

DAVENPORT COMMUNITY SCHOOL DISTRICT
1702 N MAIN STREET DAVENPORT, IOWA 52803
IN THE COUNTIES OF SCOTT AND MUSCATINE,
STATE OF IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



DAVENPORT
Community Schools
GROWING EXCELLENCE

Davenport Community School District

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

Prepared by:

**Kevin Posekany
Chief Financial Officer**

**Lisa Crews
Accounting Specialist**

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

Introductory Section



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

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FY2023-24



School Board President	Dan Gosa
Board Vice President	Karen Kline Jerome

Board Member	Kent Paustian	Board Member	Dr. Allison Beck	Board Member	Linda Hayes	Board Member	Bruce Potts	Board Member	Kent Barnds
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Superintendent of Davenport Community School District T.J. Schneckloth

Director of Finance	Director of Learning and Results	Executive Director Central Region	Executive Director North Region	Executive Director West Region	Director of Equity and Learning Supports	Director of Human Resources	Director of Operations
Kevin Posekany	Diane Campbell	Jon Flynn	Dr. Willie Barney	Ben Driscoll	Courtney Olsen	Jami Weinzierl	Josh Urmanski

Superintendent's Instructional Cabinet

Superintendent's Cabinet

Brenda Thie [School Board Secretary](#)

Ivy Rostenbach [Executive Generalist](#)



DAVENPORT
Community Schools
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DAVENPORT COMMUNITY SCHOOL DISTRICT

Priorities

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

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

Mission Statement

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

Vision Statement

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

Davenport Community School District

**Board of Education and School District Officials
Year Ended June 30, 2024**

Name	Title	Term Expires
Board of Education		
Daniel Gosa	President	Expires 2027
Karen Kline-Jerome	Vice President	Expires 2027
Bruce Potts	Director	Expires 2025
Allison Beck	Director	Expires 2025
Linda Hayes	Director	Expires 2027
Kent Paustian	Director	Expires 2027
Kent Barnds	Director	Expires 2025

School District Officials

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



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



DAVENPORT Community Schools

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

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

November 11, 2024

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

We are pleased to submit to you the Annual Comprehensive Financial Report, (ACFR) for the Davenport Community School District, (the "District") for the year ending June 30, 2024. 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.

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

Management Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the officials of the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the governmental activities, business-type activities, each major fund and aggregate of the remaining 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.

Independent Audit/Legal Requirements

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 annual single audit requirements of Subpart F of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance). The auditor's report on the basic financial statements and combining and individual fund statements and other schedules is included in the financial section of this report. Information related to this single audit, including a schedule of expenditures of federal awards, summary schedule of prior audit findings, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, a schedule of findings and questioned costs and corrective action plans (if any) are included in the Compliance Section of this report.

All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Bohnsack & Frommelt LLP, Certified Public Accountants. Bohnsack & Frommelt 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, 2024. The independent auditor's report is located at the front of the financial section of the ACFR.

Internal Control

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.

Basis of Presentation

The chart of accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Government units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Financial Accounting for Iowa Schools and Area Education Agencies issued by the Iowa Department of Education and Chapter 11 of the Code of Iowa. The chart of accounts manual is updated annually, and the District is materially in compliance with these requirements.

Profile of the District

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

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

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

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

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

The District is composed of four high schools, four intermediate schools, one kindergarten through eighth grade school, fourteen elementary schools, and various off-campus alternative educational programs. Early childhood learning programs are offered at several sites, as well as the state four-year-old preschool

program and Headstart programs at additional sites. Student enrollment for grades kindergarten through twelfth for the 2023-24 school year was approximately 13,786 regular and special education students.

Quality instruction and comprehensive education services require state-of-the-art facilities and technology. Professionally led Long Range Facilities Planning promotes excellence in the learning environment, with a \$125 million investment in facilities and \$25 million in technology over a decade. District-wide interactive technology is at a 1:1 status with an individual computer for each student and teacher district-wide. A new initiative began in January 2023 to upgrade elementary classroom technology with larger viewing and auditory enhancements. Secondary classrooms also received state of the art classroom technology with interactive displays and auditory enhancements.

The average age of our elementary buildings is seventy years. There are two buildings that were built in 1923 and five were built in 1939. In 2002 the district built an elementary building in Buffalo, Iowa. The average age of our intermediate buildings is seventy-seven with two 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 was originally built in 1972 as Wood Intermediate and was converted to a high school setting in 1984, and Mid City High School which was built in 2014. All our facilities are in excellent condition as we follow a rigorous maintenance schedule to maintain and enhance the historical beauty and integrity of our older facilities as well as preserve all the facilities in the District.

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

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

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

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

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

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

Economic Condition and Outlook

The Quad Cities region is a bi-state, six county area comprised of Clinton, Muscatine, and Scott Counties in Iowa and Henry, Mercer, and Rock Island Counties in Illinois. It is within a 300-mile radius of forty-one

million people with close access to major markets: Chicago, Minneapolis-St. Paul, St. Louis, Des Moines, Omaha, Kansas City, and Indianapolis.

Major employers in the area are John Deere, Rock Island Arsenal, UnityPoint Health, MercyOne Genesis, Hy-Vee, HNI Corporation and Walmart.

The unemployment rate in Scott County, Iowa was 4.1% in September 2024 which is trending the same as the national average.

The District's enrollment is expected to decrease by about three hundred students in the next 5 years to about 11,500 students.

Taxable valuations of property in the District continue to increase each year. The growth in the District's taxable valuations (including tax increment financing (TIF's)) over the last ten years has been 24.19%. However, in the 2023-24 fiscal year (taxable valuations as of January 1, 2022) the increase was only .00981%.

The financial solvency ratio of the District measures its ability to meet long-term obligations and cover future costs. Specifically, it assesses the relationship between the District's uncommitted fund balance and its total revenue, expressed as a percentage. The ratio provides a snapshot of the District's financial health at a given point in time, indicating how much revenue would remain if the District closed its doors at the end of the fiscal year after paying all obligations. Iowa Association of School Boards recommends a target solvency ratio within a range of 7-17%. The District's solvency ratio on June 30, 2024, is 23.66%

The Iowa school funding formula is pupil-driven, meaning total spending authority increases by either raising the number of pupils or the cost per pupil. Despite decreasing certified enrollment, the district cost per pupil rose from \$7,635 in FY 2023-24 to \$7,826 in FY 2024-25. The legislature can increase this cost by setting the allowable growth each year, which they must do within 30 days of receiving the governor's budget recommendation. This allowable growth is crucial for the district, as it often dictates necessary budget reductions.

In the spring of 2023, the Iowa Legislature passed a notable change to education funding by approving Education Savings Accounts (ESA). These accounts provide funding to parents who choose private schools instead of public schools. In the first year of implementation, eligibility is based on students moving from public to private schools and current private school students whose families are at or below 300% of the Federal poverty level. For fiscal year 2024, the per pupil amount of \$7,635 is set aside in an account for each eligible student, which is directed to the private schools to cover enrollment and other expenses. Districts retain \$1,208 in categorical funding for each student. The estimated cost of the ESA program for the first three years of implementation is expected to exceed \$800 million. The district will need to monitor how this affects enrollment, as it will have a major impact on funding for public schools statewide.

In recent years, Iowa has faced an economic downturn that has severely hampered its ability to fund schools at previous levels. The district has experienced inadequate funding for state aid and other state-funded programs, resulting in lower supplemental state aid.

Debt Administration

In March 2024, the District sold revenue bonds in the amount of \$80 million. These funds are to be used for the construction and renovation of Sudlow and Smart middle schools, construction of a new bus lot, turf practice fields for three high schools and other smaller projects. A second revenue bond sale will occur during the FY26 fiscal year to continue the above projects and North High School addition and renovations.

Long-term Financial Planning and Relevant Financial Policies

Financial Policies

The District only invest securities allowed by the Code of Iowa, Chapter 12C. The district’s cash and pooled investments consist of depository accounts at local financial institutions and the Iowa Schools Joint Investment Trust (ISJIT). The cash balances of the District’s funds are pooled. Interest revenue earned on all deposits and investments for fiscal year ending June 30, 2024, was \$8,645,484.

The District currently covers property and liability losses with traditional insurance coverage. Group health, dental and vision plans are self-funded.

The Iowa Department of Education requires a comprehensive accounting system, including account numbers for revenues and expenditures by function and object. The District additionally tracks revenues by source for funds and expenditures by location, curricular program, and funding source.

For long-term planning, the District uses a comprehensive financial planning software to project various scenarios and how they could affect the financial health of the District in the next five years. The District also has a five-year capital projects plan which staff update annually for projecting future capital project needs for the District.

Major Initiatives and Achievements

In November 2021 Davenport Community Schools established a Facilities Master Planning Committee (FMPC) to discuss long-range facility planning. The FMPC consisted of one parent from each school, one staff member from year school and district administrative leadership. The FMPC was tasked with the goal of providing a recommendation to the DCSD school board regarding two questions:

- What is the best grade configuration, number of school building transitions, and pathway/experience for our students?
- What is our best path forward to right size the quantity of our school buildings to align with current and projected student enrollments?

Through collaborative efforts and data-driven analysis, the FMPC created actionable recommendations to the DCSD school board, ensuring the district's facilities are optimized to meet the evolving needs of its student population.

Utilizing the information from the enrollment projection study, the building capacity study, and the facility study, the Master Facility Plan Committee considered several different pathway recommendations that included grade configuration and school boundary alignment. Effective for school year 2023-24, three elementary buildings were closed – Buchanan, Washington, and Monroe. Washington and Monroe were demolished to make room for the additions of Smart and Sudlow middle schools. Buchanan was sold to a local not-for-profit entity.

Phase one of the Master Facility Plan includes the construction of a new Sudlow Middle School and Smart Middle School, new athletic facilities at West High School, new turf fields for all high schools, enhancements to Brady Street Stadium, and new science classrooms at North High School. Construction of the new West High School athletic facility addition began in May 2023. Completion is expected in fall 2024. This project includes a new competition gym as well as wrestling rooms and strength training facilities. Enhancements to Brady Street Stadium also started early spring 2024, with completion scheduled for summer 2025.

In the fiscal year 2023-24, the Davenport Community School District (DCSD) undertook several significant initiatives and achieved notable milestones:

1. **Comprehensive School Improvement Plan (CSIP):** The district continued to implement its CSIP, focusing on enhancing student achievement through differentiated instruction and collaborative teacher teams¹. This plan aims to create a high-performance educational environment by setting specific learning goals and accountability measures.
2. **Mental Health and Well-being:** DCSD prioritized the mental health of students by administering the Strengths & Difficulties Questionnaire (SDQ) to students in 4th, 6th, and 9th grades, with

parental consent. This initiative is part of the district's broader commitment to supporting student well-being.

3. **Multi-Tiered System of Supports (MTSS):** The district continued to utilize MTSS to provide targeted instructional practices and interventions, ensuring that all students receive the support they need to succeed.

These initiatives reflect DCSD's dedication to providing a quality education enriched by the diverse community it serves.

Certificate of Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada, (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Davenport Community School District for its annual financial report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

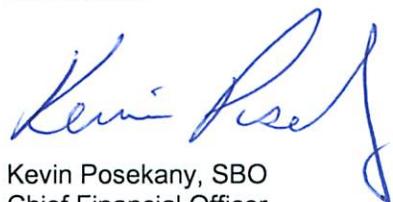
The Association of School Business Officials International, (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Davenport Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

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

Acknowledgments

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of many people. We would like to express our appreciation to District staff, and public employees at various Scott County agencies who assisted in providing valuable information to Bohnsack & Frommelt LLP, the District's independent auditor, the preparation of this report.

Sincere appreciation is extended to the Board of Directors, where the commitment to excellence begins. It is with considerable pride that this year's Annual Comprehensive Financial Report is submitted to the Board of Directors.



Kevin Posekany, SBO
Chief Financial Officer
Board Treasurer



TJ Schneckloth
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Davenport Community School District
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Davenport Community School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.

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

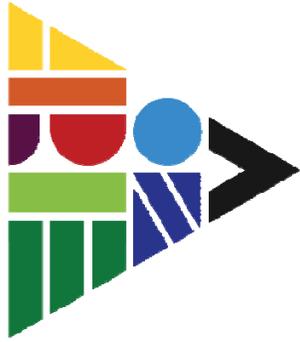


A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



DAVENPORT

Community Schools

GROWING EXCELLENCE

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



DAVENPORT
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Financial Section



DAVENPORT
Community Schools
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Davenport Community School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Davenport Community School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and schedule of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, on pages 4-16 and 56-65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2024, on our consideration of the Davenport Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Davenport Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Davenport Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 11, 2024



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

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Davenport Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with additional information that we have furnished in our transmittal letter and the District's financial statements, which follow:

2023-24 FINANCIAL HIGHLIGHTS

- The General Fund June 30, 2024 fund balance increased \$5,992,755 from the June 30, 2023 fund balance of \$50,668,239 to \$56,660,994.
- The District net position increased \$34,408,885 from \$253,156,044 to \$287,564,929. The increase is primarily due to the continued investment in capital improvements to the District.
- The District continues to be successful in receiving donations and local, state and federal grants. In 2024, the District received approximately \$83 million in operating grants and contributions.

USING THIS ANNUAL REPORT

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

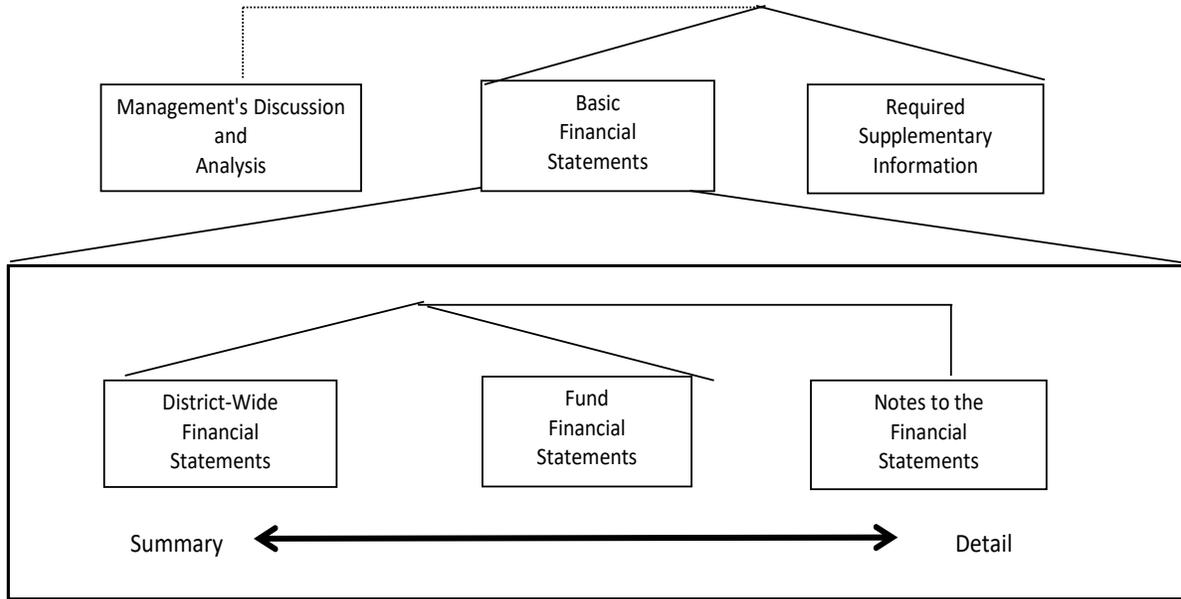
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Davenport Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Davenport Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Davenport Community School District acts solely as an agent or custodian for the benefit of those outside of the District.
- Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds.

Davenport Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2024**

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

Figure A-1
Davenport Community School District Annual Financial Report



Davenport Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: school nutrition and internal service fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, reunion moneys and funds for District employee purchases of pop, etc.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows and liabilities and deferred inflows – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating, respectively. To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's school nutrition program and before and after care programs are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between the two statements. The District's major governmental funds for 2023-24 were the General Fund and the Capital Projects Fund. The nonmajor governmental funds include two Special Revenue Funds (the Management Fund and Student Activities Fund) and the Debt Service Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

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

The required financial statements for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

- 3) **Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others. This fund type includes the District's Custodial Funds.

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

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

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

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

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

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Government-Wide Financial Analysis

Figure A-3 below provides a summary of the District's net position as of June 30, 2024 compared to June 30, 2023.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2023-24
	2024	2023	2024	2023	2024	2023	
Current and other assets	\$ 355,734,535	\$ 259,926,485	\$ 7,583,412	\$ 7,406,769	\$ 363,317,947	\$ 267,333,254	35.9%
Capital assets	178,796,814	167,324,858	460,872	396,776	179,257,686	167,721,634	6.9%
Total assets	534,531,349	427,251,343	8,044,284	7,803,545	542,575,633	435,054,888	24.7%
Deferred outflows of resources	23,929,293	16,475,351	692,964	506,238	24,622,257	16,981,589	45.0%
Noncurrent liabilities	150,649,689	65,065,311	2,041,972	1,922,691	152,691,661	66,988,002	127.9%
Current liabilities	43,561,345	38,508,035	432,249	355,325	43,993,594	38,863,360	13.2%
Total liabilities	194,211,034	103,573,346	2,474,221	2,278,016	196,685,255	105,851,362	85.8%
Deferred inflows of resources	82,547,435	92,501,771	400,271	527,300	82,947,706	93,029,071	-10.8%
Net position:							
Net investment in capital assets	168,135,611	163,816,080	342,699	241,846	168,478,310	164,057,926	2.7%
Restricted	93,666,520	79,833,208	-	-	93,666,520	79,833,208	17.3%
Unrestricted	19,900,042	4,002,289	5,520,057	5,262,621	25,420,099	9,264,910	174.4%
Total net position	\$ 281,702,173	\$ 247,651,577	\$ 5,862,756	\$ 5,504,467	\$ 287,564,929	\$ 253,156,044	13.6%

The District's net position has increased from the prior year. The District's combined net position as of June 30, 2024 increased by \$34,408,885 (13.6%) over the June 30, 2023 combined net position. Net position in the governmental activities increased by \$34,050,596 (13.7%). The net position of the District's business-type activities increased by \$358,289 (6.5%).

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased by \$13,833,312 (17.3%) primarily due to debt service restrictions associated with the series 2024 revenue bonds.

Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements) increased by \$16,155,189. This increase is due to a combination of change in pension liability and related deferred inflows and outflows and increase in General Fund balance.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Figure A-4 shows the changes in net position for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2023-24
	2024	2023	2024	2023	2024	2023	
Revenues:							
Program revenues:							
Charges for services	\$ 5,505,444	\$ 4,898,890	\$ 1,248,784	\$ 1,406,662	\$ 6,754,228	\$ 6,305,552	7.1%
Operating grants and contributions	73,805,284	59,872,759	9,060,345	10,033,248	82,865,629	69,906,007	18.5%
Capital grants and contributions	-	2,568,020	-	19,460	-	2,587,480	-100.0%
General revenues:							
Property taxes	71,858,628	74,705,386	-	-	71,858,628	74,705,386	-3.8%
Utility tax	2,888,271	3,151,074	-	-	2,888,271	3,151,074	-8.3%
Other taxes	88,882	98,963	-	-	88,882	98,963	100.0%
Revenue in lieu of tax	1,459,972	21,782	-	-	1,459,972	21,782	6602.7%
State foundation aid	87,705,881	86,284,082	-	-	87,705,881	86,284,082	1.6%
Statewide sales and services tax	18,659,770	17,308,002	-	-	18,659,770	17,308,002	7.8%
Interest and investment earnings	8,458,309	5,547,344	187,175	137,025	8,645,484	5,684,369	52.1%
Total revenues	270,430,441	254,456,302	10,496,304	11,596,395	280,926,745	266,052,697	5.6%
Expenses:							
Instruction	146,184,005	131,333,688	-	-	146,184,005	131,333,688	11.3%
Support services	81,414,092	72,730,774	-	-	81,414,092	72,730,774	11.9%
Noninstructional	748,834	687,135	10,090,209	9,639,235	10,839,043	10,326,370	5.0%
Other	8,080,720	7,472,615	-	-	8,080,720	7,472,615	8.1%
Total expenses	236,427,651	212,224,212	10,090,209	9,639,235	246,517,860	221,863,447	11.1%
Change in net position before transfers	34,002,790	42,232,090	406,095	1,957,160	34,408,885	44,189,250	-22.1%
Transfers	47,806	138,224	(47,806)	(138,224)	-	-	N/A
Increase (decrease) in net position	34,050,596	42,370,314	358,289	1,818,936	34,408,885	44,189,250	-22.1%
Net position, beginning	247,651,577	205,281,263	5,504,467	3,685,531	253,156,044	208,966,794	
Net position, ending	\$ 281,702,173	\$ 247,651,577	\$ 5,862,756	\$ 5,504,467	\$ 287,564,929	\$ 253,156,044	

In 2023-24, local taxes (property taxes and utility taxes), state foundation aid, statewide sales services and use tax and revenue in lieu of taxes accounted for 67.5% of the revenue from governmental activities while charges for services and grants and contributions accounted for 98.2% of the revenue from business-type activities. The District's expenses primarily relate to instruction and support services, which account for 92.3% of the total expenses.

Total revenue for the District increased by \$14,874,048 (5.6%) in the fiscal year ended June 30, 2024. The most significant revenue category changes were operating grants and contributions. Operating grants and capital contributions increased due to COVID-19 Elementary and Secondary School Emergency Relief Funding. In addition, increasing interest rates increased interest and investment earnings by approximately \$3 million.

In fiscal year 2024, the Business Property Tax Credit, now called the Two Tier Assessment Limitation was implemented by the state in place of the former Commercial and Industrial Replacement Rollback which expired in fiscal year 2022. These payments are for an exemption of taxable valuation in commercial, industrial and railroad value for assessment year 2022 which is budget year 2024. The fiscal year 2024 Aid and Levy has been adjusted to account for the Two Tiered Assessment Limitation revenue.

Davenport Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2024**

Total District expenses increased by \$24,654,413 (11.1%), primarily due to approximately \$33 million of expenditures related to the Education Stabilization Funds spent in the current year.

Figures A-5 and A-6, which follow, show charts reflecting sources of revenue and distribution of expenses for the 2023-24 fiscal year governmental activities.

Figure A-5 - Sources of Revenues for 2023-2024 Fiscal Year

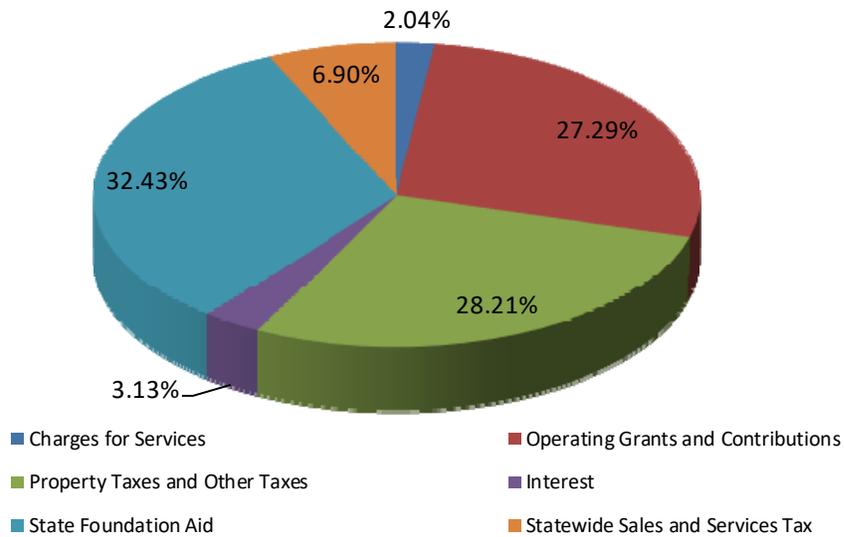
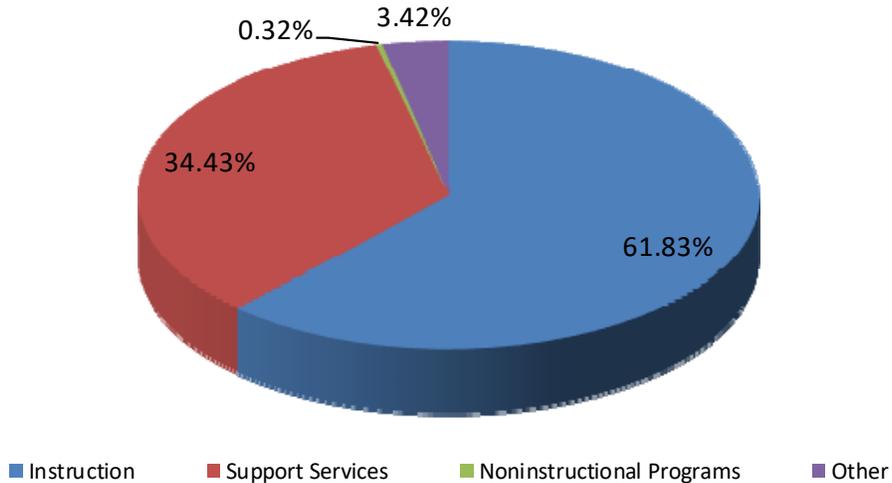


Figure A-6 - Expenses for 2023-2024 Fiscal Year



Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Governmental Activities

Revenue for the District's governmental activities in 2023-24 increased by \$15,974,139 (6.3%) from the previous year, while total expenses increased by \$24,203,439 (11.4%). Governmental activities net position as of June 30, 2024 increased by \$34,050,596 (13.7%) over the June 30, 2023 balance.

Figure A-7 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	June 30, 2024	June 30, 2023	Change	June 30, 2024	June 30, 2023	Change
Instruction	\$ 146,184,005	\$ 131,333,688	11.31%	\$ 76,369,096	\$ 76,268,456	0.1%
Support services	81,414,092	72,730,774	11.94%	79,117,162	67,807,864	16.7%
Noninstructional	748,834	687,135	8.98%	723,096	687,135	5.2%
Other	8,080,720	7,472,615	8.14%	907,569	121,088	649.5%
Total	\$ 236,427,651	\$ 212,224,212	11.40%	\$ 157,116,923	\$ 144,884,543	8.4%

For the year ended June 30, 2024:

- The cost financed by the users of the District's programs was \$5,505,444.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$73,805,284.
- The net cost of governmental activities was financed with \$71,858,628 in property taxes, \$2,888,271 in utility tax, \$1,459,972 in revenue in lieu of tax, \$87,705,881 of unrestricted state grants, \$18,659,770 in statewide sales and services tax revenue, \$88,882 in other taxes and \$8,458,309 in investment earnings.

For the year ended June 30, 2023:

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

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Business-Type Activities

The District's business-type activities include the School Nutrition Fund and the Out of School Time Fund. Revenues of the District's business-type activities in 2023-24 were \$10,496,304; a decrease of \$1,100,091 (9.5%) from 2022-23. The decrease is primarily due to federal funding received due to COVID-19 in the prior year. Other revenues of these activities were comprised of charges for services and interest. Expenses were \$10,090,209, an increase of \$450,974 (4.7%) from 2022-23, primarily due to the increased cost of food service operations and after school care in the current year.

Individual Fund Analysis

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

As the District completed the year, its governmental funds reported combined fund balances of \$218,181,551 which reflects an increase of \$93,651,048 from last year's ending fund balances of \$124,530,503. The primary reasons for the increase in combined fund balances at the end of the 2023-24 fiscal year are:

- The accumulation of proceeds from the Statewide School Infrastructure Sales, Services and Use Tax and the physical plant and equipment levy to be used for future capital projects.
- The issuance of \$75,900,000 in revenue bonds, and a premium on the issuance of \$7,008,864.

Governmental Fund Highlights

- The fund balance in the District's General Fund increased by \$5,992,755 (11.8%) from \$50,668,239, as of June 30, 2023 to \$56,660,994 as of June 30, 2024. The General Fund experienced an increase in revenue from property taxes of \$5,285,692 and increased interest revenue of \$2,098,444.
- The fund balance in the Capital Projects Fund increased by \$79,610,817 (124.3%). The District issued \$75,900,000 in revenue bonds. Local tax generated from the physical plant and equipment levy was \$8,201,452 compared to the prior year \$8,182,583 which represents a \$18,869 (0.2%) increase from 2022-23. Total expenditures were \$38,390,605 in 2023-24 compared to \$16,884,568 in 2022-23. Major projects included roofing projects and HVAC projects.

Proprietary Fund Highlights

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

- The net position of the School Nutrition Fund increased by \$375,084 (6.8%) during 2023-24 compared to an increase of \$1,879,590 in 2022-23. Charges for services decreased \$109,351 while salaries and benefits costs increased \$529,236.
- The net position of the Out of School Time Fund decreased by \$16,795 (241.1%) during 2023-24 due to a decrease in grant revenues and in charges for services due to less COVID-19 funding.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Budgetary Highlights

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except internal service and custodial funds. Although the budget document presents functional area expenditures for expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Over the course of the year the District amended its operating budget one time to reflect additional expenditures projected.

It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year in total. Total revenues were more than budget by \$2,288,682 due to more local sources. Total expenditures were under budget \$46,760,659 primarily due to less expenditures for instruction than anticipated.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2023-24 fiscal year, the District had invested \$379,675,687 (net of accumulated depreciation and amortization of \$200,418,001) in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment and administrative offices. (See Figure A-8). This amount represents a net increase of \$11,536,052 or 6.9% from last year. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$12,134,116. Additions in the current year were primarily HVAC and roofing projects.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-24
	Land	\$ 4,702,173	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173	\$ 4,702,173
Land improvements	1,022,282	1,187,862	-	-	1,022,282	1,187,862	-13.9%
Buildings	58,605,039	61,913,990	-	-	58,605,039	61,913,990	-5.3%
Building improvements	93,784,118	93,509,148	-	-	93,784,118	93,509,148	0.3%
Furniture and equipment	1,789,983	1,337,827	301,178	237,082	2,091,161	1,574,909	32.8%
Intangibles	99,459	131,715	-	-	99,459	131,715	-24.5%
Intangible right to use lease equipment	56,545	93,221	-	-	56,545	93,221	-39.3%
Intangible right to use IT subscription	774,461	196,520	159,694	159,694	934,155	356,214	162.2%
Construction in progress	17,962,754	4,252,402	-	-	17,962,754	4,252,402	322.4%
Total	\$ 178,796,814	\$ 167,324,858	\$ 460,872	\$ 396,776	\$ 179,257,686	\$ 167,721,634	6.9%

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Long-Term Liabilities

As of June 30, 2024, the District had \$152,691,662 in outstanding long-term obligations as reflected in Figure A-9 below. The District paid \$1,180,000 in revenue bond principal during fiscal year 2024 and \$154,500 in principal for lease and IT subscription obligations. The District issued \$75,900,000 in revenue bonds. More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

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

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total
	2024	2023	2024	2023	2024	2023	Percentage
							Change
	2024	2023	2024	2023	2024	2023	2023-24
Revenue bonds	\$ 75,900,000	\$ 1,180,000	\$ -	\$ -	\$ 75,900,000	\$ 1,180,000	6332.2%
Premium on bonds	7,008,864	22,440	-	-	7,008,864	22,440	31133.8%
Lease obligation	57,992	93,975	-	-	57,992	93,975	100.0%
IT subscription obligation	139,856	171,252	118,173	154,930	258,029	326,182	-20.9%
Early retirement	1,103,780	2,051,710	-	-	1,103,780	2,051,710	-46.2%
Compensated absences	867,649	761,669	26,765	26,870	894,414	788,539	13.4%
Net pension liability	56,967,543	52,623,263	1,636,820	1,493,390	58,604,363	54,116,653	8.3%
Net OPEB	8,604,005	8,161,002	260,215	247,501	8,864,220	8,408,503	5.4%
Total	\$ 150,649,689	\$ 65,065,311	\$ 2,041,973	\$ 1,922,691	\$ 152,691,662	\$ 66,988,002	127.9%

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

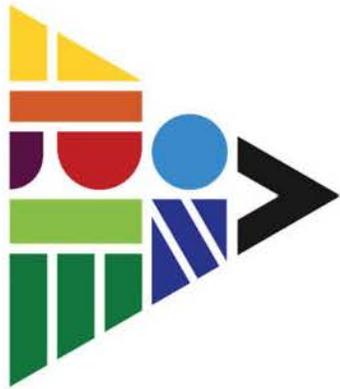
ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The Iowa Legislature set the supplemental state aid percentage (formerly known as the allowable growth rate) at 2.5% for the 2024-25 fiscal year. The Iowa Legislature has not set the supplemental state aid percentage rate for the 2025-26 fiscal year. While the rate increased from the prior year, the district continues to face declining enrollment. State aid is based on the number of students enrolled in the district. As the District's General Fund budget is comprised of approximately 82 percent salary and benefits, wage and salary adjustments arrived at through the District's formal negotiations process will have a significant impact on future budget decisions.
- The District's certified enrollment count on October 1, 2024, shows a decline in enrollment of 219 students. This equates to a decrease in state funding of approximately \$1,713,000. As a result, the district is on a budget guarantee for fiscal year 2024-25.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



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

Davenport Community School District

Statement of Net Position

June 30, 2024

Assets	Governmental Activities	Business-Type Activities	Total
Cash and pooled investments	\$ 264,924,375	\$ 7,395,147	\$ 272,319,522
Receivables:			
Property tax:			
Current year	939,811	-	939,811
Succeeding year	68,664,220	-	68,664,220
Other	664,796	7,489	672,285
Due from other governments	20,181,952	64,974	20,246,926
Inventories	312,748	115,802	428,550
Prepaid expenses	46,633	-	46,633
Capital assets:			
Nondepreciable	22,664,927	-	22,664,927
Depreciable, net	156,131,887	460,872	156,592,759
Total assets	534,531,349	8,044,284	542,575,633
Deferred Outflows of Resources			
OPEB related deferred outflows	3,156,561	96,111	3,252,672
Pension related deferred outflows	20,772,732	596,853	21,369,585
Total deferred outflows of resources	23,929,293	692,964	24,622,257
Liabilities			
Accounts payable	14,320,684	38,980	14,359,664
Salaries and benefits payable	25,020,660	65,812	25,086,472
Retainage payable	601,919	-	601,919
Claims incurred but not reported	3,500,000	-	3,500,000
Unearned revenue	118,082	327,457	445,539
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	1,900,000	-	1,900,000
IT subscription obligation	97,446	38,044	135,490
Lease obligation	37,261	-	37,261
Early retirement	684,123	-	684,123
Compensated absences	867,649	26,764	894,413
OPEB liability	460,000	-	460,000
Portion due after one year:			
Revenue bonds	81,008,864	-	81,008,864
IT subscription obligation	42,410	80,129	122,539
Lease obligation	20,731	-	20,731
Early retirement	419,657	-	419,657
OPEB liability	8,144,005	260,215	8,404,220
Net pension liability	56,967,543	1,636,820	58,604,363
Total liabilities	194,211,034	2,474,221	196,685,255
Deferred Inflows of Resources:			
Deferred revenue from succeeding year property tax	68,664,220	-	68,664,220
OPEB related deferred inflows	4,525,386	131,398	4,656,784
Pension related deferred inflows	9,357,829	268,873	9,626,702
Total deferred inflows of resources	82,547,435	400,271	82,947,706
Net Position			
Net investment in capital assets	168,135,611	342,699	168,478,310
Restricted for:			
Categorical funding	4,591,472	-	4,591,472
Management levy	10,189,489	-	10,189,489
Physical plant and equipment levy	16,988,120	-	16,988,120
School infrastructure	54,236,135	-	54,236,135
Debt service	6,688,724	-	6,688,724
Student activities	972,580	-	972,580
Unrestricted	19,900,042	5,520,057	25,420,099
Total net position	\$ 281,702,173	\$ 5,862,756	\$ 287,564,929

See Notes to Basic Financial Statements.

Davenport Community School District

**Statement of Activities
Year Ended June 30, 2024**

Functions/Programs	Expenses
Governmental Activities	
Instruction	\$ 146,184,005
Support services:	
Student	18,874,161
Instructional staff	6,647,218
General administration	7,751,078
School administration	9,257,205
Business and central administration	9,648,635
Plant operation and maintenance	20,513,083
Student transportation	8,722,712
Other:	
Non-instructional	748,834
Area education agency	7,173,151
Long-term debt interest	907,569
Total governmental activities	<u>236,427,651</u>
Business-Type Activities	
School nutrition	9,560,427
Before and after school program	529,782
Total business-type activities	<u>10,090,209</u>
Total school district	<u>\$ 246,517,860</u>

General Revenues:

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

Transfers

 Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See Notes to Basic Financial Statements

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 4,139,941	\$ 65,674,968	\$ -	\$ (76,369,096)	\$ -	\$ (76,369,096)
40,072	-	-	(18,834,089)	-	(18,834,089)
174,621	-	-	(6,472,597)	-	(6,472,597)
11,558	-	-	(7,739,520)	-	(7,739,520)
21,016	-	-	(9,236,189)	-	(9,236,189)
1,043,323	-	-	(8,605,312)	-	(8,605,312)
70,227	-	-	(20,442,856)	-	(20,442,856)
4,686	931,427	-	(7,786,599)	-	(7,786,599)
-	25,738	-	(723,096)	-	(723,096)
-	7,173,151	-	-	-	-
-	-	-	(907,569)	-	(907,569)
5,505,444	73,805,284	-	(157,116,923)	-	(157,116,923)
768,465	9,060,345	-	-	268,383	268,383
480,319	-	-	-	(49,463)	(49,463)
1,248,784	9,060,345	-	-	218,920	218,920
\$ 6,754,228	\$ 82,865,629	\$ -	(157,116,923)	218,920	(156,898,003)
			71,858,628	-	71,858,628
			2,888,271	-	2,888,271
			88,882	-	88,882
			1,459,972	-	1,459,972
			18,659,770	-	18,659,770
			87,705,881	-	87,705,881
			8,458,309	187,175	8,645,484
			191,119,713	187,175	191,306,888
			47,806	(47,806)	-
			191,167,519	139,369	191,306,888
			34,050,596	358,289	34,408,885
			247,651,577	5,504,467	253,156,044
			\$ 281,702,173	\$ 5,862,756	\$ 287,564,929

Davenport Community School District

**Balance Sheet
Governmental Funds
June 30, 2024**

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and investments	\$ 71,641,316	\$ 147,375,452	\$ 17,812,066	\$ 236,828,834
Receivables:				
Property tax:				
Current year	729,115	128,468	82,228	939,811
Succeeding year	52,377,738	8,571,876	7,714,606	68,664,220
Other	661,888	-	2,908	664,796
Due from other governments	18,464,980	1,716,972	-	20,181,952
Inventories	312,748	-	-	312,748
Prepaid items	21,281	25,352	-	46,633
Total assets	\$ 144,209,066	\$ 157,818,120	\$ 25,611,808	\$ 327,638,994
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 7,821,175	\$ 4,973,132	\$ 30,763	\$ 12,825,070
Accrued payroll and payroll taxes	24,992,475	1,429	15,646	25,009,550
Retainage payable	-	601,919	-	601,919
Unearned revenue	118,082	-	-	118,082
Total liabilities	32,931,732	5,576,480	46,409	38,554,621
Deferred Inflows of Resources				
Succeeding year property taxes	52,377,738	8,571,876	7,714,606	68,664,220
Other grants and donations	2,238,602	-	-	2,238,602
Total deferred inflows of resources	54,616,340	8,571,876	7,714,606	70,902,822
Fund Balances				
Nonspendable				
Inventories	312,748	-	-	312,748
Prepaid items	21,281	25,352	-	46,633
Restricted				
Categorical funding	4,591,472	-	-	4,591,472
Debt service	-	-	6,688,724	6,688,724
Management levy purposes	-	-	10,189,489	10,189,489
Student activities	-	-	972,580	972,580
School infrastructure	-	127,085,488	-	127,085,488
Physical plant and equipment	-	16,558,924	-	16,558,924
Unassigned	51,735,493	-	-	51,735,493
Total fund balances	56,660,994	143,669,764	17,850,793	218,181,551
Total liabilities, deferred inflows of resources, and fund balances	\$ 144,209,066	\$ 157,818,120	\$ 25,611,808	\$ 327,638,994

See Notes to Basic Financial Statements.

Davenport Community School District

**Reconciliation of the Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024**

Total Governmental Fund Balances \$ 218,181,551

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	376,203,724	
Accumulated depreciation	<u>(197,406,910)</u>	178,796,814

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

Other grants and donations	2,238,602
----------------------------	-----------

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

23,088,817

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

OPEB related deferred outflows of resources	3,156,561	
OPEB related deferred inflows of resources	(4,525,386)	
Pension related deferred outflows of resources	20,772,732	
Pension related deferred inflows of resources	<u>(9,357,829)</u>	10,046,078

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

Bonds payable	(75,900,000)	
Premium on bonds payable	(7,008,864)	
IT subscription obligation	(139,856)	
Lease obligation	(57,992)	
Compensated absences	(867,649)	
Accumulated termination pay	(1,103,780)	
Net pension liability	(56,967,543)	
Other post employment benefits obligation	<u>(8,604,005)</u>	(150,649,689)

Net Position of Governmental Activities \$ 281,702,173

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2024

Revenues:	General	Capital Projects	Nonmajor	Total
Local sources:				
Property taxes	\$ 57,009,924	\$ 8,201,452	\$ 6,647,252	\$ 71,858,628
Utility taxes	2,297,920	321,301	269,050	2,888,271
Other taxes	70,734	9,899	8,249	88,882
Charges for services	1,132,768	-	-	1,132,768
Interest	6,626,516	1,180,555	651,239	8,458,310
Other	2,210,001	287,604	949,231	3,446,836
State sources:				
Sales, services and use tax	-	18,659,770	-	18,659,770
Other state sources	116,668,473	162,547	135,985	116,967,005
Federal sources	46,176,901	-	-	46,176,901
Total revenues	232,193,237	28,823,128	8,661,006	269,677,371
Expenditures:				
Current:				
Instruction	135,379,095	4,150,176	1,781,285	141,310,556
Support services:				
Student	19,912,959	-	-	19,912,959
Instructional staff	6,941,806	-	-	6,941,806
General administration	5,211,282	-	2,637,453	7,848,735
School administration	9,915,095	-	-	9,915,095
Business and central administration	7,338,259	2,461,831	-	9,800,090
Plant operation and maintenance	13,477,035	981,651	1,556,696	16,015,382
Student transportation	8,029,472	650,296	46,900	8,726,668
Non-instructional programs	691,383	80,570	-	771,953
Area Education Agency	7,173,151	-	-	7,173,151
Capital outlay	-	29,164,445	-	29,164,445
Debt service:				
Principal	-	-	1,334,500	1,334,500
Interest and fiscal charges	-	901,636	28,373	930,009
Total expenditures	214,069,537	38,390,605	7,385,207	259,845,349
Excess (deficiency) of revenues over (under) expenditures	18,123,700	(9,567,477)	1,275,799	9,832,022
Other financing sources (uses):				
Transfers in	491,882	12,174,747	6,771,677	19,438,306
Transfers out	(12,622,827)	(6,767,673)	-	(19,390,500)
Issuance of long-term debt	-	75,987,121	-	75,987,121
Premium on issuance of long-term debt	-	7,008,864	-	7,008,864
Proceeds from sale of capital asset	-	775,235	-	775,235
Total other financing sources (uses)	(12,130,945)	89,178,294	6,771,677	83,819,026
Net change in fund balances	5,992,755	79,610,817	8,047,476	93,651,048
Fund balances, beginning of year	50,668,239	64,058,947	9,803,317	124,530,503
Fund balances, end of year	\$ 56,660,994	\$ 143,669,764	\$ 17,850,793	\$ 218,181,551

See Notes to Basic Financial Statements.

Davenport Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 93,651,048

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital asset additions is less than depreciation in the period:

Capital outlay	26,260,335	
Depreciation expense	(12,027,989)	14,232,346
Proceeds from sale of capital assets	(775,235)	
Loss on disposal of capital assets	(1,985,155)	(2,760,390)

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

Operating grants and contributions, instruction	(172,769)	
Charges for services, instruction	(90,822)	
Charges for services, business and central administration	1,016,661	753,070

The increase in net position of the Internal Service Fund represents over funding by the governmental funds and is incorporated into the change in net position of governmental activities. 72,391

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of debt increases liabilities in the Statement of Net Position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt related items:

Issuance of long-term debt	(75,900,000)	
Premium on issuance of long-term debt	(7,008,864)	
Issuance of IT subscription obligation	(87,121)	
Repayment of long-term debt	1,334,500	
Amortization of bond premium	22,440	(81,639,045)

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

Compensated absences	(105,980)	
Accumulated termination pay	947,930	
Pension liability and related deferred inflows and outflows	9,209,124	
OPEB and related deferred inflows and outflows	(309,898)	9,741,176
Change in Net Position of Governmental Activities		\$ 34,050,596

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2024

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,395,147	\$ 28,095,541
Due from other governmental units	64,974	-
Other receivables	7,489	-
Inventories	115,802	-
Total current assets	7,583,412	28,095,541
Noncurrent Assets:		
Capital assets, net of accumulated depreciation	460,872	-
Total noncurrent assets	460,872	-
Total assets	8,044,284	28,095,541
Deferred Outflows of Resources:		
OPEB related deferred outflows	96,111	-
Pension related deferred outflows	596,853	-
Total deferred outflows of resources	692,964	-
Liabilities		
Current Liabilities		
Accounts payable	38,980	1,495,614
Accrued payroll and payroll taxes	65,812	11,110
Health claims and costs	-	3,500,000
Unearned revenue	327,457	-
Compensated absences	26,764	-
IT subscription obligation	38,044	-
Total current liabilities	497,057	5,006,724
Noncurrent Liabilities		
Net pension liability	1,636,820	-
Other post employment benefits obligation	260,215	-
IT subscription obligation	80,129	-
Total noncurrent liabilities	1,977,164	-
Total liabilities	2,474,221	5,006,724
Deferred Inflows of Resources:		
OPEB related deferred inflows	131,398	-
Pension related deferred inflows	268,873	-
Total deferred inflows of resources	400,271	-
Net Position		
Net investment in capital assets	342,699	-
Unrestricted	5,520,057	23,088,817
Total net position	\$ 5,862,756	\$ 23,088,817

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, 2024

	Business-type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating Revenue:		
Charges for services	\$ 1,248,784	\$ 26,672,925
Operating Expenses:		
Salaries and benefits	4,894,622	511,273
Purchased services	375,756	47,982
Supplies	4,707,107	81,703
Other operating costs	1,174	5
Depreciation	106,127	-
Health care	-	25,959,571
Total operating expenses	10,084,786	26,600,534
Operating income (loss)	(8,836,002)	72,391
Nonoperating Revenues (Expenses):		
Interest income	187,175	-
Interest expense	(5,423)	-
Intergovernmental	9,049,062	-
Other nonoperating revenue	11,283	-
Total nonoperating revenues (expenses)	9,242,097	-
Income before transfers	406,095	72,391
Transfer in	444,077	-
Transfers (out)	(491,883)	-
Change in net position	358,289	72,391
Net Position, beginning of year	5,504,467	23,016,426
Net Position, end of year	\$ 5,862,756	\$ 23,088,817

See Notes to Basic Financial Statements.

Davenport Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024**

	Business-type	
	Activities	Governmental
	Nonmajor	Activities
	Enterprise	Internal
	Funds	Service Fund
Cash flows from operating activities		
Cash received from user charges	\$ 1,362,146	\$ 26,672,925
Cash payments to employees for services	(4,389,128)	(510,855)
Cash payments for insurance claims	-	(25,959,571)
Cash payments to suppliers for good or services	(5,154,193)	430,707
Net cash provided by (used in) operating activities	(8,181,175)	633,206
Cash flows from noncapital financing activities:		
Grants and contributions received	8,436,625	-
Proceeds from other funds	444,077	-
Payments to other funds	(491,883)	-
Other nonoperating receipts	11,283	-
Net cash provided by noncapital financing activities	8,400,102	-
Cash flows from capital and related financing activities,		
Acquisition of capital assets	(170,223)	-
Proceeds from sale of capital asset	-	-
Principal paid on IT subscription obligation	(36,757)	-
Interest paid on IT subscription obligation	(5,423)	-
Net cash (used in) capital financing activities	(212,403)	-
Cash flows from investing activities,		
Interest received	187,175	-
Net increase in cash and cash equivalents	193,699	633,206
Cash and cash equivalents beginning of year	7,201,448	27,462,335
Cash and cash equivalents end of year	\$ 7,395,147	\$ 28,095,541

(Continued)

Davenport Community School District

Statement of Cash Flows (Continued)
 Proprietary Funds
 Year Ended June 30, 2024

	Business-type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (8,836,002)	\$ 72,391
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	106,127	-
Commodities used	655,893	-
Changes in assets and liabilities:		
Receivables	5,172	-
Inventories	(31,572)	-
Unearned revenue	108,190	-
Accounts payable	(38,584)	560,397
Compensated absences	(106)	-
Accrued liabilities	7,318	418
Net pension liability and deferred outflows of resources and deferred inflows of resources	(166,505)	-
Net OPEB liability and deferred outflows of resources and deferred inflows of resources	8,894	-
Net cash provided by (used in) operating activities	\$ (8,181,175)	\$ 633,206
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 655,893	\$ -

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Fiduciary Net Position (Deficit)

Fiduciary Funds

June 30, 2024

	<u>Custodial</u>
Assets	
Cash and cash equivalents	\$ 235,893
Other receivables	2,207
Total assets	<u>\$ 238,100</u>
Liabilities	
Accounts payable	\$ 555,723
Total liabilities	<u>555,723</u>
Net position (deficit)	<u>\$ (317,623)</u>

See Notes to Basic Financial Statements.

Davenport Community School District

Statement of Changes in Fiduciary Net Position (Deficit)

Fiduciary Funds

Year Ended June 30, 2024

	<u>Custodial</u>
Additions	
Contributions	\$ 117,827
Federal sources	73,748
Total additions	<u>191,575</u>
Deductions	
Administrative expenses	84,518
Program expenses	370,511
Total deductions	<u>455,029</u>
Change in net position (deficit)	(263,454)
Net position (deficit), beginning of year	(54,169)
Net position (deficit), end of year	<u>\$ (317,623)</u>

See Notes to Basic Financial Statements.



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

Davenport Community School District

Notes to Basic Financial Statements

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

Nature of Operations

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

The District is composed of four high schools, four intermediate schools, one K-8 school, 17 elementary schools and various off-campus alternative education programs. Student enrollment (pre-school through high school) for the 2023-2024 school year was approximately 15,300 regular and special education students. The District employs approximately 2,100 individuals.

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District has the following fund types:

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

Davenport Community School District

Notes to Basic Financial Statements

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

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

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

GASB Statement No. 34 sets forth the minimum criteria for the determination of major funds. If a fund's assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses are at least 10 percent of those of its fund type and at least 5 percent of those of both governmental and enterprise fund types, then it must be a major fund.

The District reports the following major governmental funds:

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

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

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

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

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

Proprietary Funds – are accounted for using the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred. The District has two proprietary fund types, enterprise funds and an internal service fund.

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

Davenport Community School District

Notes to Basic Financial Statements

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

The District reports the following nonmajor enterprise funds:

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

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

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

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

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

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

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

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

Significant Accounting Policies

Pass-Through Revenues – GASB Statement No. 24 establishes standards of accounting and financial reporting for pass-through grants, food stamps and on-behalf payments for fringe benefits and salaries. GASB Statement No. 24 requires that all cash pass-through grants received by a governmental entity be recognized as revenue and expenditures or expenses in a governmental, proprietary or trust fund. The District recorded the \$7,173,151 pass-through grant from the Area Education Agency in fiscal year 2023-2024 as revenue and a related expense/expenditure in the Governmental Activities and General Fund.

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

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

All short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchases, they have a maturity date no longer than three months.

Property Taxes Receivable – Property taxes in governmental funds are accounted for using the modified accrual basis of accounting. Property taxes receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education to the County Board of Supervisors. The property taxes receivable includes current year delinquent property taxes receivable which represents unpaid taxes from the current year. The receivable also includes the succeeding year property tax receivable which represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by the statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied and budgeted for.

Davenport Community School District

Notes to Basic Financial Statements

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

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1 ½ percent per month penalty for delinquent payment; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

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

	General	Capital Projects	School Nutrition
Due From Other Governments:			
Federal and state programs	\$ 18,464,980	\$ -	\$ 64,974
Sales, services and use tax	-	1,716,972	-
	<u>\$ 18,464,980</u>	<u>\$ 1,716,972</u>	<u>\$ 64,974</u>

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

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

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

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

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

Salaries and Benefits Payable: Payroll and related expenditures for teachers, principals and administrators with annual contracts corresponding to the current school year, which are payable in July, August and September 2024, have been accrued as liabilities as of June 30, 2024.

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, 2024.

Compensated Absences: Noninstructional District employees accumulate vacation hours for subsequent use or for payment upon termination. The compensated absences liability has been computed based on rates of pay in effect as June 30, 2024, and includes certain salary related payments. The compensated absences liability is reported as a liability in the government-wide statements. In governmental funds, however, these accrued benefits are not considered due and, therefore, are not reported as a fund liability. Vacation time accrued is expected to be paid out or utilized within one year.

Leases: The District recognizes a lease liability and an intangible right-to-use lease asset in the proprietary fund statements and the government-wide financial statements.

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

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

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

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

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

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

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

Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted net position is available, the District first applies restricted resources. Net investment in capital assets excludes unspent bond proceeds of \$78,020,560.

Net position restricted through enabling legislation include \$4,591,472 for categorical funding, \$10,189,489 for management levy, \$16,988,120 for physical plant and equipment, \$54,236,135 for school infrastructure, and \$6,688,724 for debt service. Net position restricted by donations and fundraising are student activities of \$972,580.

The Teacher and Paraeducator Registered Apprenticeship Program Fund, a custodial fund, has a deficit net position of (\$553,374). The deficit will be resolved with future grant funding.

The Out of School Time Fund, a nonmajor enterprise fund, has a deficit net position of (\$9,828). The deficit will be resolved through future charges for services.

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

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

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

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

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

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)

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

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

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

Note 2. Cash and Pooled Investments

The District is authorized by state statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

As of June 30, 2024, the book balance of the District's cash deposits, petty cash and certificate of deposits totaled \$78,335,553 and the bank balances totaled \$77,845,860.

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2024, the District's investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		Less than 1	1-5	6-10	>10		Standard & Poor	Fitch
Investment Pools, Iowa Schools Joint Investment Trust:								
Money Market Funds	\$ 73,138,213	\$ 73,138,213	\$ -	\$ -	\$ -	N/A	AAAm	N/A
Treasury Bills	33,214,900	33,214,900	-	-	-	2	AA+	AAA
Certificates of Deposits	87,866,749	60,639,350	27,227,399	-	-	N/A	N/A	N/A
	<u>\$ 194,219,862</u>	<u>\$ 166,992,463</u>	<u>\$ 27,227,399</u>	<u>\$ -</u>	<u>\$ -</u>			

Davenport Community School District

Notes to Basic Financial Statements

Note 2. Cash and Pooled Investments (Continued)

At June 30, 2024, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund and money market funds which are valued at amortized cost of \$73,138,213 pursuant to Rule 2a-7 under the investment Company Act of 2040. There were no limitations or restrictions on withdrawals of the ISJIT investments

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

Concentration of Credit Risk: The District's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than 10 percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to 5 percent of its total deposits and investments. The District did not hold any commercial paper or other corporate debt at June 30, 2024.

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 to be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District had no custodial credit risk with regards to investments as all investments were held by the District or its agent in the District's name.

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

Cash Deposits, Certificates of Deposit and Petty Cash	\$ 78,335,553
Iowa Schools Joint Investment Trust (ISJIT):	
Investment Pools	73,138,213
Treasury Bills	33,214,900
Certificates of Deposits	87,866,749
	<u>\$ 272,555,415</u>
Governmental Funds	\$ 236,828,834
Internal Service Fund	28,095,541
Total governmental activities	<u>264,924,375</u>
Business-type Activities/Enterprise Funds	7,395,147
Custodial Fund	235,893
	<u>\$ 272,555,415</u>

Davenport Community School District

Notes to Basic Financial Statements

Note 3. Interfund Transfers

Interfund transfers as of June 30, 2024 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ 491,882	\$ 12,622,827
Capital Projects Fund	12,174,747	6,767,673
Nonmajor governmental fund, Debt Service Fund	6,771,677	-
Nonmajor enterprise funds	444,077	491,883
Total	\$ 19,882,383	\$ 19,882,383

Transfers from the Capital Projects Fund represents transfers to the Debt Service Fund for debt service expenditures and reserves. Transfers from the Nutrition Fund to the General Fund are for indirect costs of the program. Transfers from the General Fund to the Debt Service Fund are for subscription and lease obligations. Transfers from the General Fund to Capital Projects Fund were to transfer grant proceeds that were to fund capital projects.

Note 4. Capital Assets

Capital assets for business-type activity for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated/ amortized:				
Furniture and equipment	\$ 3,098,795	\$ 170,223	\$ -	\$ 3,269,018
Intangible right to use IT subscription	202,945	-	-	202,945
Total capital assets being depreciated/amortized	3,301,740	170,223	-	3,471,963
Less accumulated depreciation and amortization for:				
Furniture and equipment	2,861,713	66,203	-	2,927,916
Intangible right to use IT subscription	43,251	39,924	-	83,175
Total accumulated depreciation/ amortization	2,904,964	106,127	-	3,011,091
Business-type activities capital assets, net	\$ 396,776	\$ 64,096	\$ -	\$ 460,872

Davenport Community School District

Notes to Basic Financial Statements

Note 4. Capital Assets

Capital assets for governmental activity for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173
Construction in progress	4,252,402	24,367,403	10,657,051	17,962,754
Total capital assets not being depreciated and amortized	8,954,575	24,367,403	10,657,051	22,664,927
Capital assets being depreciated and amortized:				
Land improvements	12,657,015	-	126,479	12,530,536
Buildings	125,293,735	164,366	3,830,024	121,628,077
Building improvements	201,300,748	10,657,051	6,886,276	205,071,523
Furniture and equipment	11,014,748	930,688	87,170	11,858,266
Intangibles	1,248,673	-	-	1,248,673
Intangible right to use lease equipment	117,410	-	-	117,410
Intangible right to use IT subscription	286,434	797,878	-	1,084,312
Total capital assets being depreciated and amortized	351,918,763	12,549,983	10,929,949	353,538,797
Less accumulated depreciation and amortization for:				
Land improvements	11,469,153	153,070	113,969	11,508,254
Buildings	63,379,745	1,973,115	2,329,822	63,023,038
Buildings improvements	107,791,600	9,134,403	5,638,598	111,287,405
Furniture and equipment	9,676,921	478,532	87,170	10,068,283
Intangibles	1,116,958	32,256	-	1,149,214
Intangible right to use lease equipment	24,189	36,676	-	60,865
Intangible right to use IT subscription	89,914	219,937	-	309,851
Total accumulated depreciation and amortization	193,548,480	12,027,989	8,169,559	197,406,910
Total capital assets being depreciated and amortized, net	158,370,283	521,994	2,760,390	156,131,887
Governmental activities, capital assets, net	\$ 167,324,858	\$ 24,889,397	\$ 13,417,441	\$ 178,796,814

Davenport Community School District

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities:		
Instruction		\$ 11,747,842
Support services:		
Student support services		9,624
General administration		68,288
Business and central administration		23,846
Plant operation and maintenance		167,339
Central support services		11,050
Total governmental activities depreciation/amortization expense		\$ 12,027,989
Business-type activities:		
Food service operations		\$ 105,894
Out of school time		233
Total business-type activities depreciation/amortization expense		\$ 106,127

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 1,180,000	\$ 75,900,000	\$ 1,180,000	\$ 75,900,000	\$ 1,900,000
Premium on bonds	22,440	7,008,864	22,440	7,008,864	-
Total revenue bonds	1,202,440	82,908,864	1,202,440	82,908,864	1,900,000
Other Liabilities:					
Early retirement	2,051,710	-	947,930	1,103,780	684,123
Compensated absences	761,669	933,022	827,042	867,649	867,649
Lease obligation	93,975	-	35,983	57,992	37,261
IT subscription obligation	171,252	87,121	118,517	139,856	97,446
Net pension liability	52,623,263	4,344,280	-	56,967,543	-
OPEB liability	8,161,002	443,003	-	8,604,005	460,000
Total	\$ 65,065,311	\$ 88,716,290	\$ 3,131,912	\$ 150,649,689	\$ 4,046,479
Business-type activities:					
Compensated absences	\$ 26,870	\$ 26,660	\$ 26,766	\$ 26,764	\$ 26,764
IT subscription obligation	154,930	-	36,757	118,173	38,044
Net pension liability	1,493,390	143,430	-	1,636,820	-
OPEB liability	247,501	12,714	-	260,215	-
Total	\$ 1,922,691	\$ 182,804	\$ 63,523	\$ 2,041,972	\$ 64,808

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

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

Revenue Bonds -Governmental Activities:

On May 2, 2015 the District issued School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2015. The bonds bore interest at 2.00% per annum and matured in varying annual amounts, with the final maturity due in the year ending June 30, 2024. The bonds were issued for the purpose of financing capital projects. The revenue bonds were secured solely by the District's sales, services and use tax revenue.

On April 11, 2024, the District issued School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2024. The revenue bonds bear interest at rates ranging from 5.00% to 7.00% per annum and mature in varying annual amounts, ranging from \$1,900,000 to \$5,895,000, with the final maturity due in the year ending June 30, 2043. The bonds were issued for the purpose of providing funds for school infrastructure projects; including to construct, build, furnish and equip new middle school buildings and improve the sites; to repair, remodel, improve, furnish and equip North High School building and improve the site; and to install, equip and furnish turf fields for the existing high school athletic facilities.

During the fiscal year ended June 30, 2024, the District had sales, services, and use tax revenue of \$18,659,770 and the amount of principal and interest paid was \$1,198,618. Total principal and interest remain to be paid on the bonds as of June 30, 2024 was \$116,514,368. The bonds are not general obligations of the District. Annual principal and interest on the bonds are expected to require 20% of the pledged revenue over the life of the bonds.

The resolution providing for the issuance of the revenue bonds included a reserve requirement. The District is required to maintain a sinking fund. The required amount to be deposited in the sinking fund in any month shall be the equal monthly amount necessary to pay in full the installments of interest coming due on the next interest payment date on the then outstanding Bonds and Parity Bonds plus the equal monthly amount necessary to pay in full the installment of principal coming due on such bonds on the next succeeding principal payment date until the full amount of such installment is on hand. The reserve fund requirement is defined as the lesser of a) the maximum annual amount of the principal and interest coming due on the bonds and parity bonds in any year, or b) 10% of the stated principal amount of the bonds and parity bonds, or c) 125% of the average annual principal and interest coming due on the bonds. The District has \$6,688,724 of cash and investments in the Debt Service Fund to comply with the sinking fund and reserve requirement.

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

The details of the revenue bonds are as follows:

Year ending June 30:	Governmental Activities School Infrastructure Sales, Services, and Use Tax Revenue Bonds		
	Principal	Interest	Total
2025	\$ 1,900,000	\$ 4,232,168	\$ 6,132,168
2026	2,550,000	3,583,050	6,133,050
2027	2,730,000	3,404,550	6,134,550
2028	2,920,000	3,213,450	6,133,450
2029	3,065,000	3,067,450	6,132,450
2030-2034	17,785,000	12,878,750	30,663,750
2035-2039	22,695,000	7,965,750	30,660,750
2040-2043	22,255,000	2,269,200	24,524,200
	\$ 75,900,000	\$ 40,614,368	\$ 116,514,368

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

Year ending June 30:	Leases		
	Principal	Interest	Total
2025	\$ 37,261	\$ 1,447	\$ 38,708
2026	16,814	327	17,141
2027	3,917	87	4,004
Totals	\$ 57,992	\$ 1,861	\$ 59,853

Subscription-Based Information Technology Arrangements (SBITA): The District has entered into several subscription based information technology arrangements (SBITA). The arrangements expire between June 30, 2026 and June 30, 2027. The details of the arrangements are as follows:

Year ending June 30:	SBITA- Governmental Activities		
	Principal	Interest	Total
2025	\$ 97,446	\$ 4,894	\$ 102,340
2026	42,410	1,484	43,894
Totals	\$ 139,856	\$ 6,378	\$ 146,234

Year ending June 30:	SBITA- Business-Type Activities		
	Principal	Interest	Total
2025	\$ 38,044	\$ 4,136	\$ 42,180
2026	39,375	2,805	42,180
2027	40,754	1,426	42,180
Totals	\$ 118,173	\$ 8,367	\$ 126,540

Davenport Community School District

Notes to Basic Financial Statements

Note 5. Long-Term Liabilities (Continued)

Early Retirement: The District may provide early retirement incentives for certain employees who meet certain qualifications as established by the Board of Education. The cost of the incentives is borne by the District in whole. Eligible participants cannot, and do not, contribute to the incentive program. The early retirement liability as of June 30, 2024 of \$1,103,780 is the remaining liability for Early Retirement Incentive Plans issued in 2019, 2020 and 2021.

The early retirement benefit for these plan years ranged from \$25,000 to \$50,000 divided over a five-year period paid into a retiree health reimbursement account or a 403(b) special plan.

Early retirement benefits are paid evenly over five years. As of June 30, 2024, 175 District retirees participate in the plan. The District has recorded the liability at the net present value of the future payments. During the year ended June 30, 2024, the District paid \$1,024,050 of early retirement benefits.

Legal Debt Margin: As of June 30, 2024, the District did not hold any outstanding general obligation debt and therefore did not exceed the statutory debt limit.

Note 6. Other Postemployment Benefits (OPEB)

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

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retiree health care coverage is available to pre-age 65 eligible retirees. All employees are required to contribute the full premium in order to continue coverage at retirement. The full monthly premium rates as of July 1, 2023 for each plan are as shown below:

	Rate Tier	Medical
Single		\$ 687
Family		1,664

Employees covered by benefit terms: As of July 1, 2023, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The District's total OPEB liability of \$8,864,220 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023 rolled forward to 2024.

Davenport Community School District

Notes to Basic Financial Statements

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

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

Inflation	3.00% per annum
Salary increases	2.50% per annum
Discount rate	3.65% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.50%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 5.00%

The discount rate reflects the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. Mortality rates were based on the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2024 roll forward valuation were based on the results of an actuarial experience study for the period 2010– 2020.

Changes in the Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2023	\$ 8,408,503	\$ -	\$ 8,408,503
Changes for the year:			
Service cost	594,515	-	594,515
Interest	320,234	-	320,234
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Benefit payments	(459,032)	-	(459,032)
Net changes	455,717	-	455,717
Balance at June 30, 2024	\$ 8,864,220	\$ -	\$ 8,864,220

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

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

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 9,620,579	\$ 8,864,220	\$ 8,166,204

Davenport Community School District

Notes to Basic Financial Statements

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

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

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	4.50%	5.50%	6.50%
Total OPEB liability	\$ 7,898,898	\$ 8,864,220	\$ 10,013,634

For the year ended June 30, 2024, the District recognized OPEB expense of \$777,823. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,326,688)
Changes of assumptions or other inputs	3,252,672	(2,330,096)
Net difference between projected and actual investments	-	-
Total	\$ 3,252,672	\$ (4,656,784)

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

Year ended June 30:	
2025	\$ (136,925)
2026	(136,925)
2027	(136,925)
2028	(136,925)
2029	(136,925)
Thereafter	(719,487)
	\$ (1,404,112)

Note 7. Pension and Retirement Benefits

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

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

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

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

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

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

In fiscal year 2024, pursuant to the required rate, regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2024 were \$10,984,101.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2024, the District reported a liability of \$58,604,363 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 1.298376 percent, which was a decrease of 0.133983 percent from its proportion measured as of June 30, 2022.

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2024, the District recognized pension of \$1,608,472. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,958,009	\$ 240,885
Changes of assumptions	-	930
Net difference between projected and actual earnings on pension plan investments	5,427,475	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	9,384,887
District contributions subsequent to the measurement date	10,984,101	-
Total	\$ 21,369,585	\$ 9,626,702

\$10,984,101 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ (4,814,797)
2026	(7,116,126)
2027	11,429,070
2028	1,254,004
2029	6,631
Thereafter	-
Total	\$ 758,782

There were no non-employer contributing entities at IPERS.

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5%	6.22%
Global smart beta equity	5.0%	5.22%
Core plus fixed income	23.0%	2.69%
Public credit	3.0%	4.38%
Cash	1.0%	1.59%
Private equity	17.0%	10.44%
Private real assets	9.0%	3.88%
Private credit	4.5%	4.60%
Total	100%	

Davenport Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability (asset)	\$ 124,605,934	\$ 58,604,363	\$ 3,293,957

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

Payables to the Pension Plan: At June 30, 2024, the District reported payables to IPERS of \$828,868 for legally required District contributions and \$552,286 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Risk Management

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

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

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

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

Davenport Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Continued)

Changes in the accrual balance for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	\$ 3,500,000	\$ 3,700,000
Incurred claims and claim adjustments	25,295,689	26,431,023
Payment of claims	25,295,689	26,631,023
Balance, end of year	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>

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

Note 9. Restricted Categorical Funding

The District's fund balance restricted for categorical funding as of June 30, 2024 is comprised of the following programs:

Program:	Amount
Four year old preschool	\$ 1,141,656
Professional development	111,672
Teacher salary supplement	34,541
Teacher leadership	2,533,793
Success for early readers	97,255
Gifted and talented	511,941
Home school assistance program	160,614
Total	<u>\$ 4,591,472</u>

Note 10. Commitments and Contingencies

The District has entered into various construction and remodel contracts for projects throughout the District. As of June 30, 2024, these contracts totaled \$46,293,000. Work done and payments of \$17,963,000 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability of \$28,330,000.

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

Davenport Community School District

Notes to Basic Financial Statements

Note 11. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Davenport, Iowa	Urban renewal and economic development projects	\$ 789,243
City of Blue Grass, Iowa	Urban renewal and economic development projects	39,609
City of Walcott, Iowa	Urban renewal and economic development projects	32,141

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$392,482.

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

The District adopted the following statement during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

As of June 30, 2024, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

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

Davenport Community School District

Notes to Basic Financial Statements

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

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

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

Required Supplementary Information

Davenport Community School District

Required Supplementary Information

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Funds
Year Ended June 30, 2024

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 87,873,695	\$ 1,447,242
State sources	135,626,775	63,971
Federal sources	46,176,901	8,985,091
Total revenues	269,677,371	10,496,304
Expenditures/expenses:		
Instruction	141,310,556	-
Support services	79,160,735	529,782
Noninstructional programs	771,953	9,560,427
Other expenditures	38,602,105	-
Total expenditures/expenses	259,845,349	10,090,209
Excess of revenues over (under) expenditures/expenses	9,832,022	406,095
Other financing sources (uses):		
Interfund transfers in	19,438,306	444,077
Interfund transfers out	(19,390,500)	(491,883)
Issuance of long-term debt	75,987,121	-
Premium on issuance of long-term debt	7,008,864	-
Proceeds from sale of capital asset	775,235	-
Total other financing sources (uses)	83,819,026	(47,806)
Net change in fund balances	93,651,048	358,289
Balance, beginning of year	124,530,503	5,504,467
Balance, end of year	\$ 218,181,551	\$ 5,862,756

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 89,320,937	\$ 84,570,551	\$ 84,570,551	\$ 4,750,386
135,690,746	135,426,624	135,426,624	264,122
55,161,992	57,887,818	57,887,818	(2,725,826)
280,173,675	277,884,993	277,884,993	2,288,682
141,310,556	142,423,219	162,423,219	21,112,663
79,690,517	88,690,800	95,190,800	15,500,283
10,332,380	9,397,079	12,897,079	2,564,699
38,602,105	46,185,119	46,185,119	7,583,014
269,935,558	286,696,217	316,696,217	46,760,659
10,238,117	(8,811,224)	(38,811,224)	49,049,341
19,882,383	22,465,000	22,465,000	(2,582,617)
(19,882,383)	(22,465,000)	(22,465,000)	2,582,617
75,987,121	-	-	75,987,121
7,008,864	-	-	7,008,864
775,235	-	-	775,235
83,771,220	-	-	83,771,220
94,009,337	\$ (8,811,224)	\$ (38,811,224)	\$ 132,820,561
130,034,970			
<u>\$ 224,044,307</u>			

Davenport Community School District

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

	2024	2023
Total OPEB liability		
Changes for the year:		
Service cost	\$ 594,515	\$ 580,014
Interest	320,234	304,298
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(1,277,784)
Changes in assumptions or other inputs	-	(956,500)
Benefit payments	(459,032)	(465,556)
Net changes in total OPEB liability	455,717	(1,815,528)
Total OPEB liability - beginning	8,408,503	10,224,031
Total OPEB liability - ending	<u>\$ 8,864,220</u>	<u>\$ 8,408,503</u>
 Covered employee payroll	 \$ 109,457,824	 \$ 106,788,121
 Total OPEB liability as a percentage of covered employee payroll	 8.10%	 7.87%

Notes to Schedule:

Changes of benefit terms:

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

Differences between expected and actual experience:

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

Changes of assumption:

Changes in assumptions were as follows:

Salary increases	2.50%	2.50%
Discount rate	3.65%	3.65%
Health care cost trend rate	5.50%	6.00%

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

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

See Notes to Required Supplementary Information.

	2022	2021	2020	2019	2018
\$	871,295	\$ 850,044	\$ 703,602	\$ 686,441	\$ 450,222
	253,788	241,372	429,969	405,085	228,231
	-	-	-	-	-
	-	(1,696,694)	-	(80,650)	(271,834)
	(1,232,614)	(1,038,991)	1,778,468	4,044,863	-
	(561,475)	(540,295)	(482,291)	(449,087)	(99,191)
	(669,006)	(2,184,564)	2,429,748	4,606,652	307,428
	10,893,037	13,077,601	10,647,853	6,041,201	5,733,773
\$	10,224,031	\$ 10,893,037	\$ 13,077,601	\$ 10,647,853	\$ 6,041,201
\$	101,349,212	\$ 98,877,280	\$ 113,882,532	\$ 111,104,909	\$ 92,742,280
	10.09%	11.02%	11.48%	9.58%	6.51%
	2.50%	2.50%	2.50%	2.50%	0.00%
	3.54%	2.21%	2.21%	3.87%	3.72%
	7.00%	7.00%	8.00%	8.00%	6.00%

Davenport Community School District

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

	2024*	2023*	2022*	2021*
District's proportion of the net pension liability	1.298376%	1.432359%	-0.588982%	1.500191%
District's proportionate share of the net pension liability	\$ 58,604,363	\$ 54,116,653	\$ 2,033,324	\$ 105,384,439
District's covered payroll	\$ 114,152,413	\$ 115,616,638	\$ 117,876,887	\$ 119,200,123
District's proportionate share of the net pension liability as a percentage of ies covered payroll	51.34%	46.81%	1.72%	88.41%
Plan fiduciary net pension as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%

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

See Notes to Required Supplementary Information.

2020*	2019*	2018*	2017*	2016*	2015*
1.616666%	1.614965%	1.580102%	1.577490%	1.562615%	1.502500%
\$ 93,615,597	\$ 102,198,921	\$ 105,254,760	\$ 99,276,394	\$ 77,200,725	\$ 59,586,686
\$ 123,119,093	\$ 121,449,832	\$ 118,073,180	\$ 113,174,927	\$ 107,021,725	\$ 98,315,409
76.04%	84.15%	89.14%	87.72%	72.14%	60.61%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Davenport Community School District

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

	2024	2023	2022	2021
Statutorily required contribution	\$ 10,984,101	\$ 10,762,650	\$ 10,891,450	\$ 11,110,302
Contributions in relation to the statutorily required contribution	\$ (10,984,101)	\$ (10,762,650)	\$ (10,891,450)	\$ (11,110,302)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 116,591,781	\$ 114,152,413	\$ 115,616,638	\$ 117,876,887
Contributions as a percentage of covered payroll	9.42%	9.43%	9.42%	9.43%

See Notes to Required Supplementary Information.

	2020	2019	2018	2017	2016	2015
\$	11,252,491	\$ 11,622,441	\$ 10,845,472	\$ 10,543,936	\$ 10,106,521	\$ 9,557,040
\$	(11,252,491)	\$ (11,622,441)	\$ (10,845,472)	\$ (10,543,936)	\$ (10,106,521)	\$ (9,557,040)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	119,200,123	\$ 123,119,093	\$ 121,449,832	\$ 118,073,180	\$ 113,174,927	\$ 107,021,725
	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Davenport Community School District

Notes to Basic Financial Statements

Note 1. Budgets and Budgetary Information

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents functional expenditures or expenses by fund, the legal level of control is at the aggregated functional area level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District follows these procedures in establishing budgetary data:

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

Davenport Community School District

Notes to Basic Financial Statements

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2023 valuation incorporated the following refinements after a quadrennial experience study:

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

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

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

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

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



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Other Supplementary Information



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Nonmajor Governmental Funds

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

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

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

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

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

Davenport Community School District

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	Special Revenue			Total
	Management Levy	Student Activity	Debt Service	
Assets				
Cash and Investments	\$ 10,111,628	\$ 1,011,714	\$ 6,688,724	\$ 17,812,066
Receivables:				
Property tax:				
Current year	82,228	-	-	82,228
Succeeding year	7,714,606	-	-	7,714,606
Other	750	2,158	-	2,908
Total assets	\$ 17,909,212	\$ 1,013,872	\$ 6,688,724	\$ 25,611,808
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,117	\$ 25,646	\$ -	\$ 30,763
Accrued payroll and payroll taxes	-	15,646	-	15,646
Total liabilities	5,117	41,292	-	46,409
Deferred inflows of resources, Unavailable revenue:				
Succeeding year property taxes	7,714,606	-	-	7,714,606
Total deferred inflows of resources	7,714,606	-	-	7,714,606
Fund balances:				
Restricted for				
Debt service	-	-	6,688,724	6,688,724
Management levy purposes	10,189,489	-	-	10,189,489
Student activities	-	972,580	-	972,580
Total fund balances	10,189,489	972,580	6,688,724	17,850,793
Total liabilities, deferred inflows of resources and fund balances	\$ 17,909,212	\$ 1,013,872	\$ 6,688,724	\$ 25,611,808

Davenport Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2024

	Special Revenue			Total
	Management Levy	Student Activity	Debt Service	
Revenues:				
Local sources:				
Property taxes	\$ 6,647,252	\$ -	\$ -	\$ 6,647,252
Utility taxes	269,050	-	-	269,050
Other taxes	8,249	-	-	8,249
Interest	523,763	51,156	76,320	651,239
Other	142,150	807,081	-	949,231
State sources, other	135,985	-	-	135,985
Total revenues	7,726,449	858,237	76,320	8,661,006
Expenditures:				
Current:				
Instruction	1,027,475	753,810	-	1,781,285
Support service:				
General administration	2,637,453	-	-	2,637,453
Plant operation and maintenance	1,556,696	-	-	1,556,696
Student transportation	-	46,900	-	46,900
Debt service:				
Principal	-	-	1,334,500	1,334,500
Interest and fiscal charges	-	-	28,373	28,373
Total expenditures	5,221,624	800,710	1,362,873	7,385,207
Excess (deficiency) of revenues over (under) expenditures	2,504,825	57,527	(1,286,553)	1,275,799
Other financing sources:				
Transfers in	-	-	6,771,677	6,771,677
Total other financing sources	-	-	6,771,677	6,771,677
Net change in fund balances	2,504,825	57,527	5,485,124	8,047,476
Fund balances, beginning of year	7,684,664	915,053	1,203,600	9,803,317
Fund balances, end of year	\$ 10,189,489	\$ 972,580	\$ 6,688,724	\$ 17,850,793



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Davenport Community School District

**Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year Ended June 30, 2024**

Group	Beginning June 30, 2023	Revenues	Expenditures	Ending June 30, 2024
Adams Elementary	\$ 17,450	\$ 5,334	\$ 3,680	\$ 19,104
Blue Grass Elementary	2,276	1,996	806	3,466
Buchanan Elementary	670	(670)	-	-
Buffalo Elementary	12,279	8,644	9,758	11,165
Eisenhower Elementary	3,521	736	1,333	2,924
Fillmore Elementary	2,290	269	-	2,559
Garfield Elementary	4,498	1,640	2,433	3,705
Harrison Elementary	2,930	538	56	3,412
Hayes Elementary	4,347	232	65	4,514
Jackson Elementary	2,094	484	32	2,546
Jefferson Elementary	2,276	3,345	1,676	3,945
Madison Elementary	1,005	796	2,057	(256)
McKinley Elementary	4,891	508	358	5,041
Monroe Elementary	209	(209)	-	-
Truman Elementary	496	270	-	766
Washington Elementary	8,865	(8,865)	-	-
Wilson Elementary	3,068	857	1,097	2,828
Smart Intermediate School	13,109	489	-	13,598
Sudlow Intermediate School	91,298	43,897	33,119	102,076
Walcott School	33,507	4,731	7,598	30,640
Williams Intermediate School	30,682	1,976	1,973	30,685
Wood Intermediate School	38,512	24,960	35,036	28,436
Central High School Athletics	31,042	86,616	100,422	17,236
Central High School	223,968	112,938	138,815	198,091
Mid City High School	8,686	2,654	1,401	9,939
North High School Athletics	(4,801)	107,007	102,815	(609)
North High School	126,103	157,526	133,362	150,267
West High School Athletics	1,725	122,098	97,956	25,867
West High School	166,056	101,296	98,570	168,782
Senior High Future Teachers	4,643	15,180	6,776	13,047
District Wide Athletics	8,930	9,729	12,716	5,943
Unallocated interest income	68,428	51,235	6,800	112,863
Total Special Revenue Fund, Student Activity By Account	\$ 915,053	\$ 858,237	\$ 800,710	\$ 972,580

Davenport Community School District

Schedule of Combining Balance Sheet
 Capital Projects Fund - By Account
 June 30, 2024

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash and pooled investments	\$ 51,502,375	\$ 16,834,300	\$ 79,038,777	\$ 147,375,452
Receivables:				
Property tax:				
Current year	-	128,468	-	128,468
Succeeding year	-	8,571,876	-	8,571,876
Due from other governments	1,716,972	-	-	1,716,972
Prepaid items	-	25,352	-	25,352
Total assets	\$ 53,219,347	\$ 25,559,996	\$ 79,038,777	\$ 157,818,120
Liabilities, Deferred Inflows of Resources, and and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,584,205	\$ 393,648	\$ 995,279	\$ 4,973,132
Accrued payroll and payroll taxes	1,429	-	-	1,429
Retainage payable	568,785	10,196	22,938	601,919
Total liabilities	4,154,419	403,844	1,018,217	5,576,480
Deferred Inflows of Resources:				
Unavailable revenue:				
Succeeding year property tax	-	8,571,876	-	8,571,876
Total deferred inflows of resources	-	8,571,876	-	8,571,876
Fund Balances:				
Nonspendable:				
Prepaid items	-	25,352	-	25,352
Restricted for:				
Physical plant and equipment	-	16,558,924	-	16,558,924
School infrastructure	49,064,928	-	78,020,560	127,085,488
Total fund balances	49,064,928	16,584,276	78,020,560	143,669,764
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,219,347	\$ 25,559,996	\$ 79,038,777	\$ 157,818,120

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Fund - By Account
 Year Ended June 30, 2024

	Capital Projects Fund Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Property taxes	\$ -	\$ 8,201,452	\$ -	\$ 8,201,452
Utility taxes	-	321,301	-	321,301
Other taxes	-	9,899	-	9,899
Interest	419,162	321,915	439,478	1,180,555
Other	-	287,604	-	287,604
State sources:				
Statewide sales, services, and use tax	18,659,770	-	-	18,659,770
Other state sources	-	162,547	-	162,547
Total revenues	19,078,932	9,304,718	439,478	28,823,128
Expenditures:				
Current:				
Instruction	2,633,067	1,517,109	-	4,150,176
Support services:				
Business and central administration	1,076,807	1,385,024	-	2,461,831
Plant operation and maintenance	552,502	429,149	-	981,651
Student transportation	-	650,296	-	650,296
Non-instructional programs	-	80,570	-	80,570
Capital outlay	16,200,739	8,520,560	4,443,146	29,164,445
Debt service:				
Interest and fiscal charges	17,000	-	884,636	901,636
Total expenditures	20,480,115	12,582,708	5,327,782	38,390,605
(Deficiency) of revenues				
(under) expenditures	(1,401,183)	(3,277,990)	(4,888,304)	(9,567,477)
Other financing sources (uses):				
Proceeds from sale of capital asset	-	775,235	-	775,235
Issuance of long term debt	-	87,121	75,900,000	75,987,121
Premium on issuance of long term debt	-	-	7,008,864	7,008,864
Transfers in	8,216,168	3,958,579	-	12,174,747
Transfers out	(6,608,197)	(159,476)	-	(6,767,673)
Total other financing				
sources (uses)	1,607,971	4,661,459	82,908,864	89,178,294
Net change in fund balance	206,788	1,383,469	78,020,560	79,610,817
Fund balance, beginning of year	48,858,140	15,200,807	-	64,058,947
Fund balance, end of year	\$ 49,064,928	\$ 16,584,276	\$ 78,020,560	\$ 143,669,764



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Nonmajor Enterprise Funds

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

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

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

Davenport Community School District

Combining Statement of Net Position (Deficit)

Nonmajor Enterprise Funds

June 30, 2024

	School Nutrition Fund	Out of School Time Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 7,027,144	\$ 368,003	\$ 7,395,147
Due from other governmental units	64,974	-	64,974
Other receivables	7,489	-	7,489
Inventories	115,802	-	115,802
Total current assets	7,215,409	368,003	7,583,412
Noncurrent Assets			
Capital assets, net of accumulated depreciation and amortization	459,949	923	460,872
Total noncurrent assets	459,949	923	460,872
Total assets	7,675,358	368,926	8,044,284
Deferred Outflows of Resources:			
OPEB related deferred outflows	93,090	3,021	96,111
Pension related deferred outflows	557,960	38,893	596,853
Total deferred outflows of resources	651,050	41,914	692,964
Liabilities			
Current Liabilities			
Accounts payable	36,600	2,380	38,980
Accrued payroll and payroll taxes	56,703	9,109	65,812
Unearned revenue	75,457	252,000	327,457
Compensated absences	9,016	17,748	26,764
IT subscription obligation	38,044	-	38,044
Total current liabilities	215,820	281,237	497,057
Noncurrent Liabilities			
Net pension liability	1,530,160	106,660	1,636,820
Other post employment benefits obligation	252,299	7,916	260,215
IT subscription obligation	80,129	-	80,129
Total noncurrent liabilities	1,862,588	114,576	1,977,164
Total liabilities	2,078,408	395,813	2,474,221
Deferred Inflows of Resources:			
OPEB related deferred inflows	124,063	7,335	131,398
Pension related deferred inflows	251,353	17,520	268,873
Total deferred inflows of resources	375,416	24,855	400,271
Net Position (Deficit)			
Net investment in capital assets	341,776	923	342,699
Unrestricted	5,530,808	(10,751)	5,520,057
Total net position (deficit)	\$ 5,872,584	\$ (9,828)	\$ 5,862,756

Davenport Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit)

Nonmajor Enterprise Funds

Year Ended June 30, 2024

	School Nutrition Fund	Out of School Time Fund	Total
Operating Revenue:			
Charges for services	\$ 768,465	\$ 480,319	\$ 1,248,784
Operating Expenses:			
Salaries and benefits	4,611,288	283,334	4,894,622
Purchased services	138,896	236,860	375,756
Supplies	4,698,926	8,181	4,707,107
Other operating costs	-	1,174	1,174
Depreciation	105,894	233	106,127
Total operating expenses	9,555,004	529,782	10,084,786
Operating (loss)	(8,786,539)	(49,463)	(8,836,002)
Nonoperating Revenues (Expenses):			
Interest income	164,175	23,000	187,175
Interest expense	(5,423)	-	(5,423)
Intergovernmental	9,049,062	-	9,049,062
Other nonoperating revenue	11,283	-	11,283
Total nonoperating revenues (expenses)	9,219,097	23,000	9,242,097
Income (loss) before transfers	432,558	(26,463)	406,095
Transfer in	434,409	9,668	444,077
Transfers (out)	(491,883)	-	(491,883)
Change in net position	375,084	(16,795)	358,289
Net Position, beginning of year	5,497,500	6,967	5,504,467
Net Position (deficit), end of year	\$ 5,872,584	\$ (9,828)	\$ 5,862,756

Davenport Community School District

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2024**

	School Nutrition Fund	Out of School Time Fund	Total
Cash flows from operating activities			
Cash received from user charges	\$ 629,827	\$ 732,319	\$ 1,362,146
Cash payments to employees for services	(4,156,027)	(233,101)	(4,389,128)
Cash payments to suppliers for goods or services	(4,888,919)	(265,274)	(5,154,193)
Net cash provided by (used in) operating activities	(8,415,119)	233,944	(8,181,175)
Cash flows from noncapital financing activities:			
Grants and contributions received	8,436,625	-	8,436,625
Proceeds from other funds	434,409	9,668	444,077
Payments to other funds	(491,883)	-	(491,883)
Other nonoperating receipts	11,283	-	11,283
Net cash provided by noncapital financing activities	8,390,434	9,668	8,400,102
Cash flows from capital and related financing activities,			
Acquisition of capital assets	(170,223)	-	(170,223)
Principal paid on IT subscription obligation	(36,757)	-	(36,757)
Interest paid on IT subscription obligation	(5,423)	-	(5,423)
Net cash (used in) capital financing activities	(212,403)	-	(212,403)
Cash flows from investing activities,			
Interest received	164,175	23,000	187,175
Net increase (decrease) in cash and cash equivalents	(72,913)	266,612	193,699
Cash and cash equivalents beginning of year	7,100,057	101,391	7,201,448
Cash and cash equivalents end of year	\$ 7,027,144	\$ 368,003	\$ 7,395,147

(Continued)

Davenport Community School District

Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended June 30, 2024

	School Nutrition Fund	Out of School Time Fund	Total
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (8,786,539)	\$ (49,463)	\$ (8,836,002)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	105,894	233	106,127
Commodities used	655,893	-	655,893
Changes in assets and liabilities:			
Receivables	5,172	-	5,172
Inventories	(31,572)	-	(31,572)
Unearned revenue	(143,810)	252,000	108,190
Accounts payable	(19,525)	(19,059)	(38,584)
Compensated absences	(3,135)	3,029	(106)
Accrued liabilities	9,062	(1,744)	7,318
Net pension liability and deferred outflows of resources and deferred inflows of resources	(214,879)	48,374	(166,505)
OPEB liability and deferred outflows of resources and deferred inflows of resources	8,320	574	8,894
Net cash provided by (used in) operating activities	\$ (8,415,119)	\$ 233,944	\$ (8,181,175)
Schedule of noncash items:			
Noncapital financing activities, federal commodities	\$ 655,893	\$ -	\$ 655,893



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



Fiduciary Funds

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

The custodial funds account for assets held by the District as an agent for individuals, private organizations, and other governments, which includes assets held for staff activities not funded by the District. The District has the following custodial funds.

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

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

Davenport Community School District

Combining Statement of Fiduciary Net Position (Deficit)

Fiduciary Funds

June 30, 2024

	Custodial		
	Teacher and Paraeducator Registered Apprenticeship Program	Staff Activities	Total
Assets			
Cash and cash equivalents	\$ -	\$ 235,893	\$ 235,893
Other receivable	2,207	-	2,207
Total assets	\$ 2,207	\$ 235,893	\$ 238,100
Liabilities			
Accounts payable	\$ 555,581	\$ 142	\$ 555,723
Total liabilities	555,581	142	555,723
Net position (deficit)	\$ (553,374)	\$ 235,751	\$ (317,623)

Davenport Community School District

Combining Statement of Changes in Fiduciary Net Position (Deficit)

Fiduciary Funds

Year Ended June 30, 2024

	Custodial		
	Teacher and Paraeducator Registered Apprenticeship Program	Staff Activities	Total
Additions			
Contributions	\$ -	\$ 117,827	\$ 117,827
Federal sources	73,748	-	73,748
Total additions	<u>73,748</u>	<u>117,827</u>	<u>191,575</u>
Deductions			
Administrative expenses	-	84,518	84,518
Program expenses	370,511	-	370,511
Total deductions	<u>370,511</u>	<u>84,518</u>	<u>455,029</u>
Change in net position (deficit)	(296,763)	33,309	(263,454)
Net position (deficit), beginning of year	(256,611)	202,442	(54,169)
Net position (deficit), end of year	<u>\$ (553,374)</u>	<u>\$ 235,751</u>	<u>\$ (317,623)</u>

Davenport Community School District

**Schedule of Changes in Fiduciary Net Position- Custodial Funds, by Staff Accounts
Year Ended June 30, 2024**

Activity Group	Beginning June 30, 2023	Revenues	Expenditures	Ending June 30, 2024
Adams Staff Account	\$ 2,081	\$ -	\$ 445	\$ 1,636
Administration Pop Account	2,892	1,456	1,520	2,828
Administration Scholar Account	522	-	-	522
Blue Grass Staff Account	139	200	-	339
Buchanan Pop Account	48	(48)	-	-
Buchanan Boosters Account	302	(302)	-	-
Buffalo Staff Account	198	342	412	128
Buffalo Business Partners	96	76	171	1
CV Hayes Staff Account	54	-	-	54
CV Hoover Staff Account	211	-	-	211
CV Hoover Parent Account	54	-	-	54
CV West Staff Account	433	3,072	928	2,577
CV West PTO Account	405	-	60	345
CV West Staff Social Account	91	-	-	91
Central Staff Account	16,236	28,266	18,047	26,455
Davenport Learning Staff Account	-	-	-	-
Districtwide Drop Out Event	921	-	-	921
Districtwide Symphony	-	-	-	-
Eisenhower Staff Account	708	-	-	708
Fillmore Staff Account	262	976	798	440
Garfield Staff Account	550	911	145	1,316
Harrison Staff Account	10,734	2,060	3,258	9,536
Havlife Foundation Account	9,250	7,500	2,075	14,675
Hayes Staff Fund	294	-	-	294
Jackson Staff Fund	699	500	88	1,111
Jefferson Staff Fund	3,274	541	932	2,883
Madison Staff Account	795	280	712	363
Metro Fest	3,401	270	441	3,230
Mid City Staff Account	2,535	448	-	2,983
McKinley Staff Fund	403	41	-	444
Monroe Staff Account	511	(511)	-	-
North Staff Account	16,132	18,458	17,826	16,764
River Music Experience/Havlife	606	-	-	606
Smart Staff Account	979	687	975	691
Sudlow Staff Account	1,130	547	129	1,548
Truman Staff Account	8,006	63	1,721	6,348
Walcott Staff Account	1,728	1,692	1,350	2,070
Washington Staff Account	445	(330)	114	1
West Staff Account	90,883	28,707	22,256	97,334
West Shrine Account	331	-	-	331
West Athletics Account	14,701	15,839	3,365	27,175
West Boosters Account	290	-	-	290
West After Prom Account	3,071	1,000	2,588	1,483
Williams Staff Account	2,616	2,380	1,454	3,542
Wilson Staff Account	513	2,195	2,603	105
Wood Staff Account	1,274	511	105	1,680
Youth Fest Account	1,638	-	-	1,638
Total Net Position- All Accounts	\$ 202,442	\$ 117,827	\$ 84,518	\$ 235,751

Statistical Section



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

Davenport Community School District

Statistical Section Contents

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	79
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	89
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	94
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	99
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	101

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

Davenport Community School District

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

	Fiscal Year			
	2024	2023	2022	2021
Governmental activities:				
Net investment in capital assets	\$ 168,135,611	\$ 163,816,080	\$ 166,631,233	\$ 175,539,233
Restricted	93,666,520	79,833,208	64,522,555	49,259,585
Unrestricted	19,900,042	4,002,289	(25,887,735)	(54,474,215)
Total governmental activities net position	\$ 281,702,173	\$ 247,651,577	\$ 205,266,053	\$ 170,324,603
Business-type activities				
Net investment in capital assets	\$ 342,699	\$ 241,846	\$ 229,868	\$ 250,396
Unrestricted	5,520,057	5,262,621	3,452,590	354,872
Total business-type activities net position	\$ 5,862,756	\$ 5,504,467	\$ 3,682,458	\$ 605,268
Primary government:				
Net investment in capital assets	\$ 168,478,310	\$ 164,057,926	\$ 166,861,101	\$ 175,789,629
Restricted	93,666,520	79,833,208	64,522,555	49,259,585
Unrestricted	25,420,099	9,264,910	(22,435,145)	(54,119,343)
Total primary government net position	\$ 287,564,929	\$ 253,156,044	\$ 208,948,511	\$ 170,929,871

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

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 182,499,308	\$ 182,224,117	\$ 185,028,308	\$ 181,820,851	\$ 173,180,292	\$ 168,031,137
32,591,484	28,370,996	24,509,982	18,655,832	23,926,922	25,490,625
(55,648,330)	(46,366,056)	(36,231,015)	(22,116,859)	(12,359,839)	(13,563,485)
<u>\$ 159,442,462</u>	<u>\$ 164,229,057</u>	<u>\$ 173,307,275</u>	<u>\$ 178,359,824</u>	<u>\$ 184,747,375</u>	<u>\$ 179,958,277</u>
\$ 278,340	\$ 318,172	\$ 364,713	\$ 453,108	\$ 501,466	\$ 321,414
(249,174)	254,249	348,798	455,031	310,282	24,659
<u>\$ 29,166</u>	<u>\$ 572,421</u>	<u>\$ 713,511</u>	<u>\$ 908,139</u>	<u>\$ 811,748</u>	<u>\$ 346,073</u>
\$ 182,777,648	\$ 182,542,289	\$ 185,393,021	\$ 182,273,959	\$ 173,681,758	\$ 168,352,551
32,591,484	28,370,996	24,509,982	18,655,832	23,926,922	25,490,625
(55,897,504)	(46,111,807)	(35,882,217)	(21,661,828)	(12,049,557)	(13,538,826)
<u>\$ 159,471,628</u>	<u>\$ 164,801,478</u>	<u>\$ 174,020,786</u>	<u>\$ 179,267,963</u>	<u>\$ 185,559,123</u>	<u>\$ 180,304,350</u>

Davenport Community School District

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

	Fiscal Year			
	2024	2023	2022	2021
Expenses:				
Governmental activities:				
Instruction	\$ 146,184,005	\$ 131,333,688	\$ 126,658,619	\$ 138,563,617
Student Support Services	18,874,161	16,833,953	16,388,243	19,069,129
Instructional Staff Support Services	6,647,218	7,452,981	4,548,568	5,366,938
General Administration	7,751,078	6,485,250	6,598,041	6,753,640
School Administration	9,257,205	9,646,041	8,913,236	9,992,526
Business Administration	9,648,635	7,971,397	5,235,283	4,510,778
Plant Operation and Maintenance	20,513,083	15,988,936	15,058,926	17,782,896
Student Transportation	8,722,712	8,352,216	8,333,008	6,541,169
Non-instructional	748,834	687,135	784,979	666,042
Area Education Agency	7,173,151	7,351,527	7,364,149	7,392,144
Interest on Long-term Debt	907,569	121,088	60,819	111,419
Total governmental activities expenses	236,427,651	212,224,212	199,943,871	216,750,298
Business-type activities:				
School Nutrition	9,560,427	9,022,319	8,665,273	7,778,073
Before and after school program	529,782	616,916	583,854	440,497
Total business-type activities expenses	10,090,209	9,639,235	9,249,127	8,218,570
Total primary government expenses	246,517,860	221,863,447	209,192,998	224,968,868
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,139,941	2,596,556	4,931,404	4,257,447
Support services	1,365,503	2,302,334	373,581	1,133,339
Other	-	-	-	22,295
Operating grants and contributions	73,805,284	59,872,759	51,686,295	43,656,177
Capital grants and contributions	-	2,568,020	157,913	-
Total governmental revenues	79,310,728	67,339,669	57,149,193	49,069,258
Business-type activities:				
Charges for services:				
Food Services	768,465	877,816	388,694	1,162,923
Before and after school program	480,319	528,846	206,008	456,798
Operating grants and contributions	9,060,345	10,033,248	8,007,478	6,552,279
Capital grants and contributions	-	19,460	-	-
Total business-type revenues	10,309,129	11,459,370	8,602,180	8,172,000
Total primary government revenues	89,619,857	78,799,039	57,671,438	51,373,287
Net (expense) revenues:				
Governmental activities	(157,116,923)	(144,884,543)	(167,681,040)	(179,692,465)
Business-type activities	218,920	1,820,135	383,610	(249,214)
Total primary government net expense	\$ (156,898,003)	\$ (143,064,408)	\$ (167,297,430)	\$ (179,941,679)

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 142,979,181	\$ 148,386,881	\$ 144,719,877	\$ 139,416,652	\$ 133,042,846	\$ 132,454,398	
18,347,191	16,983,505	16,813,962	16,441,860	14,959,706	7,013,751	
6,168,822	5,903,389	6,699,410	6,354,866	5,481,304	5,517,395	
7,033,064	6,794,569	6,419,405	6,288,431	5,639,397	4,800,446	
10,818,959	10,880,137	11,360,338	10,816,465	11,431,660	9,719,379	
7,254,229	8,102,302	5,901,920	6,830,713	6,451,175	6,179,430	
16,350,173	18,372,074	14,944,147	16,490,014	12,958,917	12,718,459	
5,794,593	7,438,209	7,299,085	7,195,748	6,385,037	6,427,016	
610,909	567,944	648,153	692,881	666,296	603,339	
7,368,697	7,310,665	7,269,964	7,046,999	6,885,657	6,817,320	
167,934	218,319	259,519	300,019	349,258	159,982	
222,893,752	230,957,994	222,335,780	217,874,648	204,251,253	192,410,915	
7,895,033	8,467,056	8,608,677	9,032,980	8,907,468	8,041,263	
526,181	727,393	599,507	399,084	434,523	489,227	
8,421,214	9,194,449	9,208,184	9,432,064	9,341,991	8,530,490	
231,314,966	240,152,443	231,543,964	227,306,712	213,593,244	200,941,405	
3,417,628	3,999,670	5,018,786	5,076,599	4,029,551	n/a	
425,086	621,542	924,404	993,023	892	n/a	
38,435	-	196,513	7,500	-	3,368,675	
39,320,138	41,995,912	38,660,673	36,505,696	36,047,765	40,542,048	
-	103,288	-	-	-	-	
43,201,287	46,720,412	44,800,376	42,582,818	40,078,208	43,910,723	
1,610,804	1,948,801	1,574,028	1,670,598	1,629,652	1,987,983	
730,704	599,308	546,132	562,938	635,619	790,137	
7,027,958	6,872,485	7,395,550	7,572,916	6,584,340	6,333,063	
-	-	-	-	-	-	
9,369,466	9,420,594	9,515,710	9,806,452	8,849,611	9,111,183	
56,089,878	54,220,970	52,098,528	49,884,660	52,760,334	47,062,293	
(184,237,582)	(177,535,404)	(175,291,830)	(164,173,045)	(148,500,192)	(146,720,548)	
175,017	212,410	83,646	464,461	319,121	(265,719)	
\$ (184,062,565)	\$ (177,322,994)	\$ (175,208,184)	\$ (163,708,584)	\$ (148,181,071)	\$ (146,986,267)	

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

	Fiscal Year			
	2024	2023	2022	2021
General revenues and other changes in net position:				
Governmental activities:				
Property Taxes	\$ 71,858,628	\$ 74,705,386	\$ 71,583,420	\$ 72,969,966
Utility Tax	2,888,271	3,151,074	2,837,368	1,454,192
Revenue in lieu of tax	1,459,972	21,782	1,855,761	2,297,375
Sales, Services, and Use Tax	18,659,770	17,308,002	17,778,658	16,596,751
Unrestricted State Aid and Grants	87,705,881	86,284,082	83,136,458	85,008,357
Interest and Investment earnings	8,458,309	5,547,344	414,097	412,884
Other taxes	88,882	98,963	-	-
Transfers	47,806	138,224	130,366	(176,344)
Total governmental activities	191,167,519	187,254,857	177,736,128	178,563,181
Business-type activities:				
Interest and Investment Earnings	187,175	137,025	13,555	16,148
Other	-	-	-	-
Transfers	(47,806)	(138,224)	(130,366)	176,344
Total business-type activities	139,369	(1,199)	(116,811)	192,492
Total primary government	191,306,888	187,253,658	177,619,317	178,755,673
Change in net position:				
Governmental activities	34,050,596	42,370,314	34,941,450	178,563,181
Business-type activities	358,289	1,818,936	3,077,190	192,492
Total primary government	\$ 34,408,885	\$ 44,189,250	\$ 38,018,640	\$ 178,755,673

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 65,960,146	\$ 65,142,361	\$ 64,862,199	\$ 60,111,185	\$ 60,834,657	\$ 61,247,158
3,366,912	3,440,851	3,409,461	3,385,530	3,545,882	3,648,294
2,295,195	2,372,893	2,366,600	3,012,624	-	-
15,341,923	15,608,555	14,432,786	15,129,201	15,114,132	15,170,683
86,333,795	86,440,944	85,738,422	84,429,673	86,685,533	80,262,330
1,286,898	1,801,732	1,003,549	549,199	86,005	275,646
-	-	-	2,286,867	2,695,934	1,392,782
321,001	352,028	340,229	-	-	-
175,159,364	175,159,364	172,153,246	168,904,279	168,962,143	161,996,893
26,960	35,921	10,007	12,745	1,066	892
-	-	-	-	148	672
(321,001)	(352,028)	(340,229)	-	-	-
(316,107)	(316,107)	(330,222)	12,745	1,214	1,564
174,843,257	174,843,257	171,823,024	168,917,024	168,963,357	161,998,457
(4,786,595)	175,159,364	(10,722,416)	(8,631,125)	(6,329,687)	(2,176,152)
(543,255)	(316,107)	(155,205)	225,155	84,860	466,025
\$ 174,843,257	\$ 174,843,257	\$ (10,877,621)	\$ (8,405,970)	\$ (6,244,827)	\$ (1,710,127)

Davenport Community School District

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

	Fiscal Year			
	2024	2023	2022	2021
General Fund:				
Nonspendable	\$ 334,029	\$ 383,732	\$ 335,444	\$ 319,426
Unassigned	-	-	31,864,061	22,312,601
Restricted	4,591,472	3,929,833	3,094,298	5,867,593
Unreserved	51,735,493	46,354,674	-	-
Total General Fund	56,660,994	50,668,239	35,293,803	28,499,620
All other governmental funds:				
Nonspendable	25,352	-	-	-
Restricted	161,495,205	73,862,264	58,995,867	41,247,356
Total all other governmental funds	161,520,557	73,862,264	58,995,867	41,247,356
Total governmental funds	\$ 218,181,551	\$ 124,530,503	\$ 94,289,670	\$ 69,746,976

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 201,847	\$ 236,930	\$ 201,882	\$ 252,083	\$ 241,009	\$ 398,240
19,897,473	12,321,448	11,859,845	13,388,037	21,599,151	24,299,600
5,355,060	4,389,040	3,862,718	2,884,123	-	-
-	-	-	-	-	-
<u>25,454,380</u>	<u>16,947,418</u>	<u>15,924,445</u>	<u>16,524,243</u>	<u>21,840,160</u>	<u>24,697,840</u>
-	-	-	-	-	-
<u>26,719,640</u>	<u>23,207,244</u>	<u>19,897,264</u>	<u>17,905,832</u>	<u>23,176,922</u>	<u>37,176,145</u>
26,719,640	23,207,244	19,897,264	17,905,832	23,176,922	37,176,145
<u>\$ 52,174,020</u>	<u>\$ 40,154,662</u>	<u>\$ 35,821,709</u>	<u>\$ 34,430,075</u>	<u>\$ 45,017,082</u>	<u>\$ 61,873,985</u>

Davenport Community School District

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2024	2023	2022	2021
Revenues				
Property taxes	\$ 71,858,628	\$ 74,705,386	\$ 71,583,420	\$ 72,969,966
Utility tax	2,888,271	3,151,074	2,837,368	1,454,192
Sales, Services and Use Tax, Pledged as Security for Revenue Bonds	18,659,770	19,740,392	17,490,904	14,910,295
Intergovernmental	163,143,906	146,969,179	137,434,405	130,104,580
Charges for Services	1,132,768	1,253,595	1,209,433	1,388,331
Interest	8,458,310	5,547,344	414,097	412,884
Contributions and Donations	-	-	-	-
Other	3,535,718	3,744,258	3,351,462	3,972,250
Total revenues	269,677,371	255,111,228	234,321,089	225,212,498
Expenditures				
Instruction	141,310,556	129,992,395	127,833,774	124,762,325
Student Support Service	19,912,959	18,442,073	18,523,333	18,752,204
Instructional Staff Support Service	6,941,806	7,861,627	5,131,597	5,263,274
General Administration	7,848,735	6,721,761	6,925,786	6,629,923
School Administration	9,915,095	10,564,648	10,055,503	9,817,443
Business Administration	9,800,090	8,209,020	5,648,061	4,485,015
Plant Operations and Maintenance	16,015,382	15,385,831	14,230,952	16,239,167
Student Transportation	8,726,668	8,357,881	8,340,105	6,530,072
Non-instructional	771,953	731,558	852,372	657,569
Area Education Agency	7,173,151	7,351,527	7,364,149	7,392,144
Capital Outlay	29,164,445	10,202,851	3,347,344	4,538,587
Debt Service:				
Principal	1,334,500	2,429,722	2,265,000	2,210,000
Interest	930,009	195,144	134,875	185,475
Total expenditures	259,845,349	226,446,038	210,652,851	207,463,198
Excess of revenues over (under) expenditures	9,832,022	28,665,190	23,668,238	17,749,300
Other financing sources (uses):				
Transfers in	19,438,306	5,540,658	2,708,091	2,699,331
Transfers out	(19,390,500)	(5,402,434)	(2,577,725)	(2,875,675)
Insurance recoveries	-	1,140,890	744,090	-
Proceeds from sale of capital asset	775,235	-	-	-
Issuance of long-term debt	75,987,121	296,529	-	-
Premium on bonds	7,008,864	-	-	-
Total other financing sources (uses)	83,819,026	1,575,643	874,456	(176,344)
Net change in fund balances	\$ 93,651,048	\$ 30,240,833	\$ 24,542,694	\$ 17,572,956
Debt service as a percentage of noncapital expenditures	0.97%	1.21%	1.15%	1.22%

		Fiscal Year									
		2020	2019	2018	2017	2016	2015				
\$	65,960,146	\$	65,142,361	\$	64,862,199	\$	60,257,683	\$	60,923,170	\$	61,224,395
	3,366,912		3,440,851		3,409,461		3,385,530		3,545,882		3,648,294
	15,604,743		15,637,555		14,432,786		15,129,201		15,114,132		15,170,683
	127,216,619		128,146,936		127,356,077		125,811,260		121,863,419		117,138,327
	1,299,665		1,775,124		1,441,259		2,083,336		2,830,493		2,117,326
	1,286,898		1,801,732		1,003,549		549,199		86,004		275,645
	-		-		-		-		1,242,293		1,119,312
	3,616,668		4,833,865		4,900,778		4,715,715		3,268,660		5,029,288
	218,351,651		220,778,424		217,406,109		211,931,924		208,874,053		205,723,270
	119,217,527		128,858,154		126,994,153		128,268,765		124,646,639		126,118,386
	16,868,089		15,976,240		15,988,753		16,333,361		15,309,574		7,376,623
	5,706,915		5,593,166		6,438,266		6,306,679		5,595,340		5,715,720
	6,750,855		6,600,214		6,258,687		6,242,962		5,691,800		4,880,510
	9,854,117		10,227,792		10,813,049		10,737,252		11,724,527		10,187,425
	6,744,411		5,760,558		5,577,551		6,631,954		6,495,376		6,312,477
	14,186,142		14,194,888		12,917,440		13,799,245		13,197,622		13,085,788
	5,779,479		7,424,743		7,289,019		7,188,016		6,379,253		6,422,346
	549,589		516,880		614,211		611,105		678,112		622,734
	7,368,697		7,310,665		7,269,964		7,046,999		6,885,657		6,817,320
	11,225,483		12,839,324		13,795,036		19,837,641		26,708,742		28,885,713
	2,160,000		2,105,000		2,065,000		2,025,000		1,995,000		1,000,000
	241,990		292,375		333,575		374,075		423,314		211,601
	206,653,294		217,699,999		216,354,704		225,403,054		225,730,956		217,636,643
	11,698,357		3,078,425		1,051,405		(13,471,130)		(16,856,903)		(11,913,373)
	2,717,276		2,748,303		2,737,804		2,398,075		12,166,411		2,392,824
	(2,396,275)		(2,396,275)		(2,397,575)		(2,398,075)		(12,166,411)		(2,392,824)
	-		-		-		-		-		-
	-		902,500		-		-		-		-
	-		-		-		-		-		9,795,000
	-		-		-		-		-		201,934
	321,001		1,254,528		340,229		-		-		9,996,934
\$	12,019,358	\$	4,332,953	\$	1,391,634	\$	(13,471,130)	\$	(16,856,903)	\$	(1,916,439)
	1.15%		1.13%		1.16%		1.20%		0.64%		0.06%

Davenport Community School District

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

Levy	Collection Year	Real Property		Railroad and Utilities Without Gas and Electric	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2022	2023-24	\$ 4,938,185,739	\$ 7,940,246,447	\$ 10,359,810	\$ 11,394,061
2021	2022-23	4,937,701,352	7,781,451,751	18,552,344	19,500,865
2020	2021-22	4,803,960,731	7,338,013,833	20,395,313	21,514,966
2019	2020-21	4,683,556,592	7,255,533,442	24,439,735	25,358,842
2018	2019-20	4,515,486,920	6,909,333,213	27,781,745	27,781,745
2017	2018-19	4,191,217,852	6,773,210,422	25,934,927	25,934,927
2016	2017-18	4,263,479,833	6,449,837,092	25,503,460	25,503,460
2015	2016-17	4,062,405,593	6,215,265,447	25,548,537	26,163,329
2014	2015-16	3,864,324,824	6,061,615,431	26,073,610	26,591,185
2013	2014-15	3,976,159,852	6,157,832,146	29,829,360	29,829,360

Source: Iowa Department of Management

Gas and Electric		Total		
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Direct Rate
\$ 181,077,883	\$ 576,498,109	\$ 5,129,623,432	\$ 8,528,138,617	14.99983
183,698,179	476,028,783	5,139,951,875	8,276,981,399	15.59716
173,765,171	447,504,084	4,998,121,215	7,807,032,883	15.29534
186,839,955	447,272,440	4,894,836,282	7,728,164,724	15.27812
193,061,653	423,607,969	4,736,330,318	7,360,722,927	15.26852
197,311,193	382,987,196	4,414,463,972	7,182,132,545	15.45640
208,581,830	386,262,649	4,497,565,123	6,861,603,201	15.90267
200,098,678	369,443,150	4,288,052,808	6,610,871,926	15.37043
204,650,071	352,160,829	4,095,048,505	6,440,367,445	15.67601
203,238,988	299,656,208	4,209,228,200	6,487,317,714	15.83747

Davenport Community School District

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

Fiscal Year	District Direct Rates			Overlapping Rates			
	General Purposes	Capital Purposes	Total	Scott County	City of Davenport	Area IX Community College	Other
2024	13.69983	1.30000	14.99983	5.95000	16.78000	0.94840	0.40594
2023	14.29716	1.30000	15.59716	5.95000	16.78000	0.94542	0.37025
2022	13.99534	1.30000	15.29534	6.04197	16.78000	0.92357	0.32949
2021	13.99549	1.30000	15.29549	6.21304	16.78000	0.82406	0.33425
2020	13.96852	1.30000	15.26852	5.99401	16.78000	0.99000	0.38737
2019	14.15640	1.30000	15.45640	5.82167	16.78000	1.03000	0.39642
2018	14.60267	1.30000	15.90267	5.82167	16.78000	1.03000	0.39896
2017	14.07043	1.30000	15.37043	5.82228	16.78000	1.00909	0.38948
2016	14.37601	1.30000	15.67601	6.00377	16.78000	0.96863	0.41830
2015	14.53747	1.30000	15.83747	6.13204	16.78000	0.92782	0.44200

Source: Scott County Auditor's Office

Davenport Community School District

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

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy	\$ 132,609,975	1	2.69%	\$ 148,588,022	1	3.85%
Rhythm City Casino LLC	58,274,560	2	1.18%			
Iowa American Water Company	46,974,447	3	0.98%	46,217,867	3	1.17%
THF Davenport North Development	32,579,395	4	0.70%	15,991,384	6	0.46%
Iowa 80 Truckstop Inc	24,768,374	5	0.55%	15,155,577	7	0.44%
MedProperties Davenport LLC	24,614,888	6	0.59%			
Macerich North Park Mall LLC	24,598,403	7	0.58%	52,533,450	2	1.32%
Menard Inc	23,003,500	8	0.57%	16,055,128	5	0.44%
Continental Cement Company LLC	22,952,250	9	0.59%	20,385,547	4	0.53%
Genesis Health System	22,513,167	10	0.57%	13,744,473	9	0.43%
Qwest Corp.				14,286,505	8	0.43%
Senior Star Investments LLC				13,192,949	10	0.42%
	\$ 412,888,959		8.98%	\$ 356,150,902		9.49%

Source: Scott County Auditor's Office

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

Davenport Community School District

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

Collection Fiscal Year Ending	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years*	Percentage of Levy
		Amount*	Percentage of Total Tax Collections*		
2023-24	\$ 72,385,989	\$ 76,300,310	105.41%	\$ 308,561	102.77%
2022-23	75,589,391	77,379,664	102.37%	300,872	102.77%
2021-22	71,923,273	76,599,745	106.50%	288,674	106.90%
2020-21	70,504,147	76,847,152	109.00%	303,749	109.43%
2019-20	67,710,710	71,621,573	105.78%	1,781,095	108.45%
2018-19	65,577,893	70,955,342	108.20%	273,721	108.62%
2017-18	67,979,264	70,659,303	103.94%	368,147	104.48%
2016-17	64,390,064	66,675,347	103.55%	303,982	104.02%
2015-16	64,595,340	67,060,056	103.82%	364,209	104.38%
2014-15	65,070,176	65,017,184	99.92%	278,724	100.35%

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

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

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

Davenport Community School District

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

Fiscal Year	Governmental Activities		Lease Obligation	IT Subscription Obligation	Total	Percentage of Personal Income	Per Capita		
	Revenue	Sales Bonds							
2024	\$	82,908,864	\$	57,992	\$	139,856	\$ 83,106,712	0.76%	477.16
2023		1,202,440		93,975		171,252	1,467,667	0.01%	8.44
2022		3,601,496		-		73,420	3,674,916	0.04%	35.66
2021		5,940,552		-		-	5,940,552	0.06%	58.86
2020		8,224,608		-		-	8,224,608	0.09%	47.56
2019		10,458,664		-		-	10,458,664	0.11%	60.63
2018		12,637,720		-		-	12,637,720	N/A	N/A
2017		14,776,776		-		-	14,776,776	N/A	N/A
2016		16,875,832		-		-	16,875,832	N/A	98.04
2015		18,944,888		-		-	18,944,888	0.23%	110.54

Source: District financial records

N/A: Not Available



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

Davenport Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 15,423,595	100.00%	\$ 15,423,595
Eastern Iowa Community College	48,765,000	59.85%	29,185,853
City of Buffalo	3,019,582	100.00%	3,019,582
City of Davenport	197,015,000	100.00%	197,015,000
City of Walcott	1,440,000	100.00%	1,440,000
City of Durant	3,080,000	3.87%	119,196
Subtotal, overlapping debt			246,203,226
District direct debt			83,106,712
Total direct and overlapping debt			\$ 329,309,938

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

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

Notes:

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

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

Davenport Community School District

**Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2024	
Assessed value	<u><u>\$ 5,129,623,432</u></u>
Debt limit (5% of assessed value)	256,481,172
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 256,481,172</u></u>

	<u>2024</u>	2023	2022	2021
Debt limit	\$ 256,481,172	\$ 256,997,594	\$ 249,906,061	\$ 244,741,814
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u><u>\$ 256,481,172</u></u>	\$ 256,997,594	\$ 249,906,061	\$ 244,741,814
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

2020	2019	2018	2017	2016	2015
\$ 236,816,516	\$ 229,552,425	\$ 224,878,256	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973
-	-	-	-	-	-
<u>\$ 236,816,516</u>	<u>\$ 229,552,425</u>	<u>\$ 224,878,256</u>	<u>\$ 214,402,640</u>	<u>\$ 204,752,425</u>	<u>\$ 204,251,973</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Davenport Community School District

**Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Sales, Services, and Use Tax Revenue Bonds				Coverage
	Revenue	Debt Service			
		Principal	Interest		
2024	\$ 18,659,770	\$ 1,180,000	\$ 18,618	15.57	
2023	19,740,392	2,325,000	73,025	8.23	
2022	17,490,904	2,265,000	130,875	7.30	
2021	14,910,295	2,210,000	185,475	6.22	
2020	15,604,743	2,160,000	238,775	6.51	
2019	15,637,555	2,105,000	292,375	6.52	
2018	14,432,786	2,065,000	333,575	6.02	
2017	15,129,201	2,025,000	374,075	6.31	
2016	15,114,132	1,995,000	423,314	6.25	
2015	15,170,683	1,000,000	247,611	12.16	

Source: District financial records.

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

Davenport Community High School

**Demographic and Economic Statistics
Last Ten Years
(Unaudited)**

Calendar Year	Population	Personal Income (000's)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2024	174,270	10,968,288	\$ 61,380	39.5	13,574	4.10
2023	173,924	10,968,288	63,064	38.7	13,786	3.80
2022	174,170	10,127,058	58,465	38.4	14,166	3.40
2021	173,216	10,127,073	58,465	38.3	14,412	6.10
2020	172,943	9,642,956	55,758	38.0	14,470	10.30
2019	172,509	9,371,206	54,323	38.1	14,932	3.00
2018	N/A	N/A	N/A	N/A	15,234	3.70
2017	N/A	N/A	N/A	N/A	15,234	3.70
2016	172,474	N/A	N/A	38.0	15,490	4.60
2015	172,126	N/A	N/A	35.8	15,299	5.70

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

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

N/A: Not Available



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

Davenport Community School District

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Davenport School District	2,543	1	2.85%			
Arconic Davenport Works	2,500	2	2.80%	2,000	2	2.30%
Tri City	2,363	3	2.65%	900	5	1.00%
Hy-Vee	1,675	4	1.88%			
Kraft Heinz Co	1,600	5	1.79%			
Genesis Medical Ctr Davenport	1,574	6	1.76%	14,100	1	16.10%
City of Davenport	981	7	1.10%	800	7	0.90%
Walmart	923	8	1.03%			
Eaton	850	9	0.95%			
Genesis Health System	819	10	0.92%			
Oscar Mayer Foods Corp				1,600	3	1.80%
Isle Casino Hotel Bettendorf				1,000	4	1.10%
John Deere Davenport Works				838	6	1.00%
Rhythm City Casino				650	8	0.70%
St. Ambrose University				620	9	0.70%
Sears Manufacturing				600	10	0.70%
	15,828		17.7%	23,108		26.3%

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

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

Davenport Community School District

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

School	2024	2023	2022	2021
Elementary:				
Adams (1950)				
Square feet	82,282	82,282	82,282	82,282
Capacity	702	702	702	702
Enrollment	580	510	497	497
Blue Grass (1957)				
Square feet	66,884	66,884	66,884	66,884
Capacity	578	578	578	578
Enrollment	314	312	275	275
Buchanan (1971)				
Square feet	-	56,103	56,103	56,103
Capacity	-	554	554	554
Enrollment	-	355	344	344
Buffalo (2002)				
Square feet	53,980	53,980	53,980	53,980
Capacity	432	432	432	432
Enrollment	256	295	256	256
Eisenhower (1969)				
Square feet	57,811	57,811	57,811	57,811
Capacity	578	578	578	578
Enrollment	510	496	439	439
Fillmore (1955)				
Square feet	65,231	65,231	65,231	65,231
Capacity	522	522	522	522
Enrollment	418	401	418	418
Garfield (1923)				
Square feet	65,211	65,211	65,211	65,211
Capacity	602	602	602	602
Enrollment	482	430	387	387
Harrison (1953)				
Square feet	72,912	72,912	72,912	72,912
Capacity	602	602	602	602
Enrollment	539	509	460	460
Hayes (1923)				
Square feet	77,618	77,618	77,618	77,618
Capacity	578	578	578	578
Enrollment	432	355	314	314
Jackson (1971)				
Square feet	53,632	53,632	53,632	53,632
Capacity	578	578	578	578
Enrollment	395	366	328	328
Jefferson (1939)				
Square feet	64,514	64,514	64,514	64,514
Capacity	702	702	702	702
Enrollment	466	460	408	408
Lincoln (1939)				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

(Continued)

2020	2019	2018	2017	2016	2015
82,282	82,282	82,282	82,282	82,282	82,282
702	702	702	586	690	690
497	553	553	504	564	577
66,884	66,884	66,884	66,884	66,884	66,884
578	578	578	438	552	552
275	289	289	290	287	296
56,103	56,103	56,103	56,103	56,103	56,103
554	554	554	531	506	506
344	315	315	303	373	383
53,980	53,980	53,980	53,980	53,980	53,980
432	432	432	439	391	391
256	242	242	217	230	254
57,811	57,811	57,811	57,811	57,811	57,811
578	578	578	506	506	506
439	451	451	436	436	457
65,231	65,231	65,231	65,231	65,231	51,980
522	522	522	522	552	552
418	387	387	440	397	417
65,211	65,211	65,211	65,211	90,458	90,458
602	602	602	673	483	483
387	390	390	345	394	409
72,912	72,912	72,912	72,912	72,912	72,912
602	602	602	479	598	598
460	530	530	387	527	539
77,618	77,618	77,618	77,618	77,618	77,618
578	578	578	463	506	506
314	347	347	325	401	412
53,632	53,632	53,632	55,503	55,503	55,503
578	578	578	464	529	529
328	339	339	303	332	336
64,514	64,514	64,514	64,514	64,514	64,514
702	702	702	488	552	552
408	450	450	403	453	482
-	59,536	59,536	59,536	59,536	59,536
-	483	483	483	483	483
-	-	-	-	-	-

Davenport Community School District

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

School	2024	2023	2022	2021
Madison (1939)				
Square feet	64,614	64,614	64,614	64,614
Capacity	578	578	578	578
Enrollment	375	380	407	407
McKinley (1939)				
Square feet	61,063	61,063	61,063	61,063
Capacity	554	554	554	554
Enrollment	509	402	395	395
Monroe (1938)				
Square feet	-	72,435	72,435	72,435
Capacity	-	598	598	598
Enrollment	-	379	334	334
Truman (1977)				
Square feet	61,064	61,064	61,064	61,064
Capacity	391	391	391	391
Enrollment	499	344	286	286
Washington (1939)				
Square feet	-	48,388	48,388	48,388
Capacity	-	384	384	384
Enrollment	-	280	256	256
Wilson (1955)				
Square feet	78,401	78,401	78,401	78,401
Capacity	680	680	680	680
Enrollment	561	433	446	446
Intermediates:				
Smart (1917)				
Square feet	134,901	134,901	134,901	134,901
Capacity	809	809	809	809
Enrollment	272	312	575	575
Sudlow (1917)				
Square feet	136,524	136,524	136,524	136,524
Capacity	916	916	916	916
Enrollment	495	519	843	843
Walcott (K-8) (1956)				
Square feet	107,250	107,250	107,250	107,250
Capacity	722	722	722	722
Enrollment	386	424	603	603
Williams (1954)				
Square feet	145,224	145,224	145,224	145,224
Capacity	959	959	959	959
Enrollment	371	422	740	740
Wood (1984)				
Square feet	117,743	117,743	117,743	117,743
Capacity	893	893	893	893
Enrollment	425	437	745	745
Young (1917)				
Square feet	108,018	108,018	108,018	108,018
Capacity	1,050	1,050	1,050	1,050
Enrollment	n/a	n/a	n/a	n/a

2020	2019	2018	2017	2016	2015
64,614	64,614	64,614	64,614	64,614	64,614
578	578	493	506	506	506
412	412	419	381	390	396
61,063	61,063	61,063	61,063	61,063	61,063
554	554	457	460	460	460
369	369	419	376	395	403
72,435	72,435	72,435	72,435	72,435	72,435
598	534	598	598	598	598
405	376	474	480	495	488
61,064	61,064	61,064	61,064	61,064	61,064
391	391	391	391	391	391
331	369	369	386	435	380
48,388	48,388	48,388	48,388	48,388	48,388
384	322	322	322	322	322
265	265	265	285	315	357
78,401	78,401	78,401	78,401	78,401	78,401
680	626	672	672	672	672
476	339	513	524	544	542
134,901	134,901	134,901	134,901	134,901	134,901
809	809	914	978	978	978
629	629	554	518	493	544
136,524	136,524	134,524	134,524	134,524	134,524
916	916	1,050	978	978	978
837	837	825	734	707	677
107,250	107,250	107,250	107,250	107,250	107,250
722	722	713	722	722	722
577	577	541	392	586	621
145,224	145,224	145,224	145,224	145,224	145,224
959	959	1,033	977	977	977
750	750	709	688	718	748
117,743	117,743	117,743	117,743	105,815	105,815
893	893	914	977	977	977
707	707	554	734	699	737
108,018	108,018	108,018	108,018	108,018	108,018
1,050	1,050	1,050	829	829	829
n/a	n/a	825	327	406	441

Davenport Community School District

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

School	2024	2023	2022	2021
High:				
Central (1904)				
Square feet	394,344	394,344	394,344	394,344
Capacity	1,689	1,689	1,689	1,689
Enrollment	1,405	1,491	1,428	1,428
Mid City (2015)				
Square feet	53,940	53,940	53,940	53,940
Capacity	293	293	293	293
Enrollment	193	155	262	262
North (1972)				
Square feet	390,763	390,763	390,763	390,763
Capacity	1,494	1,494	1,494	1,494
Enrollment	1,290	1,340	1,154	1,154
West (includes train, rm, & Vest) (1960)				
Square feet	453,811	453,811	453,811	453,811
Capacity	2,029	2,029	2,029	2,029
Enrollment	1,432	1,461	1,443	1,443
Other:				
Child Village at Hoover (1956)				
Square feet	20,002	20,002	20,002	20,002
Capacity	138	138	138	138
Enrollment	22	84	134	134
Child Village at West (2004)				
Square feet	35,400	35,400	35,400	35,400
Capacity	286	286	286	286
Enrollment	64	191	279	279
Davenport Learning Center (Kimberly Center)				
Square feet	79,884	79,884	79,884	79,884
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

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

2020	2019	2018	2017	2016	2015
394,344	394,344	394,344	394,344	331,935	331,935
1,689	1,689	1,689	1,841	1,933	1,933
1,428	1,395	1,395	1,245	1,282	1,364
53,940	53,940	53,940	53,940	50,291	37,355
293	293	293	318	355	355
262	251	251	250	265	196
390,763	390,763	390,763	390,763	390,763	390,763
1,494	1,494	1,494	1,494	1,551	1,551
1,154	1,180	1,180	1,193	1,152	1,075
453,811	453,811	453,811	453,811	453,811	453,811
2,029	2,029	2,029	2,129	2,592	2,592
1,443	1,706	1,706	1,647	1,916	1,818
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
134	123	123	121	187	161
35,400	35,400	35,400	35,400	35,400	35,400
286	286	286	286	286	286
279	230	230	241	384	312
79,884	79,884	79,884	79,884	79,884	79,884
-	*	*	*	*	*
-	*	*	*	*	*

Davenport Community School District

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

	2024	2023	2022	2021
Administration:				
District Secretary/Treasurer	1	1	1	1
Superintendent	1	1	1	1
Assistant Superintendents	3	3	3	2
Principals	24	28	28	28
Assistant Principals	16	16	16	16
All Other Administrators	14	11	11	11
Total Administration	59	60	60	59
Instructional:				
Teachers	630	623	636	695
Teachers - Special Programs	353	360	377	419
Teachers Aides	372	432	386	403
Total Instructional	1,355	1,415	1,399	1,517
Student Services:				
Counselors	38	33	36	38
Library Specialist	21	20	21	23
Other Education Professional	186	203	225	204
Nurses	20	20	21	20
Other Technical	16	16	17	15
Total Student Services	281	292	320	300
Support Services:				
Business Manager/Accountant	2	2	2	2
Other Professional	27	22	-	22
Office/Clerical	66	71	71	70
Crafts/Trades	24	24	24	24
Service Workers	237	220	232	224
Total Support Services	356	339	329	342
Total	2,051	2,106	2,108	2,218

Source: District records

2020	2019	2018	2017	2016	2015
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
28	28	29	28	29	29
16	16	19	20	21	20
14	9	5	5	9	9
62	57	57	57	63	62
712	804	920	924	964	943
424	418	374	252	221	204
397	403	406	412	397	407
1,533	1,625	1,700	1,588	1,582	1,554
38	42	44	42	44	42
23	22	28	26	28	23
187	166	168	148	148	143
21	21	23	24	22	23
15	12	12	12	17	16
284	263	275	252	259	247
2	2	2	2	2	2
-	18	18	18	21	19
74	84	86	104	114	112
24	22	24	25	25	26
216	212	122	268	251	246
316	338	252	417	413	405
2,195	2,283	2,284	2,314	2,317	2,268

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
2024	13,575	\$ 214,069,537	\$ 15,769	0.1 %	1,125	12.07	58.18
2023	13,786	201,686,938	14,630	5.9 %	1,126	12.24	54.55
2022	14,166	195,608,139	13,808	2.1	1,169	12.12	59.00
2021	14,412	191,417,781	13,282	5.0	1,114	12.94	55.70
2020	14,470	183,013,826	12,648	2.9	1,203	12.03	56.00
2019	14,932	194,436,161	13,021	2.8	1,286	11.61	63.60
2018	15,234	192,891,129	12,662	1.6	1,366	11.15	63.73
2017	15,490	194,079,490	12,529	2.2	1,334	11.61	65.99
2016	15,299	187,592,658	12,262	4.2	1,185	12.91	65.99
2015	15,299	179,967,772	11,763	6.5	1,225	12.49	67.70

Source: District financial records.

Compliance Section



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

Davenport Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY24 4552	\$ -	\$ 1,773,297
National School Lunch Program	10.555	FY24 4553	-	5,624,517
National School Lunch Program- Supply Chain Assistance	10.555	FY24 4014	-	458,775
Commodities -DOD (Noncash)	10.555	FY24 4951	-	195,000
Commodities (Noncash)	10.555	FY24 4951	-	460,893
			-	6,739,185
Summer Food Service Program for Children	10.559	FY24 4556	-	114,608
Fresh Fruit and Vegetable Program	10.582	FY24 4557	-	278,735
Child Nutrition Cluster Program Total			-	8,905,825
School Lunch Equipment Grants Stabilization	10.579	FY24 4011	-	11,600
Pass-Through Iowa Department of Public Health:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY24 4671	-	67,666
Total U.S. Department of Agriculture			-	8,985,091
U.S. Department of Education:				
Pass-Through Iowa Vocational Rehabilitation Services, Vocational Rehabilitation- TAP				
	84.126	FY24 4598	-	223,744
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY24 4501	-	5,734,217
Title I Grants to Local Educational Agencies	84.010	FY24 4508	-	2,229,482
			-	7,963,699
Special Education Cluster (IDEA), Special Education-Grants to States IDEA, Part B	84.027	FY24 4525	-	753,002 (1)
Career and Technical Education-Basic Grants to States	84.048	FY24 4531	-	206,686
Education for Homeless Children and Youth- McKinney-Vento	84.196	FY24 4565	-	71,719
Gaining Early Awareness and Readiness for Undergraduate Program Gear-Up	84.334	FY24 4674	-	52,193
Supporting Effective Instruction State Grants	84.367	FY24 4643	-	582,977
Student Support & Academic Enrichment Program	84.424	FY24 4669	-	481,196

(Continued)

Davenport Community School District

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued):				
Pass-Through Iowa Department of Education (continued):				
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY24 4054	\$ -	\$ 320,477
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY24 4043	-	1,498,120
COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	FY24 4045	-	31,261,695
			-	32,759,815
COVID-19 ARP-Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ARP-HCY)	84.425W	FY24 4044	-	98,130
Total Education Stabilization Fund			-	33,178,422
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster (IDEA), Special Education - Grants to States				
IDEA, Part B	84.027	FY24 4521	-	749,499 (1)
English Language Acquisition State Grants	84.365	FY24 4644	-	20,574
Total U.S. Department of Education			-	44,283,711

(Continued)

Davenport Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
Pass-Through Iowa Department of Health and Human Services: 477 Cluster, Child Care and Development Block Grant	93.575	FY24 4616	\$ -	\$ 25,739
Total U.S. Department of Health and Human Services			-	25,739
U.S. Department of Defense:				
Pass-Through Scott County, Iowa: Flood Control Projects	12.112	FY24 4812	-	12,240
U.S. Department of Treasury				
Pass-Through Eastern Iowa Community College: COVID-19 Coronavirus State & Local Fiscal Recovery GEAR-UP	21.027	FY24 4039	-	35,864
Summer Meal Program Expansion Grant	21.027	FY24 4073	-	13,341
			-	49,205
Total Expenditures of Federal Awards			\$ -	\$ 53,355,986

(1) Total Federal Assistance Listing Number 84.027 \$1,502,501 Special
Education Cluster

See notes to schedule of expenditures of federal awards.

Davenport Community School District

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Davenport Community School District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Davenport Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Davenport Community School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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



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Davenport Community School District

**Summary Schedule of Prior Audit Findings
 Year Ended June 30, 2024**

Findings	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Findings Related to Basic Financial Statements:		
Significant Deficiency:		
2023-001 The District has insufficient collecting and posting activities over accounts receivable and revenue.	Not corrected.	The District has not fully implemented processes. See 2024-001.
Findings Related to Federal Awards:		
Significant Deficiency:		
2023-002 The District does not have a process for monitoring compliance with pre-approval requests under the Education Stabilization Fund program for capital equipment.	Corrected.	
Instances of noncompliance:		
2023-003 The District overcharged indirect costs of the Education Stabilization Fund program	Not corrected.	The District does not have a process to monitor. See 2024-002.
Other Findings Related to Statutory Reporting:		
IV-A-23 The District exceeded the certified budget in the support service and other expenditures function.	Corrected.	
IV-G-23 No meetings were subsequently published for the March 27, 2023, special meeting in closed session.	Corrected.	
IV-H-23 There were variances in the October 2022 certified enrollment data.	Not corrected.	Student data changes are not timely communicated. See IV-H-24.



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



**Independent Auditor’s Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2024, 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 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Response to the Findings

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

Purpose of this Report

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

Bohnsack & Frommelt LLP

Moline, Illinois
November 11, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Davenport Community School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Davenport Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
November 11, 2024



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

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
Education Stabilization Fund:	
84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) Fund
84.425U	COVID-19 ARP-Elementary and Secondary School Emergency Relief (ARP-ESSER)
84.425W	COVID-19 ARP-Elementary and Secondary School Emergency Relief-Homeless Children and Youth (ARP-HCY)

Dollar threshold used to distinguish between type A and type B programs: \$1,600,680.

Auditee qualified as low-risk auditee? Yes No

(Continued)

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

2024-001

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

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

Condition: One position at the business office is primarily responsible for posting all receipts collected by the Administrative Center. This position also has access to cash and checks being collected at the Administrative Center.

Cause: The Business Office does not have a position responsible for posting receipts that is separate from the position that has access to cash and checks collected at the Administrative Center.

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

Context: This applies to cash and checks collected at the Administrative Center.

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

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

- The District should remove all access to cash and checks from the Business Office. Cash and checks collected at the Administrative Center should be receipted by a position outside of the Business Office with no billing, posting, or editing capabilities.
- The District should review current processes for collecting, depositing, and posting receipts to require deposits to be timely posted to the financial system.
- The Chief Financial Office should formalize his monthly review of the accounts receivable reports by signing to indicate his review.

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

Instances of noncompliance:

None

(Continued)

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part III: Findings and Questioned Costs for Federal Awards

Internal control deficiencies:

None

Instances of noncompliance:

2024-002

U.S. Department of Agriculture

Pass-Through Iowa Department of Education

Child Nutrition Cluster Programs:

10.553 School Breakfast Program

10.555 National School Lunch Program

10.555 National School Lunch Program-Supply Chain Assistance

10.555 Commodities -DOD (Noncash)

10.555 Commodities (Noncash)

10.559 Summer Food Service Program for Children

10.582 Fresh Fruit and Vegetable Program

Federal Award Year: 2024

Finding: The District overcharged indirect costs to the Child Nutrition program.

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

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

Condition: The District applied the indirect cost rate to an estimated modified total direct cost allocation base that was significantly higher than the actual modified total direct cost allocation base.

Cause: The District prepared a calculation using an estimate based on the prior fiscal year June expenditures in order to have a transfer amount approved by the Board prior to year-end.

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

Questioned costs: The District overcharged the program approximately \$49,000 computed by applying the unrestricted indirect cost rate provided by the Iowa Department of Education to an estimated modified total direct cost allocation base.

Context: The overcharge represents approximately 0.9 percent of the program modified total direct cost allocation base and approximately 0.5 percent of the total program expenditures on the Schedule of Expenditures of Federal Awards.

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

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation: We recommend the District annually prepare the indirect cost worksheet based on the actual fiscal year trial balance to compute the modified total direct cost allocation base for all federal awards to apply indirect cost rates.

Response and Corrective Action Plan: The District will annually prepare the indirect cost charged to the program based on the actual fiscal year trial balance. The District will provide an estimate to the Board each June to ensure proper approval of fund transfers.

Part IV: Other Findings Related to Statutory Reporting

IV-A-24

Certified Budget- Expenditures for the year ended June 30, 2024 did not exceed the amounts budgeted in the support service and other expenditures function.

IV-B-24

Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

IV-C-24

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

IV-D-24

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

IV-E-24

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

IV-F-24

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

IV-G-24

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

IV-H-24

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2023.

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

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

Conclusion: Response accepted.

(Continued)

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

IV-I-24

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

IV-J-24

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

IV-K-24

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

IV-L-24

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

IV-M-24

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

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2024, the District reported the following information regarding the statewide sales and services tax revenue in the District's Statewide Sales, Services and Use Tax account of the Capital Projects Fund:

Beginning balance	\$ 48,858,140
Revenue / transfers in:	
Statewide sales and services tax revenue	18,659,770
Interest and other	419,162
Transfers in	8,216,168
Expenditures/transfers out:	
Transfers out	(6,608,197)
Instruction	(2,633,067)
Support services	(1,629,309)
Debt service	(17,000)
School infrastructure:	
Buildings	(16,200,739)
Ending balance	<u>\$ 49,064,928</u>

(Continued)

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

IV-M-24 (Continued)

For the year ended June 30, 2024, the District reduced the debt service tax levy by \$3.64 per \$1,000 of taxable valuation as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	\$ 3.64	\$ 18,659,770



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Davenport Community School District

**Corrective Action Plan
 Year Ended June 30, 2024**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Related to Basic Financial Statements:				
Significant Deficiency:				
2024-001	The District has insufficient collecting and posting activities over accounts receivable and revenue.	See response and corrective action plan at 2024-001.	Fiscal Year 2025	Kevin Posekany
Findings Related to Federal Awards:				
Instances of noncompliance:				
2024-002	The District overcharged indirect costs of the Child Nutrition program	See response and corrective action plan at 2024-002.	Fiscal Year 2025	Kevin Posekany
Other Findings Related to Statutory Reporting:				
IV-H-24	There were variances in the October 2023 certified enrollment data.	See response and corrective action plan at IV-H-24.	Fiscal Year 2025	Diane Campbell