves or fund balance.

With the exception of one year, the District's enrollment has declined for the past ten years. Future projections indicate a slight increase in enrollment over the next five years. The District's funding is dependent on enrollment. Declining enrollment equates to decreased funding. With over 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority for review if the enrollment does not increase as projected.

A Resource Allocation Committee (RAC) was established in 2011 to make recommendations to the superintendent for budget reductions for 2013. The same committee met in 2012 with the goal of drafting a five year financial plan outlining reductions of \$3.25 million for the next five years. This committee was made up of: district staff representing all employee groups; parents; community members; a board member; a member from the minority, athletic and fine arts community; and administration.

The work of the RAC resulted in recommendations for budget reductions to the superintendent with subsequent community forums held for community input. Items included in the long range plan include:

- Early retirement incentives
- Insurance holidays
- Transportation efficiencies
- Review of high school schedule
- Energy efficiencies
- Review of class size

The District set financial benchmarks as a way to have a plan in place for spending and setting priorities. The following benchmarks were to be met by 6-30-2011:

1. Financial Solvency Ratio – 5%
2. Days Net Cash Ratio – 90 days
3. Unspent Balance Ratio – 5-10%

While significant progress was being made in obtaining those goals, the District was handed several setbacks with 2010 state-wide budget reductions, additional state-wide reductions in 2011 and 0% new funding for 2012. The board reaffirmed the benchmarks and they serve as a target for long range budget planning.

Contained within the five year plan are four financial goals designed to ensure the district's sound financial condition at all times:

1. Keep the District in a fiscally stable position in both the short and long term
2. Establish accountability in budget monitoring
3. Adherence to Best Accounting and Management Practices in conformance with generally accepted accounting procedures as applied to governmental units, and standards of the Governmental Accounting Standards Board and Government Finance Officers Association
4. Provide financial reports in a timely and understandable manner

### **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 2010 legislature sets the FY13 state percent of growth. The allowable growth becomes increasingly important as a District we dependent on the amount of allowable growth as it often will dictate budget reductions that will take place. For the past several years the legislature has not adhered to their legal responsibility in setting the growth rate 30 days after receiving the governor's budget recommendation.

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**

In 2012-13 the district invested in sound research-based practice and implemented several new instructional practices, with goals ranging from increasing student achievement to further ensuring the safety and security of students in our schools.

The Davenport Community Schools is considered not only a state model, but a leader of the Iowa Core Curriculum adoption statewide. Our high schools are fully implementing these high academic standards and our intermediate and elementary adoptions are far ahead of the state timeline. Data teams are also now implemented in all schools, allowing time for in-depth analysis of student work and the sharing of expertise amongst teachers and administrators. We have invested in research-based staff supports for schools as well, including the introduction of School Administrative Managers (SAMs) at Wood, Williams, McKinley and all Title 1 schools, allowing principals more time in the classroom as the school's instructional leader. With the realignment of literacy personnel, we now have both an Intervention Specialist for struggling learners and a Reading Instructional Coach at every elementary school, strengthening instruction for all students.

We know that beyond academic supports, a school's culture and climate also impacts achievement. We have seen the impact of strong welcoming and transition activities for students. Across the nation the high school transition has traditionally been a year of decreased proficiency as students struggle to adapt to new environments, instructional strategies and expectations. This year in Davenport, however, strong transition programming and increased rigor at 9th grade lead to gains across the board in reading and math for almost all students, including a 7% gain for Hispanic students in reading and an 8% gain in math for African American students. Several schools also explored smaller learning communities during the 2012-13 school year, including a School Within a School program for struggling learners at Sudlow and Smart Intermediates. West High, and, new this year, at North High. Finally, the district has adopted a new school safety program known as A.L.I.C.E. (Alert, Lockdown, Inform, Counter, and Evacuate) that is being used in universities, colleges, hospitals, churches, corporations and governments in twenty seven states. We hosted four informational public sessions on A.L.I.C.E., and the 2013-14 school year will see full implementation of the program as a new security protocol.

The Davenport Community School District is dedicated to increasing achievement in two core areas: reading and math. To help reach this goal, we have focused on the quality of our teaching practices including district-wide professional development performed by our Curriculum Specialists. These highly-specialized staff members have conducted upwards of 90 to 100 days of training sessions and are in classrooms every day observing teaching practices. New teachers also took part in a highly structured mentoring program that pairs them with an experienced teacher as mentor for two years, with intensive coaching and portfolio reviews. These research-based practices and professional development efforts are paying off with our high schools once again above the national average in proficiency and growth on Iowa Assessments. The largest gains in proficiency this year, however, were found in reading at the elementary level and math at the intermediate level.

Twelve of our nineteen elementary schools saw growth in reading, with some schools seeing as high as a 12% increase in the number of students proficient. We believe part of this success is due to our investment in over 20,000 professional development hours in LETRS and DIBELS training for teachers over the past year.

- LETRS (Language Essentials for Teachers of Reading and Spelling) is a professional development program, providing teachers with the knowledge and skills needed to understand how students learn to read, write and spell, and examining the reasons why some students struggle. All special education teachers are now trained in LETRS with results showing that 67% of our special education students on alternate assessment were proficient.
- DIBELS (Dynamic Indicators of Basic Early Literacy Skills) is a comprehensive system for assessing literacy and reading skills that every student must master to become a proficient reader.

Next, the district will partner with the 95% Group to provide professional development with reading strategies, diagnostic tools and resources that improve student achievement. In addition, a wrap-around program will be implemented at two elementary schools that will examine student and building data to develop an intensive action plan for improving student achievement, including additional professional development, support and resources.

Students experienced gains in mathematics at the intermediate level into high school across the district and among a variety of student subgroups. Gains at the intermediate level included some schools with as high as a 6% increase in the number of students proficient. Math leaders attribute these gains to new classroom technology increasing student engagement; increased rigor of course work, including introduction of honors coursework; and intensive professional development. Each intermediate math teacher had minimum of 40 hours of professional development time with their Curriculum Specialist, where the team learned about instructional strategies and developed new district assessments that align to the common core state standards.

Capital Improvements: The District is continuing to complete projects identified on the Long Range Facilities Plan for the next ten years. A preliminary list of priorities as established by the Board includes the following projects:

- ❖ Address Safety & Security needs in the district by installing camera/access controls, providing secure entrances, and providing secure drop off and pick up for students
- ❖ Air conditioning the remaining buildings in the district
- ❖ Dedicate \$500,000 annually to upgrading technology in the District
- ❖ Construct/renovate the pool and auditorium at Central High School
- ❖ Renovate North High School music rooms and media center
- ❖ Address ADA needs at Brady Street Stadium

## **Cash Management Policies and Practices**

The District, in its effort to be a good manager of public funds, competitively bids its banking services every three years. The District bid for services beginning with the 2011-12 school year and is currently in year two of a three year contract.

To maximize investment return, the District informally bids its investments with all local interested financial institutions, the Iowa Schools Joint Investment Trust and IPAS education program. The downturn in the economy has continued to hinder investment earnings.

## **Risk Management**

The District currently covers property, liability and workers compensation losses with traditional insurance coverage through the Iowa Association of School Board's group plan carried by Employer's Mutual Insurance Company. The District monitors insurance coverage and costs with the assistance of an insurance committee made up of local insurance providers from Ruhl & Ruhl Insurance.

## **Awards**

The Government Finance Officers Association of the United States and Canada, (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Davenport School District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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 comprehensive annual financial report for the fiscal year ended June 30, 2012. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

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

## Acknowledgments

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

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

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



Marsha L Tangen, RSBA  
Chief Financial Officer



Dr. Arthur Tate  
Superintendent



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Davenport Community  
School District, Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



# Association of School Business Officials International



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

## **Davenport Community School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Ron McCulley", written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, reading "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



*The Davenport Community School District (DCSD) provides equal educational and employment opportunities and will not illegally discriminate on the basis of race, creed, color, sexual orientation, gender identify, national origin, sex, disability, religion, age, ancestry, or actual or potential parental, familial, or marital status. DCSD will take affirmative action in recruitment, appointment, assignment, and advancement of women and men, members of diverse racial/ethnic groups, and persons with disabilities for job categories in which any of these groups or people are underrepresented.*

*Inquiries related to this policy may be directed to Dawn Anderson Rascher, DCSD Equity Coordinator, 1606 Brady Street, Davenport, IA 52803 or by phone at 563-336-3805. Inquiries may also be directed to the Iowa Civil Rights Commission, the Region VII Office of the United States Equal Employment Opportunities Commission, or the Region VII Office of Civil Rights, United States Department of Education.*

# **Financial Section**





## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Davenport Community School District, Davenport, Iowa (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davenport Community School District as of June 30, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, the Retiree Health Benefit Plan Schedule of Funding Progress on page 48 and budgetary comparison information on pages 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and schedule of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Davenport, Iowa  
November 26, 2013

## **Davenport Community School District**

### **Management Discussion and Analysis**

For the Year Ended June 30, 2013

This section of the Davenport Community School District's Comprehensive Annual Financial Report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. The analysis focuses on school District financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

#### **Financial Highlights**

- The General Fund June 30, 2013 fund balance increased to \$21,175,668 from the June 30, 2012 fund balance of \$15,712,918.
- The District's tax levy rate remained relatively constant and did not increase for the 2012-13 school year and has not increased since 2003-04.
- The District continues to be successful in receiving donations and local, state and federal grants. In 2013 the District received over \$33 million, or 19.7% of all general fund revenues from donations and operating grants.
- Over \$5 million in budget reductions were implemented which included repurposing an elementary building, offering an early retirement incentive and declaring an "insurance holiday" for one month.
- The Resource Allocation Committee completed a five year financial plan recommending budget reductions of \$3.5 million a year for the next five years.
- The District's health insurance rates remained unchanged and have not increased since fiscal 2009-10.
- Air conditioning projects were completed in the last two un-air-conditioned buildings in the district. Air conditioning all district buildings was a priority of the Board that spanned four years and cost over \$25 million.

## Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements (District-wide and fund statements) including notes to the financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different view of the District:

- The *statement of net position* and *statement of activities* provide information on a District-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- The *governmental fund statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates *like businesses*, such as food services.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**Figure A-1**

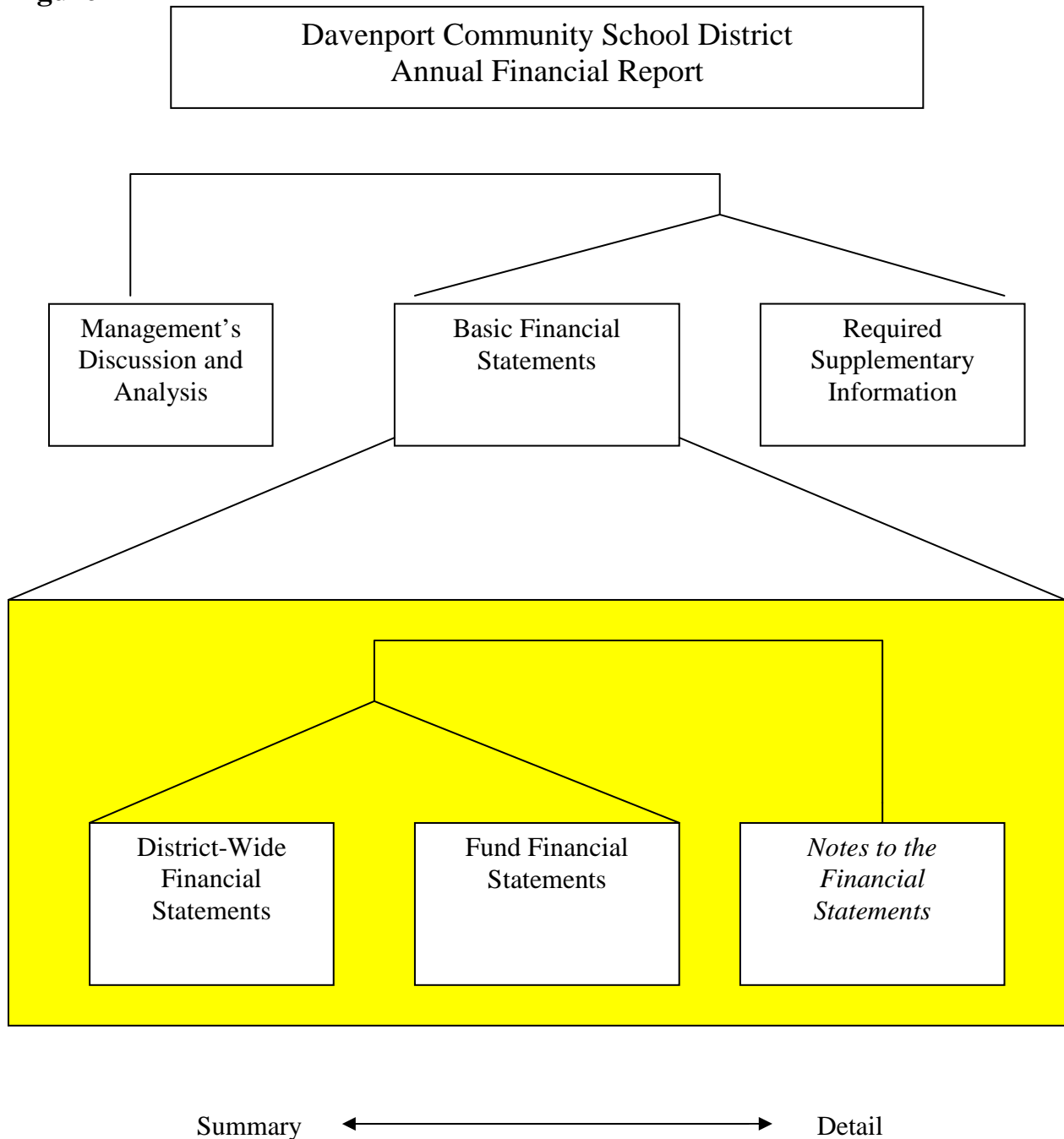


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2: Major Features of the District wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services is included here	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statements of revenues, expenditures and changes in fund balance	Statement of net position Statement of cash flows Statements of revenues, expenditures and changes in net position	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 focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability	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 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 and payable	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

### **District-wide Financial Statements**

The District-wide 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 net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, are one way to measure the District's overall financial position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

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

In the District-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 food service program and Out of School Time program 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 repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

- *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 funds statements provide a detailed short-term view that helps the reader 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 District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *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 District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds*, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. The District currently has one internal service fund, the self insurance fund.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

## Financial Analysis of the District as a Whole

**Net position.** Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2013 compared to 2012.

**Figure A-3**

### *Condensed Statement of Net Position*

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2012-13
	2012	2013	2012	2013	2012	2013	
Current and other assets	\$164,211,017	\$184,806,266	\$3,253,191	\$3,151,841	\$167,464,208	\$187,958,107	12.2%
Capital assets	\$142,713,991	\$145,139,593	\$423,492	\$358,765	\$143,137,483	\$145,498,358	1.6%
<b>Total Assets</b>	<b>\$306,925,008</b>	<b>\$329,945,859</b>	<b>\$3,676,683</b>	<b>\$3,510,606</b>	<b>\$310,601,691</b>	<b>\$333,456,465</b>	<b>7.4%</b>
Long-term debt outstanding	\$2,462,609	\$2,977,842	\$24,893	\$38,572	\$2,487,502	\$3,016,414	21.3%
Other liabilities	\$33,439,841	\$34,598,603	\$388,853	\$354,824	\$33,828,694	\$34,953,427	3.3%
<b>Total liabilities</b>	<b>\$35,902,450</b>	<b>\$37,576,445</b>	<b>\$413,746</b>	<b>\$393,396</b>	<b>\$36,316,196</b>	<b>\$37,969,841</b>	<b>4.6%</b>
<b>Total Deferred Inflows of Resources</b>	<b>\$65,373,521</b>	<b>\$67,157,298</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,373,521</b>	<b>\$67,157,298</b>	<b>2.7%</b>
<b>Net Position</b>							
Investment in capital assets	\$142,713,991	\$145,139,593	\$423,492	\$358,765	\$143,137,483	\$145,498,358	1.6%
Restricted	\$22,439,084	\$30,754,572	\$0	\$0	\$22,439,084	\$30,754,572	37.1%
Unrestricted	\$40,495,962	\$49,317,951	\$2,839,445	\$2,758,445	\$43,335,407	\$52,076,396	20.2%
<b>TOTAL NET POSITION</b>	<b>\$205,649,037</b>	<b>\$225,212,116</b>	<b>\$3,262,937</b>	<b>\$3,117,210</b>	<b>\$208,911,974</b>	<b>\$228,329,326</b>	<b>9.3%</b>

The District's combined total net position increased by 9.3% to \$228,329,326. The majority of this improvement in the financial position came from governmental activities, the net position of which grew \$19,563,079. Unrestricted net position for the total District improved to \$52,076,396 up from the 2012 amount of \$43,335,407. Investments in capital assets increased by \$2,360,875 as the District continues with an aggressive construction schedule. The long term debt outstanding increased to \$3,016,414 as an early retirement incentive was offered in 2013 and is paid out over the next five years.

The total net position of the District's business-type activities decreased by \$145,727. This is reflective of a decrease in total assets of \$166,077.

**Changes in net position.** Figure A-4 shows the changes in net position for the fiscal year 2013.

**Figure A-4**

*Changes in Net Position from Operating Results*

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2011-12
	2012	2013	2012	2013	2012	2013	
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 3,389,471	\$ 3,945,860	\$ 3,109,815	\$ 2,741,840	\$ 6,499,286	\$ 6,687,700	2.90%
Operating Grants & Contributions	\$ 35,614,403	\$ 33,862,643	\$ 6,041,999	\$ 6,329,637	\$ 41,656,402	\$ 40,192,280	-3.51%
Capital Grants & Contributions	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -	-100.00%
General Revenues							
Property taxes & other taxes	\$ 79,856,455	\$ 81,771,449	\$ -	\$ -	\$ 79,856,455	\$ 81,771,449	2.40%
State formula aid	\$ 75,498,841	\$ 75,791,773	\$ -	\$ -	\$ 75,498,841	\$ 75,791,773	0.39%
Other	\$ 506,789	\$ 352,475	\$ 22,434	\$ 2,008	\$ 529,223	\$ 354,483	-33.02%
<b>Total Revenues</b>	<b>\$ 195,015,959</b>	<b>\$ 195,724,200</b>	<b>\$ 9,174,248</b>	<b>\$ 9,073,485</b>	<b>\$ 204,190,207</b>	<b>\$ 204,797,685</b>	<b>0.30%</b>
<b>Expenses</b>							
Instruction	\$ 122,607,089	\$ 120,970,114	\$ -	\$ -	\$ 122,607,089	\$ 120,970,114	-1.34%
Pupil & Instructional Svcs	\$ 9,035,698	\$ 12,158,063	\$ -	\$ -	\$ 9,035,698	\$ 12,158,063	34.56%
Administrative & Business	\$ 17,961,171	\$ 17,668,619	\$ -	\$ -	\$ 17,961,171	\$ 17,668,619	-1.63%
Maintenance & Operations	\$ 15,002,810	\$ 13,549,183	\$ -	\$ -	\$ 15,002,810	\$ 13,549,183	-9.69%
Transportation	\$ 5,260,931	\$ 5,061,706	\$ -	\$ -	\$ 5,260,931	\$ 5,061,706	-3.79%
Other	\$ 6,703,503	\$ 6,753,436	\$ 8,814,709	\$ 9,219,212	\$ 15,518,212	\$ 15,972,648	2.93%
<b>Total Expenses</b>	<b>\$ 176,571,202</b>	<b>\$ 176,161,121</b>	<b>\$ 8,814,709</b>	<b>\$ 9,219,212</b>	<b>\$ 185,385,911</b>	<b>\$ 185,380,333</b>	<b>0.00%</b>
Revenues exceeding (under)							
expenses	\$ 18,444,757	\$ 19,563,079	\$ 359,539	\$ (145,727)	\$ 18,804,296	\$ 19,417,352	3.26%
Transfers in (out)	\$ (4,393)	\$ -	\$ 4,393	\$ -	\$ -	\$ -	-
Change in net position	\$ 18,440,364	\$ 19,563,079	\$ 363,932	\$ (145,727)	\$ 18,804,296	\$ 19,417,352	3.26%
Beginning net position	\$ 187,208,673	\$ 205,649,037	\$ 2,899,005	\$ 3,262,937	\$ 190,107,678	\$ 208,911,974	9.89%
<b>Ending net position</b>	<b>\$ 205,649,037</b>	<b>\$ 225,212,116</b>	<b>\$ 3,262,937</b>	<b>\$ 3,117,210</b>	<b>\$ 208,911,974</b>	<b>\$ 228,329,326</b>	<b>9.29%</b>

Overall, total net position increased by 9.29 % over 2011-12. Both revenues and expenses are virtually unchanged from 2011-12. The beginning net position for 2012-13 are 9.89% higher than in 2012 contributing to the overall increase of 9.29%.

As shown in Figure A-4, property tax and state aid provide 80.5% of the funding required for governmental activities while charges for services and operating grants make up 99.99% of the funding for business-type activities. Property taxes are up \$1,914,994 from 2011-12 while state formula aid is up only \$292, 932.

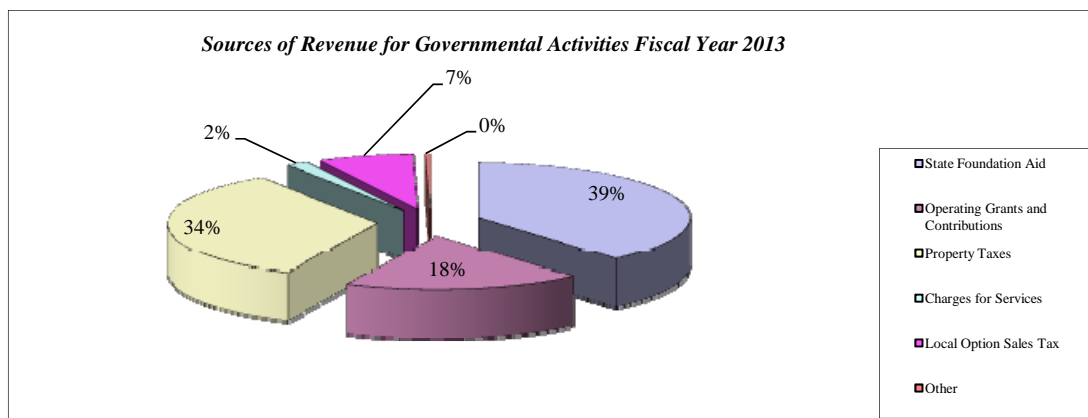
The District's predominant expenses are related to instruction, as can be seen in Figure A-6. Basic Instructional services together with Pupil & Instructional services comprise 71.81% of the District's expenses. Governmental activities expenses are down .23% which is a testament to the budget reductions implemented in 2012-13.

Pupil & Instructional services is up over \$3 million from 2012. The majority of the difference is a re-coding of teachers from instructional staff to pupil and instructional services. Also attributing to the difference was an increase of over \$500,000 in staff training as the District provided training in many different interventions and initiatives taking place across the District.

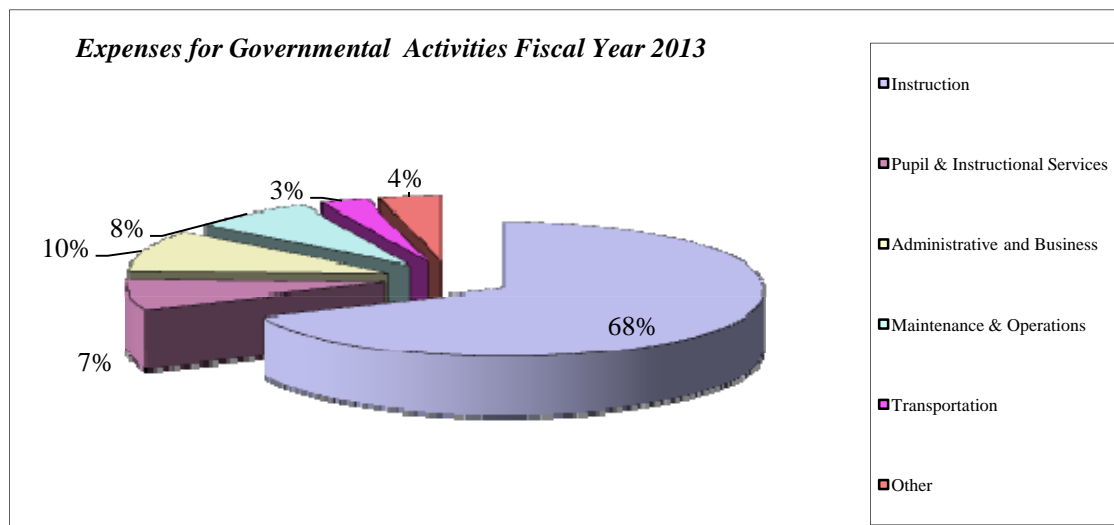
Maintenance and Operations is down approximately \$1.5 million from 2012. There were several staff positions eliminated in 2013 including an administrator in the Operations department. There was a onetime infusion of technology in this area during 2012 and the District paid for a year and a half of security services during 2012 due to the timing of receipt of invoices.

Business type activities did experience a decrease in net position for 2012-13. Total revenues decreased to \$9,073,485 from the 2011-12 amount of \$9,174,248. The decrease was in charges for services which was \$367,975 lower than in 2011-12. The Out of School Time fund saw the biggest change with a change in net position of (\$239,568).

**Figure A-5**



**Figure A-6**



## Governmental Activities

Revenues for governmental activities were \$195,724,200 while total expenses amounted to \$176,161,121 (Figure A-4).

- The federal and state governments subsidized certain programs with grants and contributions of almost \$33 million.
- Governmental activities were financed with \$81,771,449 in property taxes and \$75,791,773 of state aid based on the statewide finance formula. Property taxes were up by \$1,914,994 over 2011-12.
- Charges for services account for only 2.01% of all governmental activities revenues.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7**

### *Net Cost of Governmental Activities*

	Total Cost of Services			Net Cost of Services		
	2012	2013	Percentage Change 2012-13	2012	2013	Percentage Change 2012-13
Instruction	\$ 122,607,089	\$ 120,970,114	-1.34%	\$ 96,031,342	\$ 96,312,082	0.29%
Pupil & Instructional Svcs	\$ 9,035,698	\$ 12,158,063	34.56%	\$ 5,614,746	\$ 8,140,360	44.98%
Administrative & Business	\$ 17,961,171	\$ 17,668,619	-1.63%	\$ 16,961,293	\$ 16,508,375	-2.67%
Maintenance & Operations	\$ 15,002,810	\$ 13,549,183	-9.69%	\$ 14,448,123	\$ 13,214,504	-8.54%
Transportation	\$ 5,260,931	\$ 5,061,706	-3.79%	\$ 4,497,208	\$ 4,165,500	-7.38%
Other	\$ 6,703,503	\$ 6,753,436	0.74%	\$ (135,384)	\$ 11,797	-108.71%
<b>TOTAL</b>	<b>\$ 176,571,202</b>	<b>\$ 176,161,121</b>	<b>-0.23%</b>	<b>\$ 137,417,328</b>	<b>\$ 138,352,618</b>	<b>0.68%</b>

- The cost of all governmental activities this year was \$176,161,121, down from \$176,571,202 from 2011-12.
- Most of the District's costs were financed by District and state taxpayers at a total of \$138,352,618 or 78.54% of total costs.

### **Business-Type Activities**

Revenues of the District's business-type activities (food and nutrition services and out of school time) were comprised of charges for services, federal and state reimbursements and investment earnings. (See Figure A-4).

- Business-type activities expenses exceeded revenues by \$145,727 in 2011-12. This is an increase of 2.93%
- Charges for services represent 30.22% of total revenue in 2012-13 while in 2011-12 charges for services represented 33.90% of total revenue. This represents a drop of 8.95% in the Out of School Time program and a drop of 12.87% in Food and Nutrition.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, was \$6,329,637. This is reflective of the District's population of "free and reduced" students, which was slightly over 61% in 2013.

### ***Financial Analysis of the District's Funds***

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

**Governmental funds.** The focus of the Davenport Community School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Davenport Schools financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Davenport Schools governmental funds reported combined ending fund balances of \$54,444,857, an increase of \$14,029,545 in comparison with the prior year. The General Fund's fund balance improved by \$5.4 million. This was a direct result of over \$5 million in budget reductions during the 2012-13 school year including closing and repurposing an elementary school and offering an early retirement incentive. The Capital Projects fund balance increased by \$5,959,970. During 2012-13 the district completed installing air conditioning in the last two un-air conditioned buildings in the district; this signaled the end of the first round of major projects in the district. The next round of projects will begin with over \$25 million being spent at Central High School for a new pool and auditorium. Funding for this project will begin with the fund balance available in the Capital Projects Fund.

In 2013 approximately 38.43% of the governmental fund balance constituted an *unassigned* fund balance, which was available for spending at the District's discretion. In 2012 approximately 37.95% of the fund balance is *unassigned*, or is available for spending at the District's discretion.

In addition, the District has a *Nonspendable* fund balance of \$237,407 for inventories and \$29,289 for prepaid expenses. The District also has \$33,257,291 in *restricted* fund balance; \$3,543,942 for Management Levy, \$446,375 for student activities, \$16,809,840 for school infrastructure and \$12,457,134 for physical plant and equipment levy projects.



The general fund is the chief operating fund of the Davenport Schools. At the end of the current fiscal year the total fund balance increased to \$21,175,668 or by \$5,462,750. Key to the increase in fund balance was the implementation of almost \$5 million of budget reductions.

## Budgetary Highlights

The District adopts a budget in April for the following year and at the same time considers and approves a budget amendment for expenditures for the current year. The District modified its original budget in 2102-13 from \$202,501,267 to \$191,071,391 to reflect:

- Decreases in revenues and expenditures from decreased funding from local, state and federal sources.

Governmental revenues came in \$3 million over budget while expenditures came in under budget by \$616,105.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is provided in this report as required supplementary information.

## Capital Asset and Debt Administration

### Capital Assets

The Davenport Schools investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$145,498,358 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and furniture, and construction in progress. The total increase in the Davenport School's investment in capital assets for the current fiscal year was 1.65% compared to last year's increase of 6.73%.

**Figure A-8**

	Governmental Activities		Business Type Activities		Total School District		Total Percentage Change
	2012	2013	2012	2013	2012	2013	2012-13
Land and improvements	\$ 7,571,167	\$ 7,651,469	\$ -	\$ -	\$ 7,571,167	\$ 7,651,469	1.06%
Construction in progress	\$ 16,079,153	\$ 5,416,727	\$ -	\$ -	\$ 16,079,153	\$ 5,416,727	-66.31%
Buildings and improvements	\$ 117,249,124	\$ 130,290,950	\$ -	\$ -	\$ 117,249,124	\$ 130,290,950	11.12%
Furniture and Equipment	\$ 1,268,013	\$ 1,290,168	\$ 423,493	\$ 358,765	\$ 1,691,506	\$ 1,648,933	-2.52%
Intangibles	\$ 546,534	\$ 490,279	\$ -	\$ -	\$ 546,534	\$ 490,279	-10.29%
<b>TOTAL</b>	<b>\$ 142,713,991</b>	<b>\$ 145,139,593</b>	<b>\$ 423,493</b>	<b>\$ 358,765</b>	<b>\$ 143,137,484</b>	<b>\$ 145,498,358</b>	<b>1.65%</b>

The difference between 2011-12 and 2012-13 is the Construction in Progress. The Construction in Progress was \$16,079,153 in 2011-12 but only \$5,416,727 in 2012-13. The number of projects under construction during the summer months was significantly lower than the previous year.

Construction in progress activities during 2011-12 included:

- Façade repair, tennis court resurfacing and air conditioning at West High School
- Air conditioning at Wilson Elementary
- Air conditioning at Young K-8 School
- Air condition at Sudlow Intermediate
- Various roofing projects

Construction in progress activities during 2012-13 included:

- Air conditioning at Garfield Elementary
- Renovations at North High School

### **Long-Term Debt**

At year-end, the District had \$0 in general obligation bonds. The District has not had general obligation bonded debt since 1990-91. The District did sell \$47.9 million in sales tax revenue bonds over a period of three years to help finance facilities construction and improvements throughout the District during the first 10 year period of receiving Local Option Sales & Services tax revenue. That obligation was paid off 7-1-10.

More detailed information on the District's capital assets and long term debt can be found in the notes to the financial statements.

### **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 growth rate for fiscal 2014 at 4%. The district has not seen this level of growth since fiscal 2009-10.
- The largest of the districts' bargaining contracts is open to negotiations during 2013-14 and the end result will have an impact on the budget.
- The certified enrollment count for October 1, 2013 was up 42 students from 2012 which triggers funding for the 2015 school year.
- The budget Resource Allocation Committee has presented a recommendation to the superintendent for a five year plan of budget reductions.
- The impact of the Affordable Healthcare Act is concerning to the district at a time when the district is facing a change in third party administrators for health insurance.

### ***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 Marsha Tangen, Chief Financial Officer, Davenport Community School District, 1606 Brady Street, Davenport, Iowa 52803.

# Davenport Community School District

## Statement of Net Position June 30, 2013

<b>Assets</b>	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and investments	\$ 108,296,873	\$ 2,115,324	\$ 110,412,197
Receivables:			
Property taxes	68,482,700	-	68,482,700
Other	446,543	26,768	473,311
Due from other governmental units	8,132,077	111,636	8,243,713
Internal balances	(818,623)	818,623	-
Inventories	237,407	79,490	316,897
Prepaid expenses	29,289	-	29,289
<b>Total current assets</b>	<b>184,806,266</b>	<b>3,151,841</b>	<b>187,958,107</b>
Noncurrent assets:			
Capital assets, not being depreciated	10,118,900	-	10,118,900
Capital assets, being depreciated	224,659,370	2,579,200	227,238,570
Less accumulated depreciation	(89,638,677)	(2,220,435)	(91,859,112)
<b>Total noncurrent assets</b>	<b>145,139,593</b>	<b>358,765</b>	<b>145,498,358</b>
<b>Total assets</b>	<b>\$ 329,945,859</b>	<b>\$ 3,510,606</b>	<b>\$ 333,456,465</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 8,345,574	\$ 274,407	\$ 8,619,981
Accrued payroll and payroll taxes	19,938,124	60,944	19,999,068
Health claims and administrative costs payable	2,359,000	-	2,359,000
Compensated absences	647,957	13,891	661,848
Construction contracts payable	250,812	-	250,812
Unearned revenue	2,294,783	5,582	2,300,365
Early retirement obligations	762,353	-	762,353
<b>Total current liabilities</b>	<b>34,598,603</b>	<b>354,824</b>	<b>34,953,427</b>
Noncurrent liabilities:			
Other postemployment benefits obligation	1,237,476	38,572	1,276,048
Early retirement obligations	1,740,366	-	1,740,366
<b>Total noncurrent liabilities</b>	<b>2,977,842</b>	<b>38,572</b>	<b>3,016,414</b>
<b>Total liabilities</b>	<b>37,576,445</b>	<b>393,396</b>	<b>37,969,841</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	67,157,298	-	67,157,298
<b>Net Position</b>			
Investment in capital assets	145,139,593	358,765	145,498,358
Restricted for:			
School infrastructure	16,809,840	-	16,809,840
Physical plant and equipment	12,457,134	-	12,457,134
Management levy	1,041,223	-	1,041,223
Student activities	446,375	-	446,375
Unrestricted	49,317,951	2,758,445	52,076,396
<b>Total net position</b>	<b>\$ 225,212,116</b>	<b>\$ 3,117,210</b>	<b>\$ 228,329,326</b>

# Davenport Community School District

## Statement of Activities Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, and Contributions	Capital Grants, and Contributions
<b>Governmental Activities</b>				
Instruction	\$ 120,970,114	\$ 3,938,685	\$ 20,719,347	\$ -
Student support services	5,607,181	-	1,394,440	-
Instructional staff support services	6,550,882	-	2,623,263	-
General administration	3,774,487	-	1,131,908	-
Building administration	9,200,600	-	28,336	-
Business and central administration	4,693,532	-	-	-
Plant operation and maintenance	13,549,183	-	334,679	-
Student transportation	5,061,706	7,175	889,031	-
Central support services	3,761	-	-	-
Community services	530,984	-	522,948	-
Area Education Agency	6,218,691	-	6,218,691	-
<b>Total governmental activities</b>	<b>176,161,121</b>	<b>3,945,860</b>	<b>33,862,643</b>	<b>-</b>
<b>Business-type activities:</b>				
School nutrition	8,240,850	1,994,136	6,329,637	-
Out of school time	978,362	747,704	-	-
<b>Total business-type activities</b>	<b>9,219,212</b>	<b>2,741,840</b>	<b>6,329,637</b>	<b>-</b>
<b>Total school district</b>	<b>\$ 185,380,333</b>	<b>\$ 6,687,700</b>	<b>\$ 40,192,280</b>	<b>\$ -</b>

### General revenues:

Property taxes levied for general purposes  
Local option sales tax  
Utility tax  
Unrestricted state aid and grants  
Interest and investment earnings  
Miscellaneous

### Total general revenues

Changes in net position

Net position, beginning of year

Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (96,312,082)	\$ -	\$ (96,312,082)
(4,212,741)	-	(4,212,741)
(3,927,619)	-	(3,927,619)
(2,642,579)	-	(2,642,579)
(9,172,264)	-	(9,172,264)
(4,693,532)	-	(4,693,532)
(13,214,504)	-	(13,214,504)
(4,165,500)	-	(4,165,500)
(3,761)	-	(3,761)
(8,036)	-	(8,036)
-	-	-
(138,352,618)	-	(138,352,618)
-	82,923	82,923
-	(230,658)	(230,658)
-	(147,735)	(147,735)
64,942,943	-	64,942,943
14,110,961	-	14,110,961
2,717,545	-	2,717,545
75,791,773	-	75,791,773
165,646	1,758	167,404
186,829	250	187,079
157,915,697	2,008	157,917,705
19,563,079	(145,727)	19,417,352
205,649,037	3,262,937	208,911,974
\$ 225,212,116	\$ 3,117,210	\$ 228,329,326

# Davenport Community School District

## Balance Sheet - Governmental Funds June 30, 2013

	General	Physical Plant and Equipment	Capital Projects
<b>Assets</b>			
Cash and investments	\$ 41,673,785	\$ 14,032,949	\$ 17,078,895
Receivables:			
Property taxes	59,213,868	5,362,124	-
Other	374,545	1,749	5,440
Due from other governmental units	5,177,611	35,443	2,919,023
Inventories	237,407	-	-
Prepaid items	17,391	-	-
<b>Total assets</b>	<b>\$ 106,694,607</b>	<b>\$ 19,432,265</b>	<b>\$ 20,003,358</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 4,305,006	\$ 1,613,628	\$ 2,291,289
Accrued payroll and payroll taxes	19,931,522	-	231
Construction contracts payable	-	50,540	200,272
Unearned revenue	2,294,783	-	-
<b>Total liabilities</b>	<b>26,531,311</b>	<b>1,664,168</b>	<b>2,491,792</b>
Deferred inflows of resources:			
Unavailable revenue - property taxes	58,346,517	5,275,520	-
Unavailable revenue - local option sales tax	-	-	701,000
Unavailable revenue - federal	408,068	35,443	-
Unavailable revenue - other	233,043	-	726
<b>Total deferred inflows of resources</b>	<b>58,987,628</b>	<b>5,310,963</b>	<b>701,726</b>
Fund balances:			
Nonspendable for:			
Inventories	237,407	-	-
Prepaid items	17,391	-	-
Restricted for:			
Management levy purposes	-	-	-
Student activities	-	-	-
School infrastructure	-	-	16,809,840
Physical plant and equipment	-	12,457,134	-
Unassigned	20,920,870	-	-
<b>Total fund balances</b>	<b>21,175,668</b>	<b>12,457,134</b>	<b>16,809,840</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 106,694,607</b>	<b>\$ 19,432,265</b>	<b>\$ 20,003,358</b>

See Notes to Basic Financial Statements.



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Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,989,154	\$ 76,774,783
3,906,708	68,482,700
839	382,573
-	8,132,077
-	237,407
11,898	29,289
<u>\$ 7,908,599</u>	<u>\$ 154,038,829</u>

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\$ 40,896	\$ 8,250,819
6,371	19,938,124
-	250,812
-	2,294,783
<u>47,267</u>	<u>30,734,538</u>

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3,859,015	67,481,052
-	701,000
-	443,511
102	233,871
<u>3,859,117</u>	<u>68,859,434</u>

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-	237,407
11,898	29,289
3,543,942	3,543,942
446,375	446,375
-	16,809,840
-	12,457,134
-	20,920,870
<u>4,002,215</u>	<u>54,444,857</u>

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\$ 7,908,599	\$ 154,038,829
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## Davenport Community School District

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

June 30, 2013

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Total governmental fund balances		\$	54,444,857
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	\$	234,778,270	
Accumulated depreciation		<u>(89,638,677)</u>	145,139,593
Property taxes and other 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:			
Property taxes		323,754	
Other receivables		<u>1,378,382</u>	1,702,136
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 governmental activities.			29,132,305
Internal service funds allocated to business-type activities			(818,623)
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:			
Compensated absences		(647,957)	
Early retirement obligations		(2,502,719)	
Other post employment benefits obligation		<u>(1,237,476)</u>	(4,388,152)
<b>Net position of governmental activities</b>			<u><u>\$ 225,212,116</u></u>

See Notes to Basic Financial Statements.



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

# Davenport Community School District

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended June 30, 2013

	General	Physical Plant and Equipment	Capital Projects
Revenues:			
Property taxes	\$ 56,911,749	\$ 5,098,845	\$ -
Utility taxes	2,382,341	207,203	-
Local option sales tax	-	-	14,009,961
Intergovernmental	107,146,234	9,675	-
Charges for services	2,996,858	-	-
Interest	139,114	11,508	12,629
Contributions and donations	652,378	-	-
Other	1,051,927	63,375	-
<b>Total revenues</b>	<b>171,280,601</b>	<b>5,390,606</b>	<b>14,022,590</b>
Expenditures:			
Current:			
Instruction	113,453,355	-	-
Student support services	6,589,764	-	-
Instructional staff support services	6,159,555	150,292	231,809
General administration	2,724,632	-	-
Building administration	9,196,821	-	-
Business and central administration	4,381,868	209,288	-
Plant operation and maintenance	11,528,491	1,840,234	-
Student transportation	5,037,635	-	-
Community services	530,984	-	-
Area Education Agency	6,218,691	-	-
Capital outlay	-	1,901,787	7,830,811
<b>Total expenditures</b>	<b>165,821,796</b>	<b>4,101,601</b>	<b>8,062,620</b>
<b>Excess of revenues over expenditures</b>	<b>5,458,805</b>	<b>1,289,005</b>	<b>5,959,970</b>
Other financing sources (uses):			
Transfers in	3,945	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,945</b>	<b>-</b>	<b>-</b>
Net change in fund balances	5,462,750	1,289,005	5,959,970
Fund balances, beginning of year	15,712,918	11,168,129	10,849,870
Fund balances, end of year	<b>\$ 21,175,668</b>	<b>\$ 12,457,134</b>	<b>\$ 16,809,840</b>

See Notes to Basic Financial Statements.

Nonmajor Governmental Funds		Total Governmental Funds	
\$	3,058,387	\$	65,068,981
	128,001		2,717,545
	-		14,009,961
	5,982		107,161,891
	-		2,996,858
	2,395		165,646
	-		652,378
	1,237,968		2,353,270
	4,432,733		195,126,530
1,964,246		115,417,601	
-		6,589,764	
-		6,541,656	
1,035,166		3,759,798	
-		9,196,821	
-		4,591,156	
94,763		13,463,488	
16,793		5,054,428	
-		530,984	
-		6,218,691	
-		9,732,598	
3,110,968		181,096,985	
1,321,765		14,029,545	
-		3,945	
(3,945)		(3,945)	
(3,945)		-	
1,317,820		14,029,545	
2,684,395		40,415,312	
\$	4,002,215	\$	54,444,857

## 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, 2013

Net change in fund balances, total governmental funds	\$	14,029,545
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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 outlay exceeds depreciation in the period:

Depreciation expense	\$	(6,993,446)	
Total capital outlay expenditures capitalized		<u>9,419,048</u>	2,425,602

Because some property taxes and other receivables will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.	(351,333)
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In the statement of activities, certain operating expenses, compensated absences (vacation) and special termination benefits (early retirement), are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, special termination benefits paid, \$661,239, were less than the amounts earned of \$852,863, by \$191,624. Vacation used, \$1,358,100, was less than the amounts earned, \$1,373,842 by \$15,742.	(207,366)
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An internal service fund is used by the District's management to charge the costs of the self-insurance program to the individual funds. The change in net position in the internal service fund is reported with governmental activities.	4,230,443
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Change in Internal Service Fund allocation to business-type activities.	(139,089)
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Based on actuarial calculations, the District reports other postemployment benefit liabilities in the statement of activities that are not reported in the fund statements.	(424,723)
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>19,563,079</u></b>
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See Notes to Basic Financial Statements.

# Davenport Community School District

## Statement of Net Position Proprietary Funds June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 2,035,568	\$ 79,756	\$ 2,115,324	\$ 31,522,090
Other receivables	19,840	6,928	26,768	63,970
Due from other governmental units	111,636	-	111,636	-
Inventories	79,490	-	79,490	-
<b>Total current assets</b>	<b>2,246,534</b>	<b>86,684</b>	<b>2,333,218</b>	<b>31,586,060</b>
Noncurrent assets, capital assets, net of accumulated depreciation	358,765	-	358,765	-
<b>Total assets</b>	<b>\$ 2,605,299</b>	<b>\$ 86,684</b>	<b>\$ 2,691,983</b>	<b>\$ 31,586,060</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 132,885	\$ 141,522	\$ 274,407	\$ 94,755
Accrued payroll and payroll taxes	30,094	30,850	60,944	-
Health claims and administrative costs payable	-	-	-	2,359,000
Compensated absences	5,117	8,774	13,891	-
Unearned revenue	5,582	-	5,582	-
<b>Total current liabilities</b>	<b>173,678</b>	<b>181,146</b>	<b>354,824</b>	<b>2,453,755</b>
Noncurrent liabilities, other post employment benefits obligation	37,430	1,142	38,572	-
<b>Total liabilities</b>	<b>211,108</b>	<b>182,288</b>	<b>393,396</b>	<b>2,453,755</b>
<b>Net Position (Deficit)</b>				
Investment in capital assets	358,765	-	358,765	-
Unrestricted	2,035,426	(95,604)	1,939,822	29,132,305
<b>Total net position (deficit)</b>	<b>\$ 2,394,191</b>	<b>\$ (95,604)</b>	<b>\$ 2,298,587</b>	<b>\$ 29,132,305</b>
Total enterprise fund net position			\$ 2,298,587	
Amounts reported for business-type activities in the statement of net position are different due to:				
Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position			818,623	
<b>Total business-type activities net position</b>			<b>\$ 3,117,210</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, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	
Operating revenue, charges for services	\$ 1,994,136	\$ 747,704	\$ 2,741,840	\$ 22,587,736
Operating expenses:				
Salaries and benefits	3,767,757	436,586	4,204,343	146,485
Purchased services	481,029	466,045	947,074	-
Supplies	3,997,530	84,710	4,082,240	-
Depreciation	124,644	-	124,644	-
Health care	-	-	-	18,210,808
<b>Total operating expenses</b>	<b>8,370,960</b>	<b>987,341</b>	<b>9,358,301</b>	<b>18,357,293</b>
<b>Operating income (loss)</b>	<b>(6,376,824)</b>	<b>(239,637)</b>	<b>(6,616,461)</b>	<b>4,230,443</b>
Nonoperating revenues:				
Interest income	1,689	69	1,758	-
Intergovernmental	6,329,637	-	6,329,637	-
Other nonoperating revenue	250	-	250	-
<b>Total nonoperating revenues</b>	<b>6,331,576</b>	<b>69</b>	<b>6,331,645</b>	<b>-</b>
<b>Change in net position</b>	<b>(45,248)</b>	<b>(239,568)</b>	<b>(284,816)</b>	<b>4,230,443</b>
Net position, beginning of year	2,439,439	143,964	2,583,403	24,901,862
Net position, end of year	<u>\$ 2,394,191</u>	<u>\$ (95,604)</u>	<u>\$ 2,298,587</u>	<u>\$ 29,132,305</u>
Net changes in net position in enterprise funds			\$ (284,816)	
Amounts reported for business-type activities in the statement of net position are different due to:				
Internal service funds are used by management to charge the cost of certain services to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities				
<b>Net changes in net position of business-type activities</b>			<u>139,089</u>	
			<u>\$ (145,727)</u>	

See Notes to Basic Financial Statements.



# Davenport Community School District

## Statement of Cash Flows Proprietary Funds Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	
Cash flows from operating activities:				
Cash received from user charges	\$ 1,974,301	\$ 789,311	\$ 2,763,612	\$ -
Cash received from assessment made to other funds	-	-	-	22,526,807
Cash payments to employees for services	(3,752,664)	(428,486)	(4,181,150)	(146,485)
Cash payments for insurance claims	-	-	-	(17,352,076)
Cash payments to suppliers for goods and services	(4,144,482)	(490,554)	(4,635,036)	(863,015)
<b>Net cash provided by (used in) operating activities</b>	<b>(5,922,845)</b>	<b>(129,729)</b>	<b>(6,052,574)</b>	<b>4,165,231</b>
Cash flows from noncapital financing activities:				
Other nonoperating, donations	250	-	250	-
Grants received	5,891,164	-	5,891,164	-
<b>Net cash provided by noncapital financing activities</b>	<b>5,891,414</b>	<b>-</b>	<b>5,891,414</b>	<b>-</b>
Cash flows from capital and related financing activities, acquisition of capital assets	(59,917)	-	(59,917)	-
Cash flows from investing activities, interest received	1,689	69	1,758	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(89,659)</b>	<b>(129,660)</b>	<b>(219,319)</b>	<b>4,165,231</b>
Cash and cash equivalents:				
Beginning	2,125,227	209,416	2,334,643	27,356,859
Ending	\$ 2,035,568	\$ 79,756	\$ 2,115,324	\$ 31,522,090

(Continued)

# Davenport Community School District

## Statement of Cash Flows (Continued)

### Proprietary Funds

Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (6,376,824)	\$ (239,637)	\$ (6,616,461)	\$ 4,230,443
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	124,644	-	124,644	-
Commodities used	430,699	-	430,699	-
Changes in assets and liabilities:				
Receivables	(19,835)	41,607	21,772	(60,929)
Inventories	12,488	-	12,488	-
Accounts payable and accrued liabilities	(106,818)	67,423	(39,395)	(4,283)
Other post employment benefits obligation	12,801	878	13,679	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (5,922,845)</b>	<b>\$ (129,729)</b>	<b>\$ (6,052,574)</b>	<b>\$ 4,165,231</b>

Noncash noncapital financing activities, during the year the District received  
\$430,699 of food commodities from the U.S. Department of Agriculture

See Notes to Basic Financial Statements.

**Davenport Community School District**

**Statement of Fiduciary Assets and Liabilities**

**Agency Fund**

**June 30, 2013**

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**Assets**

Cash and cash equivalents	\$	87,474
Due from other governments		307
Prepaid expenses		1,695
<b>Total assets</b>	<b>\$</b>	<b>89,476</b>

**Liabilities**

Accounts payable	\$	5,020
Due to activity groups		84,456
<b>Total liabilities</b>	<b>\$</b>	<b>89,476</b>

See Notes to Basic Financial Statements.



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

## **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 three high schools, six intermediate schools, 19 elementary schools and various off-campus alternative education programs. Student enrollment (pre-school through high school) for the 2012-2013 school year was approximately 15,440 regular and special education students. The District employs approximately 2,060 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 body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District; and b) 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 government 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 is considered to be measurable and is recognized as revenue if available and when eligibility requirements have been met. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

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

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

The District reports the following major governmental funds:

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

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

**Physical Plant and Equipment Fund:** this capital projects fund accounts for the property taxes levied and collected by the District to be used for the purchase and improvement of grounds; purchase, construction and remodeling of buildings; and major equipment purchases.

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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal 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 major proprietary fund:

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

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

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

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

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

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

Governmental activities in the government-wide statements include the operations from the governmental funds: the General Fund, the special revenue funds and the capital projects funds 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 charges 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 District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. The adoption of these Statements changed the presentation of the basic financial statements to a statement of net position format and reclassified certain assets and liabilities to deferred outflows/inflows of resources.

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 the proprietary funds using the full accrual basis of accounting. Fund financial statements also include a statement for the fiduciary funds. The fund financial statements for both the governmental and the proprietary funds report the major funds individually and the nonmajor funds combined. The Internal Service Fund is shown at the far right of the Proprietary Fund financial statements.

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

#### **Significant accounting policies:**

Pass-through revenues: GASB Statement No. 24 establishes standards of accounting and financial reporting for pass-through grants, food stamps and on-behalf payments for fringe benefits and salaries. GASB Statement No. 24 requires that all cash pass-through grants received by a governmental entity be recognized as revenue and expenditures or expenses in a governmental, proprietary or trust fund. The District recorded the \$6,218,691 pass-through grant from the Area Education Agency in fiscal year 2012-2013 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. Investments are stated at fair value except for the investments in the IPAS Education Money Market Fund, which are valued at amortized cost under the Investment Company Act of 1940, and nonnegotiable certificates of deposits, which are stated at cost that approximates fair value.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The IPAS Education Money Market Fund is a "money market fund" that seeks to maintain a stable net asset value of \$1.00 per share. The Fund qualifies 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 purchase, they have a maturity date no longer than three months.



## Davenport Community School District

### Notes to Basic Financial Statements

---

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

Property taxes 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 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.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2012.

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 governmental units balance:

	General	Physical Plant and Equipment	Capital Projects	School Nutrition
Due from other governments:				
Federal	\$ 3,733,172	\$ 35,443	\$ -	\$ 111,636
Local option sales tax	-	-	2,919,023	-
Other districts	600,220	-	-	-
Other	844,218	-	-	-
	<u>\$ 5,177,610</u>	<u>\$ 35,443</u>	<u>\$ 2,919,023</u>	<u>\$ 111,636</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. Prepaids are recorded as expenditures when the goods or 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.

## 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)**

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 estimated fair value at the date of donation.

Interest incurred during construction is not capitalized for governmental funds. There was no interest required to be capitalized in the current year for proprietary fund types.

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.

The District has no assets that meet the definition of infrastructure.

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:

Description	Threshold
Land improvements	\$ 3,500
Buildings	3,500
Building improvements	3,500
Furniture and equipment	3,500
Intangibles	100,000

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

Description	Estimated Lives
Land improvements	20 years
Buildings	50 years
Building improvements	20 years
Furniture and equipment	5 - 10 years
Intangibles	5 - 20 years

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

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.

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, 2013, have been accrued as liabilities as of June 30, 2013.

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, 2013.

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 of June 30, 2013, and includes certain salary related payments. The compensated absences liability is reported as a liability in the government-wide statements. In governmental funds, however, these accrued benefits are not considered due and, therefore, are not reported as a fund liability. Vacation time accrued is expected to be paid out or utilized within one year.

Unearned revenue: Unearned revenue in the government-wide and governmental funds financial statements consist of unspent grant proceeds.

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from four sources: property taxes, sales tax, intergovernmental and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

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.

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.

## 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)**

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the Board to the Superintendent or Chief Financial Officer.

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

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

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 are 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 and unrestricted net position are available, the District first applies restricted resources.

Net position restricted through enabling legislation include \$16,809,840 for school infrastructure, \$12,457,134 for physical plant and equipment and \$1,041,223 for management levy.

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 or four functional areas as required by state statute for its legally adopted budget.

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

#### **Note 2. Cash and 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, 2013, the book balance of the District's cash deposits plus petty cash totaled \$92,086,547, including certificates of deposit of \$5,008,917 and the bank balances totaled \$92,906,969.

As of June 30, 2013, the District also had investments in the IPAS Education Money Market Fund totaling \$15,063,936, which is also valued at an amortized cost pursuant to under the Investment Company Act of 1940.

## Davenport Community School District

### Notes to Basic Financial Statements

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

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

Credit risk: The District's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. As of June 30, 2013, the District's investments had specific maturities and were rated as follows:

Investment	Maturity	Fair Value	Moody's Investors Services	Standard & Poor's
Abbey National America - Commercial Paper	01/23/2014	\$ 1,992,583	P-1	A-1
Bank of America - Commercial Paper	06/15/2014	1,356,605	Baa2	A-
<b>Total</b>		<u>\$ 3,349,188</u>		

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. While the District is in compliance with their policy, more than 5 percent of the District's investments are in Abbey National America commercial paper and Bank of America commercial paper. These investments represent 59 percent and 41 percent of the District's total investments, respectively.

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 and petty cash	\$ 87,077,630
Certificates of deposit	5,008,917
Commercial paper	3,349,188
IPAS education money market fund	15,063,936
	<u>\$ 110,499,671</u>
Governmental funds	\$ 76,774,783
Internal service fund	31,522,090
<b>Total governmental activities</b>	<u>108,296,873</u>
Business-type activities/enterprise funds	2,115,324
Agency fund	87,474
	<u>\$ 110,499,671</u>

# Davenport Community School District

## Notes to Basic Financial Statements

### Note 3. Capital Assets

Governmental Activities	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173
Construction-in-progress	16,079,151	9,045,835	19,708,259	5,416,727
<b>Total capital assets, not being depreciated</b>	<b>20,781,324</b>	<b>9,045,835</b>	<b>19,708,259</b>	<b>10,118,900</b>
Capital assets, being depreciated/amortized:				
Land improvements	11,632,315	315,623	-	11,947,938
Buildings	97,260,263	-	-	97,260,263
Building improvements	86,549,830	19,409,499	-	105,959,329
Furniture and equipment	7,886,817	356,350	-	8,243,167
Intangibles	1,248,673	-	-	1,248,673
<b>Total capital assets, being depreciated/amortized</b>	<b>204,577,898</b>	<b>20,081,472</b>	<b>-</b>	<b>224,659,370</b>
Less accumulated depreciation/amortization for:				
Land improvements	8,763,321	235,321	-	8,998,642
Buildings	42,629,037	1,648,503	-	44,277,540
Building improvements	23,931,931	4,719,171	-	28,651,102
Furniture and equipment	6,618,804	334,195	-	6,952,999
Intangibles	702,138	56,256	-	758,394
<b>Total accumulated depreciation/amortization</b>	<b>82,645,231</b>	<b>6,993,446</b>	<b>-</b>	<b>89,638,677</b>
<b>Total capital assets, being depreciated/amortized, net</b>	<b>121,932,667</b>	<b>13,088,026</b>	<b>-</b>	<b>135,020,693</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 142,713,991</b>	<b>\$ 22,133,861</b>	<b>\$ 19,708,259</b>	<b>\$ 145,139,593</b>
Business-Type Activities	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Capital assets, being depreciated, equipment	\$ 2,519,283	\$ 59,917	\$ -	\$ 2,579,200
Less accumulated depreciation for equipment	2,095,791	124,644	-	2,220,435
<b>Total capital assets, being depreciated, net</b>	<b>423,492</b>	<b>(64,727)</b>	<b>-</b>	<b>358,765</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 423,492</b>	<b>\$ (64,727)</b>	<b>\$ -</b>	<b>\$ 358,765</b>

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 3. Capital Assets (Continued)

Depreciation/amortization expense was charged to the activities of the District as follows:

Governmental activities:

Instruction	\$ 6,766,642
Instructional staff support services	9,226
General administration	14,689
Building administration	3,779
Business and central administration	102,376
Plant operation and maintenance	85,695
Student transportation	7,278
Central support services	3,761
	<u>\$ 6,993,446</u>

Business-type activities, food services	<u>\$ 124,644</u>
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#### Note 4. Interfund Transfers

Interfund transfers as of June 30, 2013, consisted of the following:

	Transfers In	Transfers Out
Major Funds, General Fund	\$ 3,945	\$ -
Nonmajor governmental funds	-	3,945
<b>Total</b>	<u>\$ 3,945</u>	<u>\$ 3,945</u>

Transfers to the General Fund from the nonmajor governmental funds represents interest earned in the Student Activity Fund required to be transferred to the General Fund by state code.

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Liabilities

Changes in long-term liabilities: A summary of changes in long-term liabilities for the year ended June 30, 2013, is as follows:

	Governmental Activities			Business-Type Activities
	Early Retirement Obligations	Compensated Absences	Total	Compensated Absences
Balance, beginning of year	\$ 2,311,095	\$ 632,215	\$ 2,943,310	\$ 11,607
Additions	852,863	1,373,842	2,226,705	27,733
Reductions	661,239	1,358,100	2,019,339	25,449
Balance, end of year	<u>\$ 2,502,719</u>	<u>\$ 647,957</u>	<u>\$ 3,150,676</u>	<u>\$ 13,891</u>
Due within one year	<u>\$ 762,353</u>	<u>\$ 647,957</u>	<u>\$ 1,410,310</u>	<u>\$ 13,891</u>

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

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 can not, and do not, contribute to the incentive program.

Early retirement participation is based on the following criteria:

1. Employees who were at least 55 years of age by June 30, 2013.
2. The employee completed at least 25 years of contracted service to the District by June 30, 2013.
3. The employee worked a minimum of six hours per day or had a contract of at least 0.75 full time equivalent.
4. The employee must have submitted an application for participation in the Plan to the Board prior to February 1, 2013.
5. The effective date of the retirement must be at, and not before, the conclusion of the contract or assignment year for 2012-2013 and not later than June 30, 2013.
6. Not be subject to termination pursuant to Iowa Code Section 279.27 or Iowa Code Section 279.15.

The Plan allows an eligible employee to receive retirement incentive as follows:

1. Employees with at least 35 years of service – the lesser of \$27,500 or 50 percent of employees' 2012-2013 salary.
2. Employees with at least 30 years of service – the lesser of \$25,000 or 45 percent of employees' 2012-2013 salary.
3. Employees with at least 25 years of service – the lesser of \$20,000 or 40 percent of employees' 2012-2013 salary.



## Davenport Community School District

### Notes to Basic Financial Statements

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

Early retirement benefits are paid into a 403(b) special pay deferral plan and/or health care savings plan in accordance with Internal Revenue Service guidelines evenly over the next five years beginning January 1, 2014.

During the year ended June 30, 2013, 44 District employees requested early retirement. During the year ended June 30, 2013, the District paid \$661,239 of early retirement benefits.

Legal debt margin: As of June 30, 2013, the District did not hold any outstanding general obligation debt and did not exceed the statutory debt limit.

#### **Note 6. Pension and Retirement Benefits**

IPERS: The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.78 percent of their annual covered salary and the District is required to contribute 8.67 percent of annual covered payroll for the year ended June 30, 2013. For the years ended June 30, 2012 and 2011, plan members were required to contribute 5.38 and 4.50 percent of their annual covered salary, respectively, and the District was required to contribute 8.07 and 6.95 percent of annual covered payroll, respectively. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$8,354,506, \$7,874,747 and \$6,607,604, respectively, equal to the required contributions for each year.

403(b) Plan: The District also contributes to a 403(b) deferred compensation plan for employees at the administrator level. The District contributes 9 percent of compensation for eligible employees to the plan.

The District also contributes additional amounts for administrators and clerical staff not electing the District's medical and dental coverage.

The District's contribution for the year ended June 30, 2013 was \$702,935.

#### **Note 7. Risk Management**

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. There were no reductions in insurance 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 \$195,000 and an annual aggregate stop loss for the excess of 125 percent of estimated claims.

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 7. Risk Management (Continued)

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. Changes in the accrual balance for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Unpaid claims and administrative costs payable balance, beginning of year	\$ 2,431,000	\$ 2,035,000
Incurred claims (including IBNR)	17,291,230	18,624,312
Claim payments	(17,363,230)	(18,228,312)
Unpaid claims and administrative costs payable balance, end of year	<u>\$ 2,359,000</u>	<u>\$ 2,431,000</u>

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

#### Note 8. Commitments and Contingencies

The District has entered into various construction and repair contracts for projects throughout the District. As of June 30, 2013, the portion of these contracts which has not been paid or accrued as a liability totals \$5,051,502.

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 the 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.

The District had significant encumbrances in the Capital Projects fund of \$5,051,502 as of June 30, 2013.

#### Note 9. Operating Leases

The District leases building and equipment under noncancelable operating leases. Total expenses for the year ended June 30, 2013, for such leases were \$338,866, which includes cash paid and the change in the prepaid rent balance. The future minimum lease payments for these leases are as follows:

##### Year Ending June 30:

2014	\$ 277,142
2015	249,115
2016	27,981
	<u>\$ 554,238</u>

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 10. Other Postemployment Benefits

Plan description: The District sponsors a single-employer health care plan that provides medical and prescription drug benefits to all active and retired employees and their eligible dependents. Retiree coverage begins at IPERS retirement age of at least 55 and continues until the retiree is Medicare eligible at age 65. Eligibility requirements under IPERS is summarized as follows: a) Normal Retirement – earliest of the first day of the month of employees' 65<sup>th</sup> birthday, age 62 with 20 years of service, or Rule of 88 (age plus service of at least 88) with a minimum age of 55, b) Early Retirement – age 55, and c) Disability – 4 years of service. The plan does not issue a stand-alone financial report.

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the District's union contracts. Retirees pay the full premium. The current funding policy of the District is to pay health claims as they occur through internal allocated funds.

The required contribution is based on projected pay-as-you-go financing. Retiree and active members receiving benefits have required monthly contributions as follows:

	Coverage Type	
	Single	Family
Plan I	\$ 595	\$ 1,455
Plan II (non-bargaining)	576	1,406
Plan II (teachers)	583	1,422
Plan III	549	1,340

Annual OPEB cost and net OPEB obligation: The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$ 592,622
Interest on net OPEB obligation	41,882
Adjustment to annual required contribution	(54,155)
Annual OPEB cost (expense)	580,349
Contributions and payments made	141,947
Increase in net OPEB obligation	438,402
Net OPEB obligation, beginning	837,646
Net OPEB obligation, ending	\$ 1,276,048

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 10. Other Postemployment Benefits (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2013 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 389,308	81.1%	\$ 461,248
June 30, 2012	537,272	29.9	837,646
June 30, 2013	580,349	24.5	1,276,048

Funded status and funding progress: The results of the July 1, 2011 valuation were rolled forward to June 30, 2013. As of July 1, 2011, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$5,158,914 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$5,158,914. The covered payroll (annual payroll of active employees covered by the plan) was \$74,260,787 and the ratio of the UAAL to the covered payroll was 6.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, frozen entry age actuarial cost method was used. The actuarial assumptions included a 5 percent discount rate, an annual health care cost trend rate of 6 percent and salary scale of 3.5 percent. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2011, was 30 years.

## Davenport Community School District

### Notes to Basic Financial Statements

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#### Note 11. Pending Governmental Accounting Standards Board (GASB) Statements

As of June 30, 2013, the GASB had issued several Statements not yet implemented by the District. The Statements which might impact the District are as follows:

- GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the District beginning with its year ending June 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases* and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the District beginning with its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

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

## Davenport Community School District

### Required Supplementary Information Retiree Health Benefit Plan

SCHEDULE OF FUNDING PROGRESS								
Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]	
2011	12/31/09	\$ -	\$ 4,520,749	\$ 4,520,749	- %	\$ 73,348,359	6.2%	
2012	7/01/11	-	5,172,931	5,172,931	-	73,963,139	7.0	
2013	7/01/11	-	5,158,914	5,158,914	-	74,260,787	6.9	

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2011.  
Additional information follows:

- The actuarial method used to determine the ARC is the frozen entry age actuarial cost method.
- There are no plan assets.
- The actuarial assumptions included: (1) 5 percent discount rate, (2) a health care cost trend rate of 6 percent and (3) a salary scale of 3.5 percent.
- The amortization method is level percentage of pay on a closed basis.



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# Davenport Community School District

## Required Supplementary Information Budgetary Comparison Schedule All Governmental Funds and Enterprise Funds Year Ended June 30, 2013

	Governmental Fund Types Actual	Enterprise Fund Type Actual	Total Actual
Revenues:			
Property taxes	\$ 65,068,981	\$ -	\$ 65,068,981
Utility taxes	2,717,545	-	2,717,545
Local option sales tax	14,009,961	-	14,009,961
Intergovernmental	107,161,891	6,329,637	113,491,528
Charges for services	2,996,858	2,741,840	5,738,698
Interest	165,646	1,758	167,404
Other	3,005,648	250	3,005,898
<b>Total revenues</b>	<b>195,126,530</b>	<b>9,073,485</b>	<b>204,200,015</b>
Expenditures:			
Current:			
Instruction	115,417,601	-	115,417,601
Support services	49,728,095	-	49,728,095
Noninstructional programs	-	9,358,301	9,358,301
Other expenditures	15,951,289	-	15,951,289
<b>Total expenditures</b>	<b>181,096,985</b>	<b>9,358,301</b>	<b>190,455,286</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>14,029,545</b>	<b>(284,816)</b>	<b>13,744,729</b>
Other financing sources (uses):			
Transfers in	3,945	-	3,945
Transfers out	(3,945)	-	(3,945)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>14,029,545</b>	<b>(284,816)</b>	<b>13,744,729</b>
Fund balances, beginning of year	40,415,312	2,583,403	42,998,715
Fund balances, end of year	<b>\$ 54,444,857</b>	<b>\$ 2,298,587</b>	<b>\$ 56,743,444</b>

See Note to Required Supplementary Information.



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Budgeted Amounts		Final to
Original	Final	Actual
		Variance
\$ 65,373,521	\$ 66,166,517	\$ (1,097,536)
2,715,162	2,715,162	2,383
12,056,535	12,056,535	1,953,426
113,325,253	111,587,950	1,903,578
5,731,435	4,482,000	1,256,698
608,000	131,350	36,054
3,685,000	4,007,558	(1,001,660)
203,494,906	201,147,072	3,052,943
<hr/>		
118,455,886	116,934,237	(1,516,636)
45,767,709	50,206,613	(478,518)
9,704,271	8,711,850	646,451
28,573,401	15,218,691	732,598
202,501,267	191,071,391	(616,105)
<hr/>		
993,639	10,075,681	3,669,048
<hr/>		
-	-	3,945
-	-	(3,945)
<hr/>		
-	-	-
<hr/>		
\$ 993,639	\$ 10,075,681	\$ 3,669,048
<hr/>		



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## **Davenport Community School District**

### **Note to Required Supplementary Information – Budgetary Reporting**

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The 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 agency 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 of 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 area 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 was in compliance with such formula for fiscal 2013.

During the year ended June 30, 2013, expenditures in the noninstructional programs and other expenditures functions exceeded the amount budgeted.

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. The budget was amended in April 2013, to decrease the authorization of expenditures by \$11,429,876.
5. All annual appropriations lapse at fiscal year-end.



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.

**Davenport Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

	Special Revenue		Total Nonmajor Governmental Funds
	Management	Student Activity	
<b>Assets</b>			
Cash and investments	\$ 3,498,625	\$ 490,529	\$ 3,989,154
Receivables:			
Property taxes	3,906,708	-	3,906,708
Other	-	839	839
Prepaid items	-	11,898	11,898
<b>Total assets</b>	<b>\$ 7,405,333</b>	<b>\$ 503,266</b>	<b>\$ 7,908,599</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 2,376	\$ 38,520	\$ 40,896
Accrued payroll and payroll taxes	-	6,371	6,371
<b>Total liabilities</b>	<b>2,376</b>	<b>44,891</b>	<b>47,267</b>
Deferred inflows of resources:			
Unavailable revenue - property taxes	3,859,015	-	3,859,015
Unavailable revenue - other	-	102	102
<b>Total deferred inflows of resources</b>	<b>3,859,015</b>	<b>102</b>	<b>3,859,117</b>
Fund balances:			
Nonspendable for prepaid items	-	11,898	11,898
Restricted for:			
Management levy purposes	3,543,942	-	3,543,942
Student activities	-	446,375	446,375
<b>Total fund balances</b>	<b>3,543,942</b>	<b>458,273</b>	<b>4,002,215</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,405,333</b>	<b>\$ 503,266</b>	<b>\$ 7,908,599</b>

**Davenport Community School District**

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2013**

	Special Revenue		Total Nonmajor Governmental Funds
	Management	Student Activity	
Revenues:			
Property taxes	\$ 3,058,387	\$ -	\$ 3,058,387
Utility taxes	128,001	-	128,001
Intergovernmental	5,982	-	5,982
Interest	1,914	481	2,395
Other	-	1,237,968	1,237,968
<b>Total revenues</b>	<b>3,194,284</b>	<b>1,238,449</b>	<b>4,432,733</b>
Expenditures:			
Current:			
Instruction	779,310	1,184,936	1,964,246
General administration	1,035,166	-	1,035,166
Plant operation and maintenance	94,763	-	94,763
Student transportation	-	16,793	16,793
<b>Total expenditures</b>	<b>1,909,239</b>	<b>1,201,729</b>	<b>3,110,968</b>
<b>Excess of revenues over expenditures</b>	<b>1,285,045</b>	<b>36,720</b>	<b>1,321,765</b>
Other financing (uses), transfers (out)	-	(3,945)	(3,945)
Net change in fund balances	1,285,045	32,775	1,317,820
Fund balances, beginning of year	2,258,897	425,498	2,684,395
Fund balances, end of year	<b>\$ 3,543,942</b>	<b>\$ 458,273</b>	<b>\$ 4,002,215</b>



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**Davenport Community School District**

**Combining Schedule of Changes in Balances  
Student Activity Fund  
Year Ended June 30, 2013**

	Balance June 30, 2012	Revenues	Expenditures
District-Wide Athletics	\$ 13,342	\$ -	\$ -
Central High School Athletics	68,573	134,163	170,724
North High School Athletics	25,821	67,855	88,287
West High School Athletics	25,381	100,358	109,208
Central High School	158,403	198,218	215,009
North High School	(44,693)	182,090	179,543
West High School	(15,529)	325,819	229,425
Kimberly Center	1,638	618	1,662
Smart Intermediate School	12,378	13,171	7,074
Sudlow Intermediate School	21,842	105,295	91,081
Walcott Elementary and Intermediate School	42,474	36,017	32,278
Williams Intermediate School	32,926	31,096	35,813
Wood Intermediate School	15,930	21,257	19,738
Young Intermediate School	1,131	7,190	7,493
Adams Elementary	3,720	1,599	2,786
Blue Grass Elementary	785	-	-
Buchanan Elementary	11,107	739	2,041
Buffalo Elementary	5,050	1,662	1,287
Eisenhower Elementary	7,086	2,255	612
Fillmore Elementary	1,145	-	-
Garfield Elementary	5,963	2,949	4,029
Harrison Elementary	1,397	(253)	846
Hayes Elementary	4,758	(1,185)	832
Jackson Elementary	243	207	-
Jefferson Elementary	54	-	-
Madison Elementary	7,606	(890)	133
McKinley Elementary	5,382	731	637
Monroe Elementary	241	-	52
Truman Elementary	247	249	-
Washington Elementary	3,516	5,763	792
Wilson Elementary	3,636	995	347
Unallocated interest income	3,945	481	-
<b>Total special revenue student activity fund</b>	<b>\$ 425,498</b>	<b>\$ 1,238,449</b>	<b>\$ 1,201,729</b>



---

		<b>Balance</b>	
<b>Transfers</b>		<b>June 30, 2013</b>	
<hr/>		<hr/>	
\$	-	\$	13,342
	-		32,012
	-		5,389
	-		16,531
	-		141,612
	-		(42,146)
	-		80,865
	-		594
	-		18,475
	-		36,056
	-		46,213
	-		28,209
	-		17,449
	-		828
	-		2,533
	-		785
	-		9,805
	-		5,425
	-		8,729
	-		1,145
	-		4,883
	-		298
	-		2,741
	-		450
	-		54
	-		6,583
	-		5,476
	-		189
	-		496
	-		8,487
	-		4,284
	(3,945)		481
<hr/>		<hr/>	
\$	(3,945)	\$	458,273
<hr/>		<hr/>	

**Davenport Community School District**

**Statement of Changes in Fiduciary  
Assets and Liabilities - Agency Fund  
Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Assets</b>				
Cash and investments	\$ 99,748	\$ 169,970	\$ 182,244	\$ 87,474
Due from other governments	-	1,307	1,000	307
Prepaid expenses	-	1,695	-	1,695
<b>Total assets</b>	<b>\$ 99,748</b>	<b>\$ 172,972</b>	<b>\$ 183,244</b>	<b>\$ 89,476</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,427	\$ 121,757	\$ 118,164	\$ 5,020
Due to activity groups	98,321	107,435	121,300	84,456
<b>Total liabilities</b>	<b>\$ 99,748</b>	<b>\$ 229,192</b>	<b>\$ 239,464</b>	<b>\$ 89,476</b>

**Davenport Community School District**

**Combining Schedule of Changes in Amounts Due to Activity Groups**

**Agency Fund**

**Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Adams Dad's Club/State Farm	\$ 54	\$ 232	\$ 50	\$ 236
Administration pop account	3,061	3,761	3,294	3,528
CV Hayes staff account	94	-	40	54
CVW staff account	796	724	665	855
Central staff pop account	1,305	37,166	23,837	14,634
Central concessions	10,441	(10,349)	-	92
Central/North prom	135	2,901	3,039	(3)
Buchanan pop account	3,717	1,708	515	4,910
Buchanan boosters account	3,563	10,308	7,864	6,007
Buffalo business partners	30	2,000	-	2,030
Districtwide drop out event	-	3,300	1,845	1,455
Districtwide goal 2025	-	1,500	1,318	182
Districtwide IMC sunshine	-	368	-	368
Fillmore pop account	1,148	1,766	1,987	927
Garfield pop account	1,609	176	649	1,136
Harrison pop account	3,845	1,108	437	4,516
Harrison Olweus Donation	53	-	-	53
Havlife foundation account	11,565	15,000	7,065	19,500
Hayes staff fund	1,388	740	1,291	837
Hoover pop account	259	482	164	577
Madison teacher's pop account	2,989	2,760	2,605	3,144
McKinley staff fund	34	-	-	34
Monroe pop account	6,998	7,451	7,110	7,339
North metro fest	6,045	4,135	10,180	-
North pop account	7,374	20,616	14,823	13,167
River Music Experience Havlife	983	-	-	983
Smart pop account	6,004	(1,743)	2,594	1,667
Sudlow staff account	4,185	3,114	2,750	4,549
Young staff pop account	248	1,492	1,538	202
Walcott staff account	1,000	-	-	1,000
Washington pop account	740	(304)	878	(442)
West pop account	1,304	(20,306)	7,082	(26,084)
West shrine account	-	460	-	460
West athletics account	5,590	5,857	9,798	1,649
West boosters account	1,032	258	-	1,290
Williams sunshine pop account	1,908	1,356	544	2,720
Williams pop cans	83	(83)	-	-
Wilson pop account	4,173	5,609	5,202	4,580
Wood pop account	2,489	(150)	354	1,985
Youth fest account	1,840	-	-	1,840
KC scholarship account	37	-	-	37
KC staff account	202	4,022	1,782	2,442
<b>Total</b>	<b>\$ 98,321</b>	<b>\$ 107,435</b>	<b>\$ 121,300</b>	<b>\$ 84,456</b>



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

# **Statistical Section**



## Davenport Community School District

### Statistical Section Contents

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The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information says 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.	58 - 68
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax.	69 - 74
<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.	75 - 79
<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.	80 - 90
<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.	91 - 99

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

## Davenport Community School District

### Net Position by Component

#### Last Ten Fiscal Years\*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
Governmental activities:				
Net investment in capital assets	\$ 145,139,593	\$ 142,713,992	\$ 133,596,413	\$ 122,855,936
Restricted	30,754,572	22,439,084	22,083,566	23,789,830
Unrestricted	49,317,951	40,495,698	31,528,694	21,634,801
<b>Total governmental activities net position</b>	<b>\$ 225,212,116</b>	<b>\$ 205,648,774</b>	<b>\$ 187,208,673</b>	<b>\$ 168,280,567</b>
Business-type activities:				
Net investment in capital assets	\$ 358,765	\$ 423,492	\$ 510,223	\$ 610,226
Restricted	-	-	-	-
Unrestricted	2,758,445	2,839,445	2,388,782	1,480,466
<b>Total business-type activities net position</b>	<b>\$ 3,117,210</b>	<b>\$ 3,262,937</b>	<b>\$ 2,899,005</b>	<b>\$ 2,090,692</b>
Primary government:				
Net investment in capital assets	\$ 145,498,358	\$ 143,137,484	\$ 134,106,636	\$ 123,466,162
Restricted	30,754,572	22,439,084	22,083,566	23,789,830
Unrestricted	52,076,396	43,335,143	33,917,476	23,115,267
<b>Total primary government net position</b>	<b>\$ 228,329,326</b>	<b>\$ 208,911,711</b>	<b>\$ 190,107,678</b>	<b>\$ 170,371,259</b>

Source: District financial records



Fiscal Year											
2009		2008		2007		2006		2005		2004	
\$	114,430,225	\$	104,909,566	\$	94,038,379	\$	85,255,475	\$	75,569,655	\$	60,388,078
	24,956,179		22,276,424		21,162,958		17,795,508		16,739,808		19,813,106
	15,470,549		12,630,676		8,126,005		2,862,552		91,109		(860,462)
\$	154,856,953	\$	139,816,666	\$	123,327,342	\$	105,913,535	\$	92,400,572	\$	79,340,722
\$	624,336	\$	732,858	\$	919,518	\$	995,006	\$	756,996	\$	803,504
	-		-		-		-		-		-
	477,059		(315,743)		(340,514)		(208,308)		525,990		574,393
\$	1,101,395	\$	417,115	\$	579,004	\$	786,698	\$	1,282,986	\$	1,377,897
\$	115,054,561	\$	105,642,424	\$	94,957,897	\$	86,250,481	\$	76,326,651	\$	61,191,582
	24,956,179		22,276,424		21,162,958		17,795,508		16,739,808		19,813,106
	15,947,608		12,314,933		7,785,491		2,654,244		617,099		(286,069)
\$	155,958,348	\$	140,233,781	\$	123,906,346	\$	106,700,233	\$	93,683,558	\$	80,718,619

## Davenport Community School District

### Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years\*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
Expenses:				
Governmental activities:				
Instruction	\$ 120,970,114	\$ 122,607,165	\$ 123,435,023	\$ 115,220,844
Student support services	5,607,181	1,997,273	3,266,982	3,596,004
Instructional staff support services	6,550,882	7,038,613	6,142,636	6,100,992
General administration	3,774,487	1,958,785	1,813,010	1,871,580
Building administration	9,200,600	11,866,688	9,950,584	9,870,846
Business administration	4,693,532	4,135,698	3,822,055	3,692,544
Plant operation and maintenance	13,549,183	15,002,820	14,052,852	14,209,020
Student transportation	5,061,706	5,260,931	5,027,504	4,588,851
Area Education Agency	6,218,691	6,113,725	6,637,326	6,505,439
Other expenses	534,745	589,778	505,551	440,988
Interest on long-term debt	-	-	-	800
<b>Total governmental activities expenses</b>	<b>176,161,121</b>	<b>176,571,476</b>	<b>174,653,523</b>	<b>166,097,908</b>
Business-type activities:				
Food service	8,240,850	8,128,218	7,538,582	7,235,067
Out of School Program	978,362	686,491	-	-
Day care	-	-	-	-
<b>Total business-type activities expenses</b>	<b>9,219,212</b>	<b>8,814,709</b>	<b>7,538,582</b>	<b>7,235,067</b>
<b>Total primary government expenses</b>	<b>\$ 185,380,333</b>	<b>\$ 185,386,185</b>	<b>\$ 182,192,105</b>	<b>\$ 173,332,975</b>
Program revenues:				
Governmental activities:				
Charges for services, instruction	\$ 3,938,685	\$ 3,389,471	\$ 6,816,358	\$ 7,004,271
Charges for services, student transportation	7,175	-	-	-
Operating grants and contributions	33,862,643	35,614,403	40,018,481	38,122,590
Capital grants and contributions	-	150,000	149,825	150,000
<b>Total governmental revenues</b>	<b>37,808,503</b>	<b>39,153,874</b>	<b>46,984,664</b>	<b>45,276,861</b>
Business-type activities:				
Charges for services:				
Food services	1,994,136	2,288,652	2,367,038	2,474,381
Out of School Program	747,704	821,163	-	-
Day Care	-	-	-	-
Operating grants and contributions	6,329,637	6,041,999	5,967,490	5,638,183
<b>Total business-type revenues</b>	<b>9,071,477</b>	<b>9,151,814</b>	<b>8,334,528</b>	<b>8,112,564</b>
<b>Total primary government revenues</b>	<b>46,879,980</b>	<b>48,305,688</b>	<b>55,319,192</b>	<b>53,389,425</b>
Net (expense) revenue:				
Governmental activities	\$ (138,352,618)	\$ (137,417,602)	\$ (127,668,859)	\$ (120,821,047)
Business-type activities	(147,735)	337,105	795,946	877,497
<b>Total primary government net expense</b>	<b>\$ (138,500,353)</b>	<b>\$ (137,080,497)</b>	<b>\$ (126,872,913)</b>	<b>\$ (119,943,550)</b>

Source: District financial records

Fiscal Year											
2009		2008		2007		2006		2005		2004	
\$	116,034,206	\$	113,522,124	\$	106,527,884	\$	103,265,247	\$	103,464,881	\$	96,345,329
	4,022,805		4,003,009		5,506,239		4,332,402		3,528,044		3,626,534
	5,082,850		5,139,836		4,227,603		3,756,106		3,071,271		2,940,963
	1,877,261		1,949,544		3,181,869		2,696,173		2,490,873		2,535,403
	9,439,032		8,754,199		8,179,463		8,874,500		8,380,875		8,125,994
	4,454,131		4,550,916		3,325,183		3,075,192		2,886,051		1,060,832
	15,221,426		14,157,556		12,249,743		11,931,445		10,912,469		10,316,051
	4,623,723		4,047,272		3,762,589		3,256,495		2,931,059		3,754,103
	5,852,203		5,662,264		5,422,638		5,069,948		4,899,580		4,911,280
	278,949		220,927		-		108,871		93,996		1,887,330
	343,315		667,645		971,828		1,253,072		1,520,560		1,771,719
	167,229,901		162,675,292		153,355,039		147,619,451		144,179,659		137,275,538
	7,145,508		7,392,708		6,942,428		6,774,334		6,734,989		6,329,378
	-		-		-		-		-		-
	24,895		345,411		349,860		276,428		310,842		353,194
	7,170,403		7,738,119		7,292,288		7,050,762		7,045,831		6,682,572
\$	174,400,304	\$	170,413,411	\$	160,647,327	\$	154,670,213	\$	151,225,490	\$	143,958,110
\$	5,612,778	\$	5,629,822	\$	4,781,066	\$	3,718,848	\$	3,109,533	\$	3,959,144
	-		-		-		-		-		-
	33,228,717		29,110,981		24,009,203		22,019,691		22,204,449		20,235,392
	203,189		13,088		162,112		232,035		506,426		310,070
	39,044,684		34,753,891		28,952,381		25,970,574		25,820,408		24,504,606
	2,727,373		2,597,998		2,436,442		2,501,019		2,478,444		2,322,193
	-		-		-		-		-		-
	17,155		216,982		338,519		226,833		295,403		306,694
	5,108,946		4,761,250		4,309,633		3,816,447		4,158,185		3,974,182
	7,853,474		7,576,230		7,084,594		6,544,299		6,932,032		6,603,069
	46,898,158		42,330,121		36,036,975		32,514,873		32,752,440		31,107,675
\$	(128,185,217)	\$	(127,921,401)	\$	(124,402,658)	\$	(121,648,877)	\$	(118,359,251)	\$	(112,770,932)
	683,071		(161,889)		(207,694)		(506,463)		(113,799)		(79,503)
\$	(127,502,146)	\$	(128,083,290)	\$	(124,610,352)	\$	(122,155,340)	\$	(118,473,050)	\$	(112,850,435)

## Davenport Community School District

### General Revenues and Total Change in Net Position

#### Last Ten Fiscal Years\*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
Net (expense) revenue:				
Governmental activities	\$ (138,352,618)	\$ (137,417,592)	\$ (127,668,859)	\$ (120,821,047)
Business-type activities	(147,735)	337,105	795,946	877,497
<b>Total primary government net expense</b>	<b>(138,500,353)</b>	<b>(137,080,487)</b>	<b>(126,872,913)</b>	<b>(119,943,550)</b>
General revenues and other changes in net assets:				
Governmental activities:				
Property taxes	64,942,943	63,510,538	61,114,524	60,062,506
Utility tax	2,717,545	2,731,927	2,594,463	2,713,155
Local option sales tax	14,110,961	13,613,991	12,832,292	11,711,344
Unrestricted state aid and grants	75,791,773	75,498,841	69,280,863	58,634,847
Interest and investment earnings	165,646	472,846	628,504	533,535
Miscellaneous	186,829	33,945	146,319	35,681
Transfers	-	(4,393)	-	(104,619)
<b>Total governmental activities</b>	<b>157,915,697</b>	<b>155,857,695</b>	<b>146,596,965</b>	<b>133,586,450</b>
Business-type activities:				
Interest and investment earnings	1,758	13,894	12,067	6,781
Other	250	8,540	300	400
Transfers	-	4,393	-	104,619
<b>Total business type activities</b>	<b>2,008</b>	<b>26,827</b>	<b>12,367</b>	<b>111,800</b>
<b>Total primary government</b>	<b>157,917,705</b>	<b>155,884,522</b>	<b>146,609,332</b>	<b>133,698,250</b>
Change in net position:				
Governmental activities	19,563,079	18,440,103	18,928,106	12,765,403
Business-type activities	(145,727)	363,932	808,313	989,297
<b>Total primary government</b>	<b>\$ 19,417,352</b>	<b>\$ 18,804,035</b>	<b>\$ 19,736,419</b>	<b>\$ 13,754,700</b>

Source: District financial records

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ (128,185,217)	\$ (127,921,401)	\$ (124,402,658)	\$ (121,648,877)	\$ (118,359,251)	\$ (112,770,932)
683,071	(161,889)	(207,694)	(506,463)	(113,799)	(79,503)
(127,502,146)	(128,083,290)	(124,610,352)	(122,155,340)	(118,473,050)	(112,850,435)
58,499,226	56,080,120	57,104,269	54,862,698	53,095,883	51,609,343
2,680,964	2,615,919	-	-	-	-
14,495,378	15,411,214	14,879,136	13,902,861	13,647,672	13,512,282
66,533,410	68,452,968	67,397,428	63,441,500	62,293,142	60,904,421
979,404	1,624,652	1,963,695	1,109,542	360,682	254,285
37,122	225,852	471,937	1,845,239	1,233,770	917,683
-	-	-	-	-	-
143,225,504	144,410,725	141,816,465	135,161,840	130,631,149	127,198,014
1,209	-	1	10,175	6,840	5,165
-	-	-	-	-	-
-	-	-	-	-	-
1,209	-	1	10,175	6,840	5,165
143,226,713	144,410,725	141,816,466	135,172,015	130,637,989	127,203,179
15,040,287	16,489,324	17,413,807	13,512,963	12,271,898	14,427,082
684,280	(161,889)	(207,693)	(496,288)	(106,959)	(74,338)
\$ 15,724,567	\$ 16,327,435	\$ 17,206,114	\$ 13,016,675	\$ 12,164,939	\$ 14,352,744

## Davenport Community School District

### Fund Balances, Governmental Funds

#### Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
General Fund:				
Nonspendable	\$ 254,798	\$ 374,294	\$ 400,233	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	20,920,870	15,338,624	11,010,775	-
Reserved	-	-	-	752,109
Unreserved	-	-	-	9,259,384
<b>Total General Fund</b>	<b>\$ 21,175,668</b>	<b>\$ 15,712,918</b>	<b>\$ 11,411,008</b>	<b>\$ 10,011,493</b>
All other governmental funds:				
Nonspendable	11,898		\$ -	\$ -
Restricted	33,257,291	24,702,394	23,095,794	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	-	-	-	2,678,604
Unreserved, reported in:				
Capital projects funds	-	-	-	12,758,303
Special revenue funds	-	-	-	8,352,923
<b>Total all other governmental funds</b>	<b>\$ 33,269,189</b>	<b>\$ 24,702,394</b>	<b>\$ 23,095,794</b>	<b>\$ 23,789,830</b>

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented in fiscal year 2011.

Source: District financial records

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
598,299	755,430	1,045,409	1,158,326	1,441,457	516,982
12,746,539	9,485,605	6,977,264	3,044,321	794,920	200,274
\$ 13,344,838	\$ 10,241,035	\$ 8,022,673	\$ 4,202,647	\$ 2,236,377	\$ 717,256
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,487,328	14,541,398	18,667,369	15,968,444	15,339,931	16,891,494
1,729,864	1,888,725	(3,119,646)	(2,879,516)	(3,494,174)	(92,799)
7,738,987	5,846,301	5,615,235	4,706,580	4,078,240	3,014,411
\$ 24,956,179	\$ 22,276,424	\$ 21,162,958	\$ 17,795,508	\$ 15,923,997	\$ 19,813,106

# Davenport Community School District

## Changes in Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
Revenues:				
Property taxes	\$ 65,068,981	\$ 63,342,557	\$ 61,097,510	\$ 59,978,454
Utility tax	2,717,545	2,731,926	2,594,463	2,713,155
Local options sales tax, pledged as security for revenue bonds	14,009,961	13,613,991	12,832,292	11,711,344
Intergovernmental	107,161,891	107,727,555	107,523,909	95,281,065
Charges for services	2,996,858	3,389,471	4,330,427	3,957,803
Interest	165,646	472,846	628,504	533,535
Contributions and donations	652,378	833,320	681,584	415,120
Other	2,353,270	1,929,353	2,321,967	2,616,574
<b>Total revenues</b>	<b>195,126,530</b>	<b>194,041,019</b>	<b>192,010,656</b>	<b>177,207,050</b>
Expenditures:				
Instruction	115,417,601	117,168,124	121,991,035	114,024,980
Student support services	6,589,764	3,264,883	4,906,654	5,456,799
Instructional staff support services	6,541,656	6,988,659	6,142,636	6,077,840
General administration	3,759,798	1,944,096	1,798,321	1,856,891
Building administration	9,196,821	11,688,893	9,945,284	9,785,027
Business administration	4,591,156	4,053,141	3,740,036	3,582,860
Plant operations and maintenance	13,463,488	14,897,537	13,987,436	14,111,490
Student transportation	5,054,428	5,253,653	5,020,226	4,581,573
Other support services	530,984	585,125	505,551	419,790
Area Education Agency	6,218,691	6,113,725	6,637,326	6,505,439
Capital outlay	9,419,048	16,170,280	16,473,095	6,761,531
Capital outlay, not capitalized	313,550	-	157,577	1,306,247
Debt service:				
Principal	-	-	-	6,960,000
Interest	-	-	-	171,658
<b>Total expenditures</b>	<b>181,096,985</b>	<b>188,128,116</b>	<b>191,305,177</b>	<b>181,602,125</b>
<b>Excess of revenues over (under) expenditures</b>	<b>14,029,545</b>	<b>5,912,903</b>	<b>705,479</b>	<b>(4,395,075)</b>
Other financing sources (uses):				
Proceeds from sale of bonds				
Transfers in	3,945	5,399	506,648	7,135,367
Transfers (out)	(3,945)	(9,792)	(506,648)	(7,239,986)
<b>Total other financing sources</b>	<b>-</b>	<b>(4,393)</b>	<b>-</b>	<b>(104,619)</b>
Special item, proceeds from sale of school property	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 14,029,545</b>	<b>\$ 5,908,510</b>	<b>\$ 705,479</b>	<b>\$ (4,499,694)</b>
Debt service as a percentage of noncapital expenditures	0.000%	0.000%	0.000%	4.080%

Source: District financial records



Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 58,463,767	\$ 55,945,162	\$ 57,156,980	\$ 55,266,406	\$ 53,186,303	\$ 51,311,490
2,680,964	2,615,919	-	-	-	-
14,495,378	15,411,214	14,879,136	13,902,861	13,647,672	13,512,282
98,185,617	94,308,745	88,515,128	85,212,452	82,655,338	80,354,110
4,256,788	3,876,643	2,290,106	3,593,277	3,373,607	2,455,095
979,404	1,624,652	1,963,695	1,109,542	360,682	254,285
681,578	191,841	281,982	182,115	32,565	186,426
2,632,264	1,802,332	4,263,978	3,173,343	2,737,790	2,260,809
182,375,760	175,776,508	169,351,005	162,439,996	155,993,957	150,334,497
111,037,438	107,820,164	101,570,521	100,396,929	99,487,411	93,949,560
4,329,266	3,819,850	5,711,135	4,332,402	3,528,044	3,626,534
5,082,850	5,134,015	4,226,468	3,744,654	3,047,147	2,926,648
1,862,572	1,934,856	3,167,180	2,681,482	2,477,019	2,521,966
9,432,227	8,754,199	8,179,463	8,868,370	8,376,064	8,121,070
4,447,595	4,543,863	3,322,681	3,073,582	2,884,968	1,060,832
15,057,211	13,949,803	12,217,681	10,123,119	10,524,740	9,393,391
4,616,445	4,039,994	3,755,311	3,249,217	2,923,775	3,746,825
272,685	217,087	-	108,871	93,996	1,886,247
5,852,203	5,662,264	5,422,638	5,069,948	4,899,580	4,911,280
7,441,230	9,383,063	7,370,945	9,731,725	13,684,961	10,425,907
-	-	12,056	-	-	-
6,655,000	6,370,000	6,095,000	5,835,000	5,590,000	5,230,000
505,480	819,736	1,112,450	1,386,916	1,646,240	1,885,142
176,592,202	172,448,894	162,163,529	158,602,215	159,163,945	149,685,402
5,783,558	3,327,614	7,187,476	3,837,781	(3,169,988)	649,095
-	-	-	-	-	-
7,166,975	7,212,630	7,228,437	7,228,879	7,242,344	898,226
(7,166,975)	(7,212,630)	(7,228,437)	(7,228,879)	(7,242,344)	(898,226)
-	-	-	-	-	-
-	4,214	1	-	-	162,889
\$ 5,783,558	\$ 3,331,828	\$ 7,187,477	\$ 3,837,781	\$ (3,169,988)	\$ 811,984
4.251%	4.409%	4.656%	5.098%	5.234%	5.384%

**Davenport Community School District**

**Assessed Value and Actual Value of Taxable Property**

**Last Ten Fiscal Years**

**(Unaudited)**

Levy Year	Collection Year	Real Property		Railroads and Utilities without Gas and Electric	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2011	2012-13	3,863,743,319	6,031,459,163	77,614,095	77,614,095
2010	2011-12	3,655,848,531	5,864,886,919	74,854,621	74,854,621
2009	2010-11	3,505,901,299	5,734,964,644	74,454,695	74,454,695
2008	2009-10	3,449,040,935	5,673,979,209	70,826,025	70,826,025
2007	2008-09	3,349,890,912	5,608,825,247	69,879,316	69,889,389
2006	2007-08	3,201,172,684	5,250,133,365	67,374,978	67,374,978
2005	2006-07	3,123,502,576	5,072,939,763	68,248,717	68,264,032
2004	2005-06	2,998,904,601	4,741,587,400	75,780,138	75,780,138
2003	2004-05	2,890,237,957	4,494,038,163	74,491,439	74,499,079
2002	2003-04	2,764,623,569	4,126,639,773	76,202,520	76,949,803

*Source: Iowa Department of Management*

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Gas and Electric		TOTAL		
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Total Direct Rate
159,247,006	239,398,708	4,100,604,420	6,348,471,966	17.04996
161,125,636	233,595,662	3,891,828,788	6,173,337,202	17.05061
152,167,149	226,918,464	3,732,523,143	6,036,337,803	17.11276
161,620,628	220,731,443	3,681,487,588	5,965,536,677	17.09334
159,783,923	195,094,477	3,579,554,151	5,873,809,113	17.09414
156,936,258	205,802,131	3,425,483,920	5,523,310,474	17.10576
158,143,525	187,341,658	3,349,894,818	5,328,545,453	17.10760
157,462,369	173,339,762	3,232,147,108	4,990,707,300	17.09027
167,964,938	165,032,392	3,132,694,334	4,733,569,634	17.08691
151,428,805	151,428,805	2,992,254,894	4,355,018,381	17.07873

**Davenport Community School District**

**Direct and Overlapping Property Tax Rates**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year Ended	General Purposes	District Direct Rates		Total	Scott County
		Capital Purposes	Debt Service Purposes		
2013	15.74996	1.30000	-	17.04996	6.30156
2012	15.75061	1.30000	-	17.05061	6.03776
2011	15.81276	1.30000	-	17.11276	6.37607
2010	15.79334	1.30000	-	17.09334	5.47607
2009	15.79414	1.30000	-	17.09414	5.33791
2008	15.80576	1.30000	-	17.10576	5.54040
2007	15.80760	1.30000	-	17.10760	5.11060
2006	15.79027	1.30000	-	17.09027	5.56513
2005	15.78691	1.30000	-	17.08691	4.75497
2004	15.77873	1.30000	-	17.07873	4.80887

Source: Scott County Auditor's Office

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Overlapping Rates		
City of Davenport	Area IX Community College	Other
16.78000	0.91511	0.38355
15.53000	1.01724	0.32062
15.53000	0.92444	0.30838
15.58000	0.87714	0.32634
15.57584	0.60635	0.34572
15.57515	0.60785	0.38043
15.56702	0.61277	0.30072
15.24000	0.59269	0.33018
15.24000	0.59216	0.34587
14.96445	0.61738	0.38242

## Davenport Community School District

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

Taxpayer	2012				2003		
	Taxable Value	Taxes	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy	\$153,716,563	6,478,252	<b>1</b>	4.20%	\$157,647,903	1	5.70%
SDG Macerich Properties	\$58,460,300	2,422,024	<b>2</b>	1.60%	63,750,309	2	2.31%
Iowa American Water Company	\$45,130,230	1,878,694	<b>3</b>	1.23%			1.53%
Qwest	\$21,046,339	809,330	<b>4</b>	0.58%	22,472,514	4	0.81%
LaFarge Corporation	\$20,674,570	689,596	<b>5</b>	0.57%	21,318,729	6	0.77%
THF Davenport North Development	\$18,465,500	846,084	6	0.51%			
Hotel Blackhawk LLC	\$17,974,000	843,522	<b>7</b>	0.49%			
Iowa 80 Truckstop Inc.	\$16,845,950	583,436	<b>8</b>	0.46%			
Wal-Mart Real Estate	\$14,296,300	592,452	<b>9</b>	0.39%			
Telecommunications 1031 Venture	\$14,062,000	582,595	<b>10</b>	0.38%			
Genesis Health System					12,724,858	9	0.46%
Quanex Corporation					19,169,991	5	0.69%
Davenport Water Co.					41,082,972	3	1.49%
Oscar Mayer Foods Corp					12,208,160	10	0.44%
Bradley Operating LTD Partnership					14,707,557	7	0.53%
Davenport Center LTD Partnership					12,987,291	8	0.47%
<b>Total</b>	<b>\$380,671,752</b>			<b>10.41%</b>	<b>\$378,070,284</b>		<b>15.20%</b>

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	Total Collections to Date	
		Amount	Percentage of Total Tax Collections		Amount	Percentage of Levy
2012-13	\$ 68,088,678	\$ 67,911,950	99.74%	\$ 165,430	\$ 68,077,380	0.24%
2011-12	64,012,011	\$ 66,147,985	1.03	191,731	66,339,716	0.30
2010-11	63,070,307	63,451,778	99.12	108,783	63,560,561	0.17
2009-10	59,561,478	62,598,461	99.25	195,661	62,794,122	0.31
2008-09	58,718,818	59,080,460	99.19	86,361	59,166,821	0.15
2007-08	57,772,619	56,528,792	96.27	142,393	56,671,185	0.24
2006-07	55,684,269	55,301,375	95.72	169,861	55,471,236	0.29
2005-06	53,979,612	55,393,625	99.48	81,646	55,475,271	0.15
2004-05	48,626,737	53,271,950	98.69	173,385	53,445,335	0.32
2003-04	47,174,096	48,578,772	99.90	47,965	48,626,737	0.10

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

## Davenport Community School District

### Outstanding Debt by Type

#### Last Ten Fiscal Years

*(dollars in thousands, except per capita)*

**(Unaudited)**

Fiscal Year	Governmental Activities	Percentage of Personal Income	Per Capita
	Revenue Sales Bonds		
2013	-	-	-
2012	-	-	-
2011	-	-	-
2010	-	-	-
2009	6,960,000	0.11	42.78
2008	13,615,000	0.23	83.69
2007	19,985,000	0.35	122.89
2006	26,080,000	0.49	162.87
2005	31,915,000	0.64	200.22
2004	37,505,000	0.77	235.77

Source: District financial records



## Davenport Community School District

### Direct and Overlapping Governmental Activities Debt

As of June 30, 2013

(dollars in thousands)

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 14,080,000	100.00%	\$ 14,080,000
Eastern Iowa Community College	64,240,000	59.70%	38,351,280
City of Blue Grass	2,386,697	100.00%	2,386,697
City of Buffalo	155,000	100.00%	155,000
City of Davenport	205,045,000	100.00%	205,045,000
City of Walcott	1,495,000	100.00%	1,495,000
City of Durant	1,935,000	3.38%	65,403
<b>Subtotal, overlapping debt</b>			<b>261,578,380</b>
District direct debt			-
<b>Total direct and overlapping debt</b>			<b>\$ 261,578,380</b>

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

**Note:** 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 within the District's boundaries. 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. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

## Davenport Community School District

### Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2013				
Assessed value				\$ 3,984,637,308
Debt limit (5% of assessed value)				\$ 199,231,865
Debt applicable to limit				-
Legal debt margin				\$ 199,231,865
	2013	2012	2011	2010
Debt limit	\$ 199,231,865	\$ 194,594,439	\$ 194,271,258	\$ 186,223,489
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 199,231,865	\$ 194,594,439	\$ 194,271,258	\$ 186,223,489
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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2009		2008		2007		2006		2005		2004	
\$	184,074,379	\$	178,977,708	\$	171,274,196	\$	167,494,741	\$	156,634,717	\$	149,612,745
	6,960,000		13,615,000		19,985,000		26,080,000		31,915,000		37,505,000
\$	177,114,379	\$	165,362,708	\$	151,289,196	\$	141,414,741	\$	124,719,717	\$	112,107,745
	3.78%		7.61%		11.67%		15.57%		20.38%		25.07%

**Davenport Community School District**

**Pledged-Revenue Coverage**

**Last Ten Fiscal Years**

**(dollars in thousands)**

**(Unaudited)**

Fiscal Year	Local Option Sales Tax Revenue Bonds			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2103	14,110,961	-	-	-
2012	13,693,974	-	-	-
2011	12,832,292	-	-	-
2010	11,711,344	6,960,000	171,658	1.64
2009	14,495,378	6,655,000	503,880	2.03
2008	15,411,214	6,370,000	818,136	2.14
2007	14,879,136	6,095,000	1,112,450	2.06
2006	14,157,960	5,835,000	1,385,916	1.96
2005	14,099,821	5,590,000	1,644,840	1.95
2004	13,798,885	5,230,000	1,884,242	1.94

Source: District financial records



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

## Davenport Community School District

### Demographic and Economic Statistics

#### Last Ten Years

(Unaudited)

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Calendar Year	Population	Personal Income (000's )	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	N/A	N/A	N/A	N/A	15,440	N/A
2012	168,799	7,748,606	46,372	37.0	15,661	6.70
2011	165,759	7,272,593	43,874	37.7	15,501	6.60
2010	165,224	6,931,699	41,594	37.7	15,429	6.90
2009	166,650	6,569,772	39,953	35.4	15,422	7.50
2008	164,690	6,261,177	37,402	38.0	15,461	6.70
2007	162,687	5,975,000	36,950	37.9	15,735	3.80
2006	162,621	5,694,662	35,018	37.4	15,925	3.40
2005	160,125	5,292,804	33,054	36.6	16,056	5.00
2004	159,399	4,959,726	31,115	36.2	16,139	4.70

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

Source: Bureau of Economic Analysis, U.S. Census Bureau (via Bi-State Regional Commission)

N/A: Not Available

## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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#### **The ABCs about Davenport Community Schools ...**

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

**ACT (American College Testing) Entrance Exam:** Average composite scores consistently above national norms among District's college-bound high school students.

**Available Resources:** \$243,906,808 in 2012-13

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

#### **Collaboration with Community Leaders and Agency Partners**

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

#### **Curriculum Basics:**

##### **Elementary (Kindergarten through Fifth Grade)**

- Fine arts, health and safety, language arts, mathematics, physical education, reading, science and social studies
- Special Features:
  - Preschool opportunities
  - Emphasis on reading proficiency in primary grades
  - Balanced Literacy approach
  - Special, visiting artists programs
  - Vocal music performance opportunities
  - Instrumental music program beginning in 4<sup>th</sup> grade
  - Departmental instruction in 4<sup>th</sup> and 5<sup>th</sup> grade in art, mathematics, music, physical education, science and social studies
  - Special education programming
  - Talented and gifted programming
  - State of the art library media centers – the first library media centers in elementary schools in Iowa and west of the Mississippi River

##### **Intermediate (Sixth through Eighth Grade)**

- Grade 6 - same as elementary
- Grades 7 and 8:
  - Required Areas: health, language arts, mathematics, physical education, science and social studies

## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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- Elective Areas: art, business education, computer education, foreign languages, family and consumer science, industrial technology, music and reading
- Special Features:
  - Individual school-based middle school programming
  - Writing across the curriculum
  - Multiple-year sequence in French and Spanish
  - School to Work programming
  - Individual student lessons in instrumental music
  - Special education programming
  - Talented and gifted programming
  - State of the art library media centers

#### **Senior High (Ninth through Twelfth Grade)**

- Required Course Areas: seven semesters of language arts, four semesters of mathematics, eight semesters of physical education, four semesters of science and six semesters of social studies
- Elective Courses: art, business education, driver education, foreign language, health, family and consumer science, humanities, industrial technology, music, journalism, drama, public speaking, and vocational education
- Special Features:
  - Options within required course areas
  - All high schools have Talented And Gifted teachers who support the unique learning needs of our gifted students. No other district in the area has this strong of a TAG program presence.
  - Over forty advanced placement and dual credit college courses are offered at our high schools
  - High quality fine arts, extracurricular and athletic programs
  - Nationally-recognized "Project Lead the Way" engineering program
  - Award-winning ProStart culinary arts program
  - Junior ROTC programs, numerous school and community clubs, and service learning opportunities
  - Options within required course areas
  - Foreign language offerings in French, Spanish, German, and some Latin & Greek
  - School-to-Work programming
  - Special education programming
  - State-of-the-art library media centers

#### **Employee and District Top Awards:**

Congratulations to North High School's Laura McCreery – 2 time winner of the Iowa Biology Teacher of the Year!!

Jenee Cross, Central High School ProStart Culinary program teacher, was named 2012 ProStart Teacher of the Year by the Iowa Restaurant Association.



## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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Jodi Zimmerman has been selected as Scott County Soil and Water Conservation District's 2013 Conservation Teacher of the Year Award. Zimmerman, a West high School Social Studies teacher, was chosen for her work in educating students about the challenges people face today trying to live in harmony with other species.

Central High Basketball Coach Craig Wurdinger celebrated his 300th career victory this year, and was recognized for the accomplishment on March 9th at the half-time program during the Iowa State Boys Basketball Consolation Game.

Over his twenty-year career Coach Wurdinger has guided six teams to state, and was named the State Coach of the Year in 2008

Blue Grass Elementary teacher Sarah Graham has been selected to receive Artsonia's Annual Leadership Award, an honor extended to teachers from only ten schools per state across the United States. The Artsonia Leadership Award honors teachers who go beyond the classroom walls to encourage family and community involvement in Arts Education. The award also recognizes significant achievement in the area of technology integration within the school arts program. Artsonia showcases over sixteen million pieces of artwork from thousands of schools, but thanks to Sarah Graham's efforts, Blue Grass Elementary's online art gallery ranked #1 in the state of Iowa and #64 in the nation this year.

#### **Facilities:**

Early Childhood Learning Centers-2

Elementary (some with preschool, all with kindergarten through fifth grade) - 19

Intermediate (sixth through eighth grade) - 6

Senior High (ninth through 12<sup>th</sup> grade) - 3

Alternative Education (high school) - 1

Athletic Stadium - 1

Operations Center - 1

Administration Services Center - 1

#### **Facility Maintenance:**

- ✓ Recognized as environmental leader receiving Governor's Iowa Environmental Excellence Award, Iowa Recycling Award, and the U.S. Environmental Protection Agency ENERGY STAR Partner of the Year
- ✓ Facilities upgrades of nearly \$130 million over the past 12 years, earning the Association of School Business Officials International Facilities Masters Award
- ✓ To keep the district on the leading edge of innovations, 12 schools so far have been configured with geothermal systems which are environmentally friendly, and the savings from the geothermal units will pay for themselves. Two additional buildings will be converted to geothermal systems as their air conditioning is replaced.

#### **Food Service:**

- ✓ Innovative and award-winning breakfast and lunch programs provided in all schools.
- ✓ Free and Reduced students-
  - ✓ 55% Free
  - ✓ 7% Reduced

## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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- ✓ Highly trained nutrition experts serve every building in the school district. Each day nearly 20,000 meals are served to students in over 30 locations.
- ✓ Summer meal sites across the community serve an additional 35,000 meals annually.

### **Guidelines for Elementary Class Sizes:**

- ✓ Kindergarten through first grade – 20 students
- ✓ Second grade – 21 students
- ✓ Third grade – 22 students
- ✓ Fourth through fifth grade – 26 students

### **Some of our outstanding alumni...**

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

### **Parents as our Partners**

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

### **Professional Employees' Credentials:**

Bachelors' Degrees – 100%

Masters' Degrees – 51.71%

Specialist or Doctorate Degrees – 1.5%

### **Program & School Top Awards**

- ✓ Iowa FINE – First in the Nation in Education – Awards
- ✓ U.S. Department of Education Blue Ribbon Award
- ✓ Iowa Diversity Award
- ✓ American Association of School Administrators Leadership for Learning Award

## Davenport Community School District

### Demographic and Miscellaneous Statistics (Continued)

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- ✓ American School Board Journal Magna Award
- ✓ American Red Cross National School and Community Award for Youth in Health and Safety
- ✓ Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and Association of School Business Officials
- ✓ National Association of Partners in Education Outstanding Partner Awards
- ✓ National School Public Relations Association Communications Awards
- ✓ U.S. Environmental Protection Agency Green Lights School System Partner of the Year

### Safe and Supportive Schools

- ✓ Comprehensive Guidance Program with school counselors accredited by the American School Counselors Association and the Military Child Education Coalition
- ✓ Olweus Bullying Prevention Program integration in all schools
- ✓ Specialized Dropout Prevention & Learning Supports staff
- ✓ Outreach and collaboration among emergency responders, civic leaders, and neighborhood groups to ensure safety and security in school facilities and on school grounds

### Skills for Life Initiative

The Skills for Life initiative, created for students in the Davenport district, helps ensure a productive learning environment that is absent of threat. In 1998, all elementary schools began including seven Skills for Life throughout their curriculum. Intermediate schools added eight additional skills and high schools added three more skills for a total of 18 Skills for Life.

#### The 18 Skills for Life Are:

*Starting at the elementary level –*

- **Caring** – to feel and show concern for others
- **Common sense** – to use good judgment
- **Effort** – to do one's best
- **Initiative** – to do something, not necessarily for reward, but because it needs to be done
- **Perseverance** – to keep at something until one succeeds
- **Responsibility** – to take action when needed and be accountable for one's actions
- **Teamwork** – to work together to achieve a goal for the benefit of all concerned

*Added at the intermediate school level –*

- **Curiosity** – to demonstrate a desire to investigate and seek understanding of one's world
- **Flexibility** – to be willing to alter plans when necessary
- **Friendship** – to make and keep a friend through mutual trust and caring
- **Integrity** – to act according to a sense of what is right and wrong
- **Organization** – to plan, arrange, and implement in an orderly way so things are ready to use
- **Patience** – to wait calmly for someone or something
- **Problem Solving** – to create solutions in difficult situations and everyday problems
- **Sense of Humor** – to laugh and be playful without harming others

*Added at the high school level –*

- **Courage** – to act according to one's beliefs despite fear of adverse consequences

## Davenport Community School District

### Demographic and Miscellaneous Statistics (Continued)

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- **Pride** – to gain satisfaction from doing one's personal best
- **Resourcefulness** – to respond to challenges and opportunities in innovative and creative ways

#### Student Top Awards (Just A Few!):

West High Senior Tracy Vo received the highly prestigious Gates Millennium Scholarship award, which will pay for her entire undergraduate degree. Each year only 1,000 Gates scholars are selected nationwide, and Tracy is the only recipient in the entire state of Iowa.

Central High School student Joshua Bryne has been named a Commended Student in the 2013 National Merit Scholarship Program. About 34,000 Commended Students throughout the nation are being recognized for their exceptional academic promise. Commended Students placed among the top five percent of more than 1.5 million students who entered the 2013 competition by taking the 2011 Preliminary SAT/National Merit Scholarship Qualifying Test.

Austin Wulf, Senior at North High, won the 2013 Katherine Bell-Tate Scholarship. Austin was awarded the scholarship based on his academic achievement, participation in extra-curricular activities, moral character, and other conditions considered by the Davenport Community Schools Selection Committee. Austin will attend Saginaw Valley State University this fall.

The North High School Boy's Bowling team won state, setting a new state record!! Senior Zach Fries took the individual state title, bowling a perfect 300 game in the process. Teammate Austin Wolfe was 3rd in the state and Austin LaMaack was 5th.

Zach Minch, a Central High senior and running back on the football team, received the Des Moines Register's Shining Star Award, and was honored at the Quad City Times 32nd Annual Salute to Sports. Zach rushed for a MAC Conference single-game record of 371 yards and four touchdowns (one for 80 yards). On October 12th, Zach brought his season-total rushing numbers up to 1803 yards, which broke the old MAC Conference record of 1788 yards.

Artworks of several Davenport Community Schools students were included in The Photographic Society of America's "Youth Photography Showcase." West High's Nathan Clark, as well as Central High's Angela Bartosch and Alexis Hamma, were accepted into this national contest by the Photographic Society of America. These students' artworks will be on display in the Print Room at the PSA Annual Conference held in South Portland, Maine from September 15-23, 2013.

Mickey Sloat, an 8th grade student at Williams Intermediate, recently competed at the national level of the National History Day competition at the University of Maryland, just outside Washington, DC. During her individual performance of "Game, Set, (Pay) Match; Playing for Equity in Women's Sports", Sloat portrayed several women's sports leaders, including Billie Jean King, Toni Stone, and Babe Didrikson Zaharias. This was Micky's third year participating in NHD and her second consecutive year competing at nationals.

Madison Elementary's Calvin Moulton and Eisenhower Elementary's Zeke Wynsma and Calvin Jantzi made it to the state finals of *Invent Iowa*. Calvin and Zeke's project won at the state level, earning the boys a \$500 scholarship to University of Iowa or Iowa State engineering department. Their project is a sealed toilet seat to keep bacteria from spreading. Calvin Jantzi invented "The One Trip"-a device that connects to garbage cans that holds recycling bins.

## Davenport Community School District

### Demographic and Miscellaneous Statistics (Continued)

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The Davenport Community Schools Army JROTC received the accolade of "Honor Unit with Distinction" - the highest rating possible - for the 5th consecutive year. This rating is given by The Higher Army Headquarters Agency.

Addie Ford, a seven-year-old Madison Elementary student competed in the National Team Championships for the NFL Punt, Pass & Kick competition November 24-25, 2012 in Chicago.

Two Davenport West High School students have been named national winners in the Quill and Scroll 2013 International Writing and Photo Contest. Tracy Vo, senior, won in the in-depth reporting individual category. Ali Martin, senior, won in the sports writing category. Tracy was a features editor and Ali was a sports editor for the Beak 'n' Eye school newspaper. The students received gold key badges from Quill and Scroll, an international honor society for high school journalists.

Brent Morales has accepted an Appointment to the United States Military Academy at WestPoint. Isaac Anderson has accepted a full 4 year ROTC scholarship to the University of Iowa. Both of these outstanding Army JROTC Cadets have excelled in high school and now are rewarded with these two prestigious recognitions.

#### Student Diversity:

Asian— 1.97%

Black – not Hispanic – 18.67%

Hispanic – 13.17%

Native American - .36%

Pacific Islander – .06%

White – 58.17%

Multi-Racial – 7.6%

#### Student Enrollment: 16,183

#### Student Teacher Ratio:

Elementary – 13 to 1

Secondary – 15 to 1

#### Teacher Data:

	Beginning Salary	Maximum Salary	Number of Teachers	Average Salary
Bachelors	\$ 29,670	\$ 48,955	359	\$ 35,639
Bachelors + 15 hours	31,153	50,439	212	42,980
Masters	34,120	60,823	334	49,741
Masters + 15 hours	35,604	62,307	117	54,155
Masters + 30 hours	37,087	63,790	149	57,892
Specialists Degree	38,571	65,274	18	57,672

Average teachers salary: \$50,265

## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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#### **Technology**

- ✓ High density wireless in all four high schools-capacity to serve 25 units in every classroom
- ✓ 400 Mg bandwidth to internet and 100 Mg bandwidth to each school
- ✓ Over 50 network servers servicing entire district
- ✓ Over 300 interactive Smart boards in classrooms
- ✓ Rollout of Gafe – Google Apps for Education
  - Almost 20,000 accounts created for students and staff members
  - Over 8500 groups broken by building and classes
- ✓ Distributed over 300 chrome books during 2012-13

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

Elementary School - 1.5 miles

Intermediate School- 2 miles

High School - 3 miles

#### **Twenty-five Great Things About Our Schools**

##### **"Enhance each student's abilities ... "**

1. Extensive academic programs with many choices for individual students
2. Among area's smallest class sizes: average of 21.1 students in elementaries
3. Preschool programs and all-day kindergarten
4. Skills for Life, a district wide character education initiative
5. Unique 1-on-1 instrumental instruction starting in elementary
6. World languages in 1- to 6-year sequences
7. Advanced placement courses and college credit courses in high school
8. Comprehensive athletic and other extracurricular programs

##### **"Provide a quality education"**

9. Trend-setting academic programs, based on research and developed by staff with district students in mind
10. Iowa FINE Award-winning schools and programs
11. Nationally-recognized focus on the importance of reading for overall student success
12. Student learning goals set for each grade and course
13. Student ACT (American College Testing) average scores above national norms
14. State of the art media center with new technology
15. Study tables for student athletes
16. Career planning in high school
17. Community Education Program for all ages

##### **"Enriched by our diverse community ... "**

18. Expanded learning opportunities through many community partnerships
19. Active parents, supporting academic activities through playground projects
20. Area's first Partners in Education Program for schools, businesses, and organizations
21. Innovative Great Minds Program, sponsored by Davenport Schools Foundation and community
22. Recent school building modernization, supported by local taxpayers

## **Davenport Community School District**

### **Demographic and Miscellaneous Statistics (Continued)**

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23. Highly recognized art and music programs and student publications, reflective of a strong community heritage
24. Nurturing classroom and school environments, featuring many "brain-friendly" characteristics in which student learning thrives
25. Appreciation for the value that student and staff ethnic diversity brings to a well-rounded learning experience



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results



## Davenport Community School District

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Rock Island Arsenal	8,500	1	4.65%	6,000	2	3.22%
John Deere & Company	7,300	2	4.00%	8,215	1	4.41%
Genesis Medical Center	4,900	3	2.68%	3,000	3	1.61%
Trinity Medical Center	2,900	4	1.59%	2,500	5	1.34%
Tyson Fresh Meats	2,400	5	1.31%			
ALCOA, Inc.	2,250	6	1.23%	2,513	4	1.35%
Davenport Schools	2,036	7	1.12%	2,093	7	1.12%
Kraft Foods (Oscar Mayer)	1,500	8	0.82%	1,635	8	0.88%
Xpac (Export Packaging, Inc.)	1,195	9	0.65%			
Isle of Capri	1,050	10	0.58%			
APAC Customer Service				1,200	9	0.64%
IBP				2,300	6	1.24%
Mid American Energy	-			1,200	10	0.64%
Total	<u>34,031</u>		18.64%	<u>30,656</u>		16.47%

Note: Information for Quad Cities metropolitan area. Information unavailable for Davenport District.

Source: Bi-State Regional Planning Commission and Scott County Iowa

## Davenport Community School District

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

	2013	2012	2011	2010
Administration:				
District Secretary/Treasurer	1	1	1	1
Superintendent	1	1	1	1
Assistant Superintendents	2	2	2	2
Principals	29	29	29	29
Assistant Principals	13	13	19	19
All Other Administrators	13	13	16	16
<b>Total Administration</b>	<b>59</b>	<b>59</b>	<b>68</b>	<b>68</b>
Instructional:				
Teachers	903	928	934	923
Teachers - Special Programs	175	197	195	206
Teachers Aides	337	381	384	410
<b>Total Instructional</b>	<b>1,415</b>	<b>1,506</b>	<b>1,513</b>	<b>1,539</b>
Student Services:				
Counselors	38	41	41	40
Library Specialist	23	24	24	24
Other Education Professional	49	40	23	41
Nurses	17	27	29	26
Other Technical	25	20	20	18
<b>Total Student Services</b>	<b>152</b>	<b>151</b>	<b>137</b>	<b>149</b>
Support Services:				
Business Manager/Accountant	2	2	2	2
Other Professional	18	30	33	33
Office/Clerical	104	112	112	111
Crafts/Trades	26	24	24	24
Service Workers	261	294	320	311
<b>Total Support Services</b>	<b>410</b>	<b>462</b>	<b>491</b>	<b>481</b>
<b>Total</b>	<b>2,036</b>	<b>2,179</b>	<b>2,209</b>	<b>2,237</b>

Source: District records

						Percentage Change
2009	2008	2007	2006	2005	2004	2004 - 2013
1	1	1	1	1	1	0.0%
1	1	1	1	1	1	0.0%
2	2	2	2	2	1	100.0%
28	30	30	27	27	28	3.6%
18	18	16	14	16	16	(18.8)%
16	17	16	14	14	16	(18.8)%
66	69	66	59	61	63	(6.3)%
940	915	905	896	882	860	5.0%
203	198	210	308	260	257	(31.9)%
353	332	323	369	394	376	(10.4)%
1,496	1,445	1,438	1,573	1,536	1,493	3.8%
42	38	44	31	38	38	(0.5)%
23	22	24	27	27	25	(8.0)%
37	36	46	12	10	9	442.3%
26	22	21	26	23	22	(22.7)%
40	26	25	16	14	12	108.3%
168	144	160	112	112	106	72.0%
2	2	2	2	2	2	0.0%
38	13	-	3	7	7	157.1%
114	114	113	111	111	112	(7.4)%
26	28	29	29	29	29	(12.1)%
254	282	272	272	281	282	(7.4)%
434	439	416	417	430	432	8.3%
2,164	2,097	2,080	2,161	2,139	2,094	(2.8)%

## Davenport Community School District

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals
2013	15,440	\$ 165,821,796	\$ 10,740	0.00	1,139	13.56	62.00
2012	15,661	166,822,285	10,652	0.02	1,149	13.63	61.71
2011	15,501	170,897,456	10,727	0.06	1,153	13.82	61.42
2010	15,429	160,588,239	10,408	0.03	1,179	13.09	60.00
2009	15,422	155,503,602	10,083	0.07	1,233	12.51	57.00
2008	15,461	149,512,560	9,381	0.55	1,106	14.41	56.00
2007	15,735	141,749,209	6,050	(0.28)	1,082	14.86	47.12
2006	15,925	137,157,061	8,409	4.90	1,154	14.13	54.31
2005	16,056	131,835,442	8,016	(13.49)	1,154	14.25	55.56
2004	16,139	126,742,246	9,267	22.80	1,127	12.14	53.62

Source: District financial records



*A District of Distinction*

*Distinguished* Legacy\*\* *Unmatched* Opportunities\*\* *Remarkable* Results

## Davenport Community School District

### School Building Information

#### Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2013	2012	2011	2010
Elementary:				
Adams (1950)				
Square feet	82,282	82,282	82,282	82,282
Capacity	690	690	690	690
Enrollment	553	552	577	521
Blue Grass (1957)	-	-	-	-
Square feet	66,884	66,884	66,884	66,884
Capacity	552	552	552	552
Enrollment	353	367	363	391
Buchanan (1971)	-	-	-	-
Square feet	56,103	56,103	56,103	56,103
Capacity	506	506	506	506
Enrollment	359	349	327	357
Buffalo (2002)	-	-	-	-
Square feet	53,980	53,980	53,980	53,980
Capacity	391	391	391	391
Enrollment	227	240	258	271
Eisenhower (1969)	-	-	-	-
Square feet	57,811	57,811	57,811	57,811
Capacity	506	506	506	506
Enrollment	458	454	446	442
Fillmore (1955)	-	-	-	-
Square feet	51,980	51,980	51,980	51,980
Capacity	552	552	552	552
Enrollment	400	379	351	371
Garfield (1923)	-	-	-	-
Square feet	90,458	90,458	90,458	90,458
Capacity	483	483	483	483
Enrollment	496	495	492	439
Harrison (1953)	-	-	-	-
Square feet	72,912	72,912	72,912	72,912
Capacity	598	598	598	598
Enrollment	592	581	578	580
Hayes (1923)	-	-	-	-
Square feet	77,618	77,618	77,618	77,618
Capacity	506	506	506	506
Enrollment	380	354	320	305
Jackson (1971)	-	-	-	-
Square feet	55,503	55,503	55,503	55,503
Capacity	529	529	529	529
Enrollment	359	349	370	379
Jefferson (1939)	-	-	-	-
Square feet	64,514	64,514	64,514	64,514
Capacity	552	552	552	552
Enrollment	408	387	403	470

(Continued)

Fiscal Year					
2009	2008	2007	2006	2005	2004
82,282	82,282	82,282	82,282	82,282	82,282
690	690	690	690	690	690
552	540	575	564	567	554
-	-				
66,884	66,884	66,884	66,884	66,884	66,884
552	552	552	552	552	552
387	368	344	338	326	336
-	-				
56,103	56,103	56,103	56,103	56,103	56,103
506	506	506	506	506	506
353	315	312	322	334	345
-	-				
53,980	53,980	53,980	53,980	53,980	53,980
391	391	391	391	391	391
284	266	288	299	305	316
-	-				
57,811	57,811	57,811	57,811	57,811	57,811
506	506	506	506	506	506
444	426	419	424	462	417
-	-				
51,980	51,980	51,980	51,980	51,980	51,980
552	552	552	552	552	552
341	391	388	380	401	440
-	-				
90,458	90,458	90,458	90,458	90,458	90,458
483	483	483	483	483	483
438	415	428	406	476	459
-	-				
72,912	72,912	72,912	72,912	72,912	72,912
598	598	598	598	598	598
573	557	533	504	517	527
-	-				
77,618	77,618	77,618	77,618	77,618	77,618
506	506	506	506	506	506
308	284	274	256	321	349
55,503	55,503	55,503	55,503	55,503	55,503
529	529	529	529	529	529
395	377	388	358	370	396
-	-				
64,514	64,514	64,514	64,514	64,514	64,514
552	552	552	552	552	552
441	465	472	464	415	404

# Davenport Community School District

## School Building Information (Continued)

### Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2013	2012	2011	2010
Elementary (Continued)				
Lincoln (1939)	-	-	-	-
Square feet	59,536	59,536	59,536	59,536
Capacity	483	483	483	483
Enrollment	-	181	270	259
Madison (1939)	-	-	-	-
Square feet	64,614	64,614	64,614	64,614
Capacity	506	506	506	506
Enrollment	428	415	417	408
McKinley (1939)	-	-	-	-
Square feet	61,063	61,063	61,063	61,063
Capacity	460	460	460	460
Enrollment	392	373	361	349
Monroe (1938)	-	-	-	-
Square feet	72,435	72,435	72,435	72,435
Capacity	598	598	598	598
Enrollment	488	455	449	419
Truman (1977)	-	-	-	-
Square feet	61,064	61,064	61,064	61,064
Capacity	391	391	391	391
Enrollment	380	430	404	405
Washington (1939)	-	-	-	-
Square feet	48,388	48,388	48,388	48,388
Capacity	322	322	322	322
Enrollment	357	320	283	284
Wilson (1955)	-	-	-	-
Square feet	78,401	78,401	78,401	78,401
Capacity	672	672	672	672
Enrollment	542	557	561	541
Intermediate	-	-	-	-
Smart (1917)	-	-	-	-
Square feet	134,901	134,901	134,901	134,901
Capacity	978	978	978	978
Enrollment	518	532	521	522
Sudlow (1917)	-	-	-	-
Square feet	134,524	134,524	134,524	134,524
Capacity	978	978	978	978
Enrollment	676	748	707	677
Walcott (K-8) (1956)	-	-	-	-
Square feet	107,250	107,250	92,160	92,160
Capacity	722	722	722	722
Enrollment	384	598	621	616
Williams (1954)	-	-	-	-
Square feet	145,224	145,224	133,794	133,794
Capacity	977	977	977	977
Enrollment	756	770	739	725

(Continued)



Fiscal Year					
2009	2008	2007	2006	2005	2004
-	-				
59,536	59,536	59,536	59,536	59,536	59,536
483	483	483	483	483	483
231	255	302	281	240	287
-	-				
64,614	64,614	64,614	64,614	64,614	64,614
506	506	506	506	506	506
395	393	363	334	304	326
-	-				
61,063	61,063	61,063	61,063	61,063	61,063
460	460	460	460	460	460
372	377	354	363	354	404
-	-				
72,435	72,435	72,435	72,435	72,435	72,435
598	598	598	598	598	598
417	414	354	467	459	445
-	-				
61,064	61,064	61,064	61,064	61,064	61,064
391	391	391	391	391	391
398	402	395	423	389	373
-	-				
48,388	48,388	48,388	48,388	48,388	48,388
322	322	322	322	322	322
264	298	270	290	270	245
-	-				
78,401	78,401	78,401	78,401	78,401	78,401
672	672	672	672	672	672
518	521	483	513	503	509
-	-				
-	-				
134,901	134,901	134,901	134,901	134,901	134,901
978	978	978	978	978	978
520	508	542	597	625	658
-	-				
134,524	134,524	134,524	134,524	134,524	134,524
978	978	978	978	978	978
669	645	643	665	706	693
-	-				
92,160	92,160	92,160	92,160	92,160	92,160
722	722	722	722	722	722
601	598	596	614	615	610
-	-				
133,794	133,794	133,794	133,794	133,794	133,794
977	977	977	977	977	977
724	730	745	779	799	772

## Davenport Community School District

### School Building Information (Continued)

#### Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2013	2012	2011	2010
Intermediates (continued)				
Wood (1984)	-	-	-	-
Square feet	105,815	105,815	105,815	105,815
Capacity	977	977	977	977
Enrollment	712	700	701	694
Young (1917)	-	-	-	-
Square feet	108,018	108,018	108,018	108,018
Capacity	829	829	829	829
Enrollment	305	271	320	311
High	-	-	-	-
Central (1904)	-	-	-	-
Square feet	331,935	331,935	331,935	331,935
Capacity	1,933	1,933	1,933	1,933
Enrollment	1,419	1,415	1,412	1,406
North (1972)	-	-	-	-
Square feet	390,763	390,763	390,763	390,763
Capacity	1,551	1,551	1,551	1,551
Enrollment	902	986	966	1,002
West (including train. rm. & vest) (1960)	-	-	-	-
Square feet	453,811	453,811	453,811	453,811
Capacity	2,592	2,592	2,592	2,592
Enrollment	1,873	1,921	1,871	1,893
Other	-	-	-	-
Child. Village at Hoover (1956)	-	-	-	-
Square feet	20,002	20,002	20,002	20,002
Capacity	138	138	138	138
Enrollment	128	128	128	129
Child. Village West (2004)	-	-	-	-
Square feet	35,400	35,400	35,400	35,400
Capacity	286	286	286	286
Enrollment	262	262	261	254
Kimberly Center (1961)	-	-	-	-
Square feet	79,884	79,884	79,884	79,884
Capacity	*	*	*	*
Enrollment	214	179	288	288

Source: District records

\* Kimberly Center houses several alternative programs and the District bakery. Capacity is not available.

Fiscal Year					
2009	2008	2007	2006	2005	2004
-	-				
105,815	105,815	105,815	105,815	105,815	105,815
977	977	977	977	977	977
659	700	732	784	812	775
-	-				
108,018	108,018	108,018	108,018	108,018	108,018
829	829	829	829	829	829
317	297	371	371	382	351
-	-				
-	-				
331,935	331,935	301,385	301,385	301,385	301,385
1,933	1,933	1,933	1,933	1,933	1,933
1,490	1,510	1,560	1,554	1,560	1,475
-	-				
390,763	390,763	390,763	390,763	359,621	359,621
1,551	1,551	1,551	1,551	1,551	1,551
978	1,039	1,070	1,127	1,107	1,142
-	-				
453,811	453,811	453,811	453,811	453,811	453,811
2,592	2,592	2,592	2,592	2,592	2,592
2,034	2,028	2,088	2,158	2,138	2,231
-	-				
-	-				
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
133	131	97	93	128	81
35,400	35,400	35,400	35,400	-	-
286	286	286	286	-	-
232	199	178	164	-	-
-	-				
79,884	79,884	79,884	79,884	79,884	79,884
*	*	*	*	*	*
285	405	349	335	452	455



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# **Compliance Section**



## Davenport Community School District

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through the State Department of Agriculture and			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
National School Breakfast Program	10.553	N/A	\$ 1,158,432
National School Lunch Program	10.555	N/A	4,250,599
National School Lunch Program, Food Donation (Noncash)	10.555	N/A	430,699
			4,681,298
Summer Food Service Program for Children	10.559	N/A	81,348
<b>Total nutrition cluster</b>			<b>5,921,078</b>
Fresh Fruit and Vegetable	10.582	N/A	317,765
Iowa Nutrition Network - BASICS	10.561	N/A	25,974
<b>Total U.S. Department of Agriculture</b>			<b>6,264,817</b>
U.S. Department of Defense:			
Passed through Scott County, Iowa:			
Flood Control Projects	12.112	N/A	15,852
U.S. Department of Education:			
Direct program, High School Graduation Initiative	84.360	N/A	415,029
Passed through State of Iowa Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	N/A	5,405,484
Special Education - Grants to States	84.027	N/A	256,057
Vocational Education - Grants to States	84.048	N/A	261,976
SS/HS Grant Second Step	84.184	N/A	76,412
Education for Homeless Children & Youth	84.196	N/A	11,574
Fund for the Improvement of Education	84.215	N/A	35,443
Twenty First Century Community Learning Centers	84.287	N/A	597,503
Enhancing Education Through Technology Grant (E2T2)	84.318	N/A	18,219
State Program Improvement Grants - SPDG	84.323	N/A	2,233
Advanced Placement Program	84.330	N/A	5,473
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	N/A	125,544
Title III - English Language Acquisition Grants	84.365	N/A	32,898
Title II - Improving Teacher Quality State Grants	84.367	N/A	965,976
Title VI - Grants for State Assessments and Related Activities	84.369	N/A	101,295
			<b>7,896,087</b>

(Continued)

# Davenport Community School District

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed through Mississippi Bend Area Education Agency:			
Special Education - Grants to States	84.027	N/A	<u>992,985</u>
U.S. Department of Education:			
Passed through Eastern Iowa Community College:			
Title IIB - Math and Science Partnerships	84.366	N/A	<u>70,516</u>
<b>Total U.S. Department of Education</b>			<u>9,374,617</u>
Corporation for National and Community Service Health:			
Passed through State of Iowa Department of Human Services			
Wrap-Around Child Care Grant	93.575	N/A	<u>184,915</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 15,840,201</u></u>

See Notes to Schedule of Expenditures of Federal Awards.



## **Davenport Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Davenport Community School District for the year ended June 30, 2013. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2. Significant Accounting Policies**

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 grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**Davenport Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2013**

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Finding		Status	Corrective Action Plan or Other Explanation
<b>Significant Deficiency in Internal Control</b>			
12-II-A	The District over accrued employee benefits payable at year-end	Corrected	
<b>Other Findings Related to Statutory Reporting</b>			
12-IV-G	The District's supporting documentation did not agree to the Project Easier and Certified Enrollment (PEACE) submitted to the Iowa Department of Education.	Not corrected	See corrective action plan at 13-IV-G



**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**

**Independent Auditor's Report**

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2013.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and questioned costs that we consider to be a significant deficiency, listed as 2013-A.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted immaterial instances of noncompliance or other matters that is described in Part IV of the accompanying schedule of findings and questioned costs.

### **District's Response to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Davenport, Iowa  
November 26, 2013



**Report on Compliance For Each Major Federal Program; and  
Report on Internal Control Over Compliance  
Required by OMB Circular A-133**

**Independent Auditor's Report**

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

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

We have audited Davenport Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of the District are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*McGladrey LLP*

Davenport, Iowa  
November 26, 2013

## Davenport Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2013

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#### I. Summary of the Auditor's Results

##### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiencies 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 deficiencies 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 Section 510(a) of Circular A-133?

☐ Yes ☒ No

##### Identification of major program:

CFDA Number	Name of Federal Program
84.287	21st Century Community Learning Centers
School Nutrition Cluster:	
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
10.555	Food Donation

Dollar threshold used to distinguish between type A and type B programs: \$475,206

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

**Davenport Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2013**

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**II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**

**A. Significant Deficiency in Internal Control**

**2013-A**

Finding: The District was under accrued by approximately \$930,000 for accounts payable as of June 30, 2013.

Condition: The District did not accrue two of the fourteen accounts payable batches marked to be posted in fiscal year 2013. The two batches were posted to fiscal year 2013 during the audit process.

Criteria: Generally accepted accounting principles require the liability and the related expenditure be recorded in the period to which they relate, regardless of when payment occurs.

Context: Accounts payable batches identified as fiscal year 2013.

Effect: Accounts payable and the related expenditures/expenses not appropriately reported.

Cause: The District's missed posting these batches to fiscal year 2013.

Recommendation: We recommend the District review their process for entering batches into accounts payable.

Response and Corrective Action Plan: The District will continue to review the accrual of accounts payable.

**B. Instances of Noncompliance**

None reported.

**III. Findings and Questioned Costs for Federal Awards**

**A. Internal Control**

None noted.

**B. Instances of Noncompliance**

None reported.

(Continued)



**Davenport Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2013**

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**IV. Other Findings Related to Required Statutory Reporting**

**13-IV-A Certified Budget and General Fund Spending Authority**

Finding: During the year ended June 30, 2013, expenditures in the noninstructional programs and other expenditures functions exceeded the amount budgeted.

Recommendation: The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

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

**13-IV-B Questionable Expenditures**

No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

**13-IV-C Travel Expenses**

No expenditures of District money for travel expenses of spouses of District officials or employees were noted.

**13-IV-D Business Transactions**

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

**13-IV-E Bond Coverage**

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

**13-IV-F Board Minutes**

No transactions requiring Board approval which had not been approved in the Board minutes were noted.

**13-IV-G Certified Enrollment**

Finding: The District's supporting documentation did not agree to the Project Easier and Certified Enrollment (PEACE) submitted to the Iowa Department of Education. This is based on documentation maintained by the District to support the basic enrollment certified to the IDE for October 2012. The variances included a total reduction of certified students by a net of 67.2 students.

Recommendation: The District should ensure that their system reconciles to the PEACE system number of students reported as certified enrollment. The Iowa Department of Management and Iowa Department of Education should be notified of the variances.

Response and Corrective Action Plan: The District will contact the Iowa Department of Education and Iowa Department of Management notifying them of the above changes. The District will continue to monitor supporting information and reconciliation of data submitted to the Iowa Department of Education.

(Continued)

## Davenport Community School District

### Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2013

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#### 13-IV-H Supplementary Weighting

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

#### 13-IV-I Deposits and Investments

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

#### 13-IV-J Certified Annual Report

The Certified Annual Report (CAR) was filed with the Iowa Department of Education timely. As part of the audit, the District recorded adjustments which changed amounts reported on the CAR which was previously submitted. These changes will be reflected in the fiscal year 2014 beginning equity balances.

#### 13-IV-K Categorical Funding

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

#### 13-IV-L State-Wide Sales, Services and Use Tax

No instances of noncompliance with the use of the state-wide sales, services and use 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 state-wide sales, services and use tax revenue. For the year ended June 30, 2013, the District's financial activity and other required information for the state-wide sales, services and use tax revenue are as follows:

Beginning balance	\$ 10,849,870
State-wide sales, services and use tax	14,009,961
Interest	12,629
Expenditures:	
School infrastructure:	
Buildings	(7,636,386)
Equipment	(426,234)
Ending balance	<u>\$ 16,809,840</u>

The state-wide sales, services and use tax revenue received during the year ended June 30, 2013 is equivalent to a reduction in the following levies:

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Physical plant and equipment levy	\$ 3.51699	\$ 14,009,961

#### 13-IV-M Student Activity Funds

All student activity funds are used to support the extracurricular and co-curricular activities offered as part of the District's educational program.

## Davenport Community School District

### Corrective Action Plan Year Ended June 30, 2013

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Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Significant Deficiency in Internal Control</b>				
2013-A	The District was under accrued for accounts payable.	See response and corrective action plan at 2013-A.	July 2013	Marsha Tangen, Chief Financial Officer
<b>Other Findings Related to Statutory Reporting</b>				
13-IV-A	The expenditures in the support services and instructional programs exceeded the amount budgeted.	See response and corrective action plan at 13-IV-A.	June 2014	Marsha Tangen, Chief Financial Officer
13-IV-G	The District's supporting documentation did not agree to the Project Easier and Certified Enrollment (PEACE) submitted to the Iowa Department of Education.	See response and corrective action plan at 13-IV-G.	June 2014	Marsha Tangen, Chief Financial Officer



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