

DAVENPORT COMMUNITY SCHOOLS



Comprehensive Annual Financial Report

For the year ended June 30, 2017

1606 Brady Street, Davenport, Iowa 52803

In the counties of Scott and Muscatine, State of Iowa

Comprehensive Annual Financial Report of the
Davenport Community School District
Davenport, Iowa
For the Fiscal Year Ended June 30, 2017

Official Issuing Report

Marsha Tangen, Chief Financial Officer

Office Issuing Report

Achievement Services Center

Introductory Section



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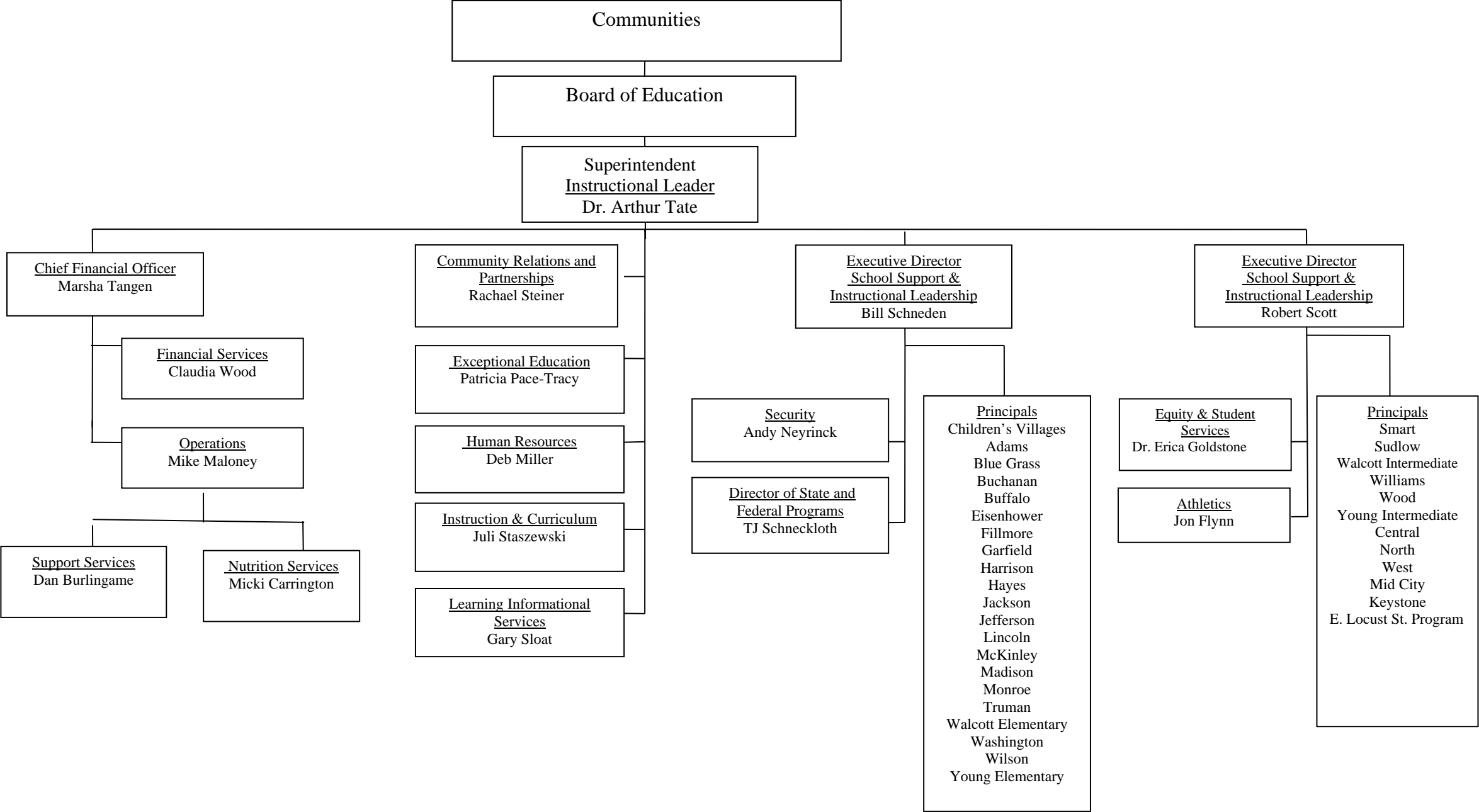
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Davenport Community School District – 2016-17 Organizational Chart





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, 2017

Name	Title	Term Expires
Board of Education		
Ralph Johanson	President	Expires 2019
Linda Hayes	Vice President	Expires 2019
Richard Clewell	Director	Expires 2017
Julia DeSalvo	Director	Expires 2019
Daniel Gosa	Director	Expires 2019
Clyde Mayfield	Director	Expires 2017
Jamie Snyder	Director	Expires 2017

School District Officials

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



November 27, 2017

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

It is indeed our pleasure to submit to you the Comprehensive Annual Financial Report, (CAFR) for the Davenport Community School District, (the “District”) for the year ending June 30, 2017. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor’s report on the general purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in a separate section for internal controls and compliance

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

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

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

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

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

4. The Internal Controls and Compliance Section. The School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

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

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

Eide Bailly, Certified Public Accountants have issued an unqualified ("clean") opinion on the Davenport Community School District's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the District

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

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

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

Today, over 15,000 students attend the Davenport Community Schools, one of the largest school districts in a state that is well-known for its excellent educational programming.

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

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

The District is composed of four high schools, four intermediate schools, one kindergarten through eighth grade schools, seventeen elementary schools, and various off-campus alternative educational programs. Early childhood learning programs are offered at several sites, as well as the state four year old preschool program and Early Headstart/Headstart programs at additional sites. Student enrollment for grades kindergarten through twelfth for the 2016-17 school year was approximately 15,480 regular and special education students. The District employs approximately 2314 persons of whom approximately 1503 are professional staff and 811 are support staff.

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

The average age of our elementary buildings is 64. 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 72 with 3 buildings built in 1917. Wood Intermediate was the last intermediate building constructed and that was in 1984. The district has four high schools; Central High constructed in 1904, West High in 1960, North High School which was originally built in 1972 as Wood Intermediate and was converted to a high school setting in 1984, and Mid City High School which was built in 2014. All of our facilities are in excellent condition as we follow a rigorous maintenance schedule in order to maintain and enhance the historical beauty and integrity of our older facilities as well as preserve all the facilities in the District.

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

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

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

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

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

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

Economic Condition and Outlook

Scott and Muscatine counties in Iowa along with Mercer, Rock Island and Henry counties in Illinois are considered to be a single Metropolitan Statistical Area (MSA) by the Federal Office of Management and Budget. The Davenport School District is located in Scott County, Iowa. The Bi State Regional Commission works closely with this group addressing a broad range of issues associated with economic development in the Region. The Commission released a draft of the Comprehensive Economic Development Strategy Progress Report in June of 2016. Information from that report is included to provide a look at the current challenges facing the area and opportunities available. The CEDS is produced every five years, with annual progress reports published during interim years.

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

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

- **Population and Age:** The region's total population is expected to increase 3% over the next 30 years. The age group of 50-54 years old is the largest age group in the region compared to the U.S. which is 45 to 49 years with a national age of 36.9.
- **Race and Ethnicity:** The region's population is 13.3% minority, with the largest racial minority population of Black/African American at 6.7%. In comparison, the US population is 26.4% racial minority.
- **Poverty:** The Bi-State region has less poverty in all age cohorts and gender categories compared to national rates of poverty. However, Asian and Black/African American populations face higher rates of poverty in the region than at the national level.
- **Language spoken at home:** 91.5% of the population age 5 and over speak English only compared to 81.1% of the US population. The most common language spoken in the region other than English is Spanish which is spoken among 5.3%.
- **Educational Attainment:** Approximately 1/3 of the region's population aged 25 and over has some college or an associate's degree which is slightly higher than the US population 29.9%.
- **Income:** The region's median household income is \$51,203 compared to the US median income of \$54,149.
- **Labor Force:** 84% of all males aged 16 and over are actively in the labor force while 75.8% of all women aged 16 and over are in the labor force, similar to national averages.

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

- **Gross Regional Product (GRP) and Personal Income:**
 - Total GRP for the region has declined \$471 million compared to a national Gross Domestic Product growth rate of 8.4%.
 - The per capita income has increased a total of 4.91% from 2011-15.

- Employment:
 - From 2011-15 the average unemployment rate has steadily decreased since it peaked 2011 at 7.3%, to 2015 annual rate of 5.4%, slightly above the national average of 5.3%.
 - The region's labor force has also been decreasing from 2011 to 2015, a 2.1% decrease.
- Labor shed – the area from which an employment centers draws its commuting workers
 - The Quad Cities Chamber of Commerce shows that the labor shed has a potential labor force of 588,213 people, and a total population of 721,219 for those aged 18-64.
- Forecasted Industry Growth:
 - The region is only forecasted to experience a growth of 316 jobs across all industries in the next five years.
 - Health Care and Social Assistance has the highest percent growth of any industry with a total predicted growth rate of 7.52%.
- Retail Sales:
 - When adjusted for inflation, retail sales of the region have grown by 2.43% from Fiscal Year 2012-2016.

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

- Cost of Living index: The composite score of the region is 95.8.
- Housing:
 - Multi Family building permits for structures with 5 or more units saw an all-time high in 2015 with 24 structures built in the area.
 - The percent of cost burdened home owners and renters in the BiState region is significantly below the national average, particularly for owner occupied housing units.

Analysis of Regional Economy

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

Change from Threat to Strength:

- In 2016 Exelon's shutdown of the Cordova Nuclear Power Plant was seen as a threat. Legislation passed in 2016 ensures the Cordova Power Plant will remain open for at least another 10 years.

Change from Challenge to Opportunity:

- Work on a Chicago to Quad City passenger rail line has begun. Anticipation completion date is set for 2018.

New Opportunity:

- Mercer County: Better Together is a civic engagement, community, and economic development strategic planning initiative for local governments and businesses in Mercer County. The planning process will unify the county around common goals, identify community leaders and assets and create a plan of action to make Mercer County a better place to live and work.

New Challenges:

- Reliable high speed internet access is inconsistent with the region.
- Attracting skilled medical professionals to rural areas has been a long standing challenge in the region.
- The Illinois Regional Workforce Innovation and Opportunity Act identified an aging workforce and recruiting a younger workforce into entry level positions as a challenge in the region.

(Economic Condition and Outlook Source: *Comprehensive Economic Development Strategy for the Bi-State Region –Progress Report Draft 2017 prepared by Bi-State Regional Commission*)

Long term financial planning

Unassigned fund balance in the general fund is down from 2015-16. The District's solvency ratio for 2016-17 is 6.67%, down from 11.69% in 2015-16. With a solvency ratio between 0-5% a fund balance is considered adequate for short term credit purposes as long as other economic trends such as property tax collections and enrollment are sound. Continued close monitoring of the budget is necessary to prevent operation shortfalls and the deterioration of financial position. In order to meet unforeseen financing requirements it is recommended that the District have a solvency ratio of 5-10%.

The State of Iowa has implemented mid year budget reductions or not provided on time funding over the past ten years. With careful planning and constant budget review, the District has been building reserves since the 2003-04 school year and is now drawing upon those reserves during this period of under funding by the State. The District was able to identify approximately \$3.5 million in reductions for 2016-17 leaving additional requirements to be covered through cash reserves or fund balance.

With the exception of one year, the District's enrollment has declined for the past ten years. Future projections indicate a steady decrease in enrollment over the next five years. The District's funding is dependent on enrollment. Declining enrollment equates to decreased funding. With over 80% of the District's resources required for salaries and benefits, staffing

efficiencies will become a priority for review if the projections are accurate and enrollment continues to decline as projected.

A five year budget plan was presented to the Board of Education outlining budget reductions totaling \$19 million. The broad categories of budget reduction include:

- Increasing class size at all levels
- Consider having a system of K-6, 7-8 and 9-12 schools
- Repurposing schools
- Shared leadership teams to manage a sector of schools
- Increase walk zones to maximum allowed by the state
- Cap salary increases to match SSA (increases in budget by the state)
- Change bell times to maximize use of buses
- Centralize course offerings at high school
- Reduce number of work days for administrators through contracts or furloughs
- Review TAG, nurse, counselor and teacher-librarian positions
- Review all administrative positions in the district
- Study potential for savings through outsourcing
- Consider changes in the Mid City High School staffing model
- Increase hours per day and reduce the number of school days to save on transportation and utilities

The superintendent shared his philosophical approach behind his recommendation:

1. Respect the work of all employees by crafting a plan which attempts to assure that no employee receives a “pink slip” or loses employment or wages involuntarily.
2. Balance reductions so that no particular segment of the employee force is inordinately affected by reductions.
3. As much as possible, assure that the effects of reductions on student achievement can be overcome or minimized through restructuring or re-prioritizing.

Relevant financial policies

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of allowable growth each year. Under the law, the legislature has 30 days after receiving the governor’s budget recommendation to set the state percent of growth for the year following the budget year. To illustrate, the 2015 legislature sets the FY2017 state percent of growth. The allowable growth becomes increasingly important because as a District we are dependent on the amount of allowable growth as it often will dictate budget reductions that will take place. For the past several years the legislature has not adhered to their legal responsibility in setting the growth rate 30 days after receiving the governor’s budget recommendation.

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

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

Major initiatives

Superintendent's Priority Initiatives: The superintendent identified twenty four priority initiatives for the 2016-17 school year. Those initiatives and progress made are as follows:

1. Initiate an elementary reading academy.
Status: Program in place at Washington Elementary School by term two. Successful implementation; United Way funds provided to continue for 2017-2018 school year.
2. Determine how to open a preschool class for Jefferson families.
Status: Madison and Jefferson students will attend preschool at the JB Young Opportunity Center in school year 2017-18. A preschool is planned for Jefferson when it comes up for long-range remodeling in the facility plan.
3. Reduce principal time out of schools.
Status: The superintendent was personally involved in approving events and training which took principals out of their schools. Assignment of principals to various committees was monitored carefully. Monthly superintendent meetings were sacrificed for leadership academies. In many cases, principals were given a choice about whether they were available to attend meetings.
4. Work with the Board to eliminate bidding for teachers.
Status: Complete
5. Work with Curriculum Department to optimize the use of specialists in the schools and classrooms.
Status: This was a major emphasis for the curriculum department this year with more time being spent assisting with collaborative teacher teams, providing feedback to teachers, and attending school-based meetings. The department organization and structure for school year 2017-18 reflects the continued focus on service to teachers and students.
6. Revive an effective chain of command with principals as the paramount leader in the school.
Status: A continuous effort was made to direct issues and decisions through the associate superintendents to the principals. Associate superintendent titles changed, with an appropriate job description.
7. Institute procedures which focus administrative efforts to support schools.
Status: Superintendent published, emphasized and monitored "Superintendent's Guidance on Administrative Support for the Schools." Extraordinary efforts in this regard were publicly recognized.

8. Seek funding for additional School Resource Officers.
Status: The mayor and superintendent partnered to make a joint request to the Bechtel Trust for three year's funding support to add School Resource Officers; request pending.
9. Change the data team model to reflect professional learning community methods.
Status: Complete. Schools all now use the PLC model in their collaborative teacher teams. Training, honing, and positive evolution continue.
10. Provide time for principals to network.
Status: Associate superintendents keep this need in mind during their weekly meetings. The seven leadership academies purposely provided time for the principals to talk, confer and exchange ideas.
11. Continue to infuse PBIS and Boys Town into schools.
Status: During the 2016-17 school year, nine elementary and two intermediate schools received fidelity walk through at least bi-monthly to ensure consistent implementation. Two additional elementary buildings were trained in Well Managed Boys Town during the 2016-17 school year. Throughout the course of this year, all K-12 buildings have created a PBIS team and attended training. In Davenport, we have 14 schools that are working on advanced PBIS training. In the 2017-18 school year our goal will be to advance every building within the PBIS continuum.
12. Promote the Davenport Teaching and Learning Plan.
Status: The Teaching & Learning Plan was the basis for the leadership academies and formed the foundation for the instructional alignment team weekly meetings. The superintendent highlighted the document repeatedly when talking to leaders and the board. Additionally, the Plan was the foundation of the 2016-17 State of the District Annual Report. The LSIAC and Network of Community Partners received a briefing on the Teaching and Learning Plan.
13. Provide flexibility for implementation of blended technology systems.
Status: Schools were given maximum flexibility in how MyOn Reader, ST Math, and Lexia technology was employed in each school. Currently, data is being reviewed to determine how prescriptive the district should be in employing blended learning systems.
14. Support reinstating the LETRS professional development for special education teachers.
Status: For the 2016-2017 school year, one cohort of up to 40 teachers participated in 4 days of LETRS training.
15. Listen actively and purposefully to classroom teachers.
Status: The superintendent interviewed a wide range of teachers during summer of 2017; the superintendent's priorities resulting from the discussions. The superintendent conducted three focus groups of teacher to discuss how teachers show respect to students. Superintendent conducted a "fireside" chat with 40 teachers as part of the end of the year TLC event.
16. Increase the pace of the Board's priority to reduce the impact of poverty on education.
Status: The Poverty Task Force was reorganized to address specific actions. Meetings provided more emphasis on action planning and reports. Several impactful projects completed.
17. Make mandatory the practice of every teacher observing model teachers.
Status: The DEA and superintendent jointly signed a letter directing that each teacher should visit a colleague each school year. The results were uneven, model teachers are under-visited, and the teacher leadership system and the administration need to continue work on this effort.

18. Provide diversion programs in elementary schools.
Status: Diversion programs/life skills coaches are at Truman, Monroe, Buchanan, Fillmore and Jefferson schools.
19. Provide leadership to make respect the dominant skill for teaching and classroom management
Status: Superintendent's start of year video emphasized this point. Results of summer interviews with successful teachers, special teacher focus groups, and interviews with students were shared with all teachers and administrators. Principals used these documents to conduct discussions with staff.
20. Improve board outreach to the community.
Status: A community calendar of events was published weekly, two community meetings were conducted, and an approach for the 2017-18 school year is being formulated.
21. Help the board embrace the District Diversity Plan.
Status: The Board has conducted several serious and far-reaching discussions concerning the philosophy and content of the Diversity Plan. Several far-reaching options were discussed at length by Board members.
22. Increase support for the ELL program, and personally reach out to parents.
Status: Two additional ELL teachers were added during school year 2016-17. Three more teachers have been added to begin school year 2017-18. The ELL specialist was increased from half to full-time. The superintendent attended each initial parent meeting to meet and address parents and guardians.
23. Investigate how to make bold changes to the intermediate school schedules to find time for math and reading intervention.
Status: A Deere Foundation grant provided funding to conduct a summer school with an average daily attendance of 85 students, who received math and science instruction.
24. Determine what the district can learn from Sioux City successes.
Status: The superintendent and several district leaders conducted a conference call with the Sioux City superintendent and other administrators. Subsequently, individual leaders conducted separate and topic-focused interviews with Sioux City staff. The result was a plan for study and action which included topics such as: Use of a new credit recovery program, implementation of a new special education delivery model, consideration for new high school schedules, how to gain more collaboration time at intermediate schools.

Equity in Funding: Dr. Tate and the school board inspired a study bill for the Iowa Legislature to address inequity in state funding and challenge the state imposed spending limits. The district applied to the School Budget Review Committee and was granted a hearing but was denied additional spending authority associated with the inequity issue. Representatives from the school board along with a lobbyist from the Urban Education Network were relentless in trying to garner support for legislation which would have permitted districts to bring per pupil spending to the same levels as the highest districts in the state. The effort will continue into the fiscal 2017-18 school year.

Davenport Schools Teaching and Learning Plan: The school board and district leadership are calling for a renewed focus on the basics of strong instructional practices and meaningful assessment tools, while providing multi-tiered student supports and high expectations for

behavior in our classrooms and schools. A comprehensive Teaching and Learning Plan that supports these ideals will guide our work over the next several years.

Developed in the spring of 2016, the Davenport Community Schools Teaching and Learning Plan serves as a framework for best practices in education and classroom management. The framework includes four elements under which the work of our schools is organized. These four pillars include:

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

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

Capitol Improvements: The District is continuing to complete projects identified on the Long Range Facilities Plan for the next ten years. The Plan was reviewed, revised and projects were prioritized within the plan based on the district priorities of:

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

The Davenport community continues to invest in the quality of education for our young people and support infrastructure upgrades in our schools. Voter approved sales tax and Physical Plant and Equipment Levy proceeds touched every building in the district, bringing safety improvements, increased energy efficiencies, and upgrades to instructional spaces with a total of over \$22 million invested in building enhancements during the 2016-17 school year.

Some highlights of this investment in facilities include:

- ❖ Central High School – construction of new pool and auditorium, tennis courts and parking, roof repairs, office and ADA work, locker room renovation, repurposing old

auditorium, renovation of original pool for physical education use, softball field renovation and tuck pointing

- ❖ Mid City High School – Physical Activity Center addition
- ❖ Brady Street Stadium – Renovation and ADA updates
- ❖ Davenport Learning Center – Renovation of space for relocation of Exceptional Education offices
- ❖ District Wide – Technology purchases in the form of Chrome book purchases and installation of security cameras
- ❖ District Wide – Restroom renovations
- ❖ West High School – Corridor renovation and locker replacements

Cash Management Policies and Practices

The District, in its effort to be a good manager of public funds, competitively bids its banking services every three years. The District bid for services beginning with the 2012-13 school year for an initial three (3) year period beginning on July 1, 2012, with the option to renew it for two (2) additional one (1) year periods for a possible total of five (5) years. The district competitively bid banking services during 2016-17 and will be entering into a new contract beginning with July 1, 2017.

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

Risk Management

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

Awards

The Government Finance Officers Association of the United States and Canada, (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Davenport School District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International, (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Davenport Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

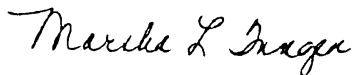
We believe that our current CAFR also conforms to the requirements for the Certificate of Excellence in Financial Reporting and we are submitting it to ASBO to determine its eligibility for a Certificate.

Acknowledgments

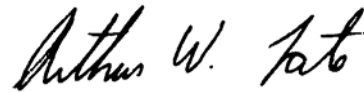
The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation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

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

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



Marsha L Tangen, *RSBA, SFO*
Chief Financial Officer



Dr. Arthur Tate
Superintendent



Government Finance Officers Association

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

Presented to

**Davenport Community School District
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Davenport Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director



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. Erica Goldstone, Director of Equity & Diversity, 1606 Brady Street, Davenport, Iowa 52803; Phone: 563-336-3812.



Financial Section





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Davenport Community School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Davenport Community School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, budgetary comparison information, and schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 4-16 and 53-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 27, 2017



Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

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, 2017. 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:

2016-17 FINANCIAL HIGHLIGHTS

- The General Fund June 30, 2017 fund balance decreased to \$13,640,120 from the June 30, 2016 fund balance of \$21,840,160.
- The District's tax levy rate decreased \$0.306 and has not been this low since fiscal year 2002.
- The District continues to be successful in receiving donations and local, state and federal grants. In 2017, the District received approximately \$36.5 million in operating grants.

USING THIS ANNUAL REPORT

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

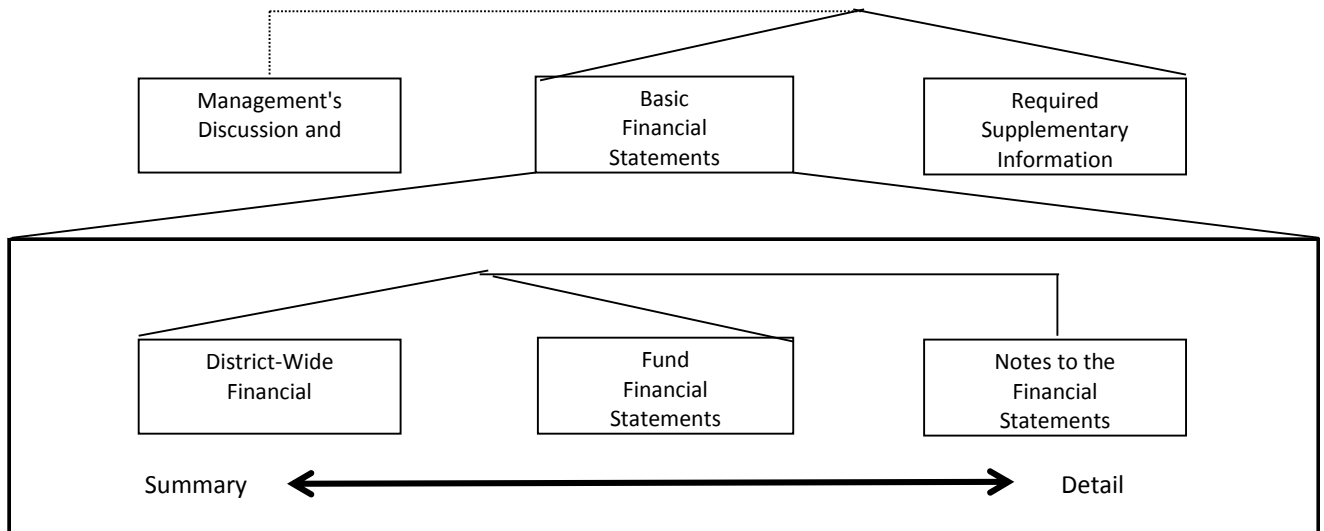
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about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

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

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, 2017

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 assets
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, 2017

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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

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

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between the two statements. The District's major governmental funds for 2016-17 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, 2017

- 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 Fund, the School Nutrition Fund which is a major fund and the nonmajor Out of School Time Fund. The District uses an internal service fund, the other kind of proprietary fund, to report activities that provide supplies and services for other District programs and activities. The District currently has one internal service fund, which is used to account for the District's self-funded health and dental insurance plans.

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

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

Agency Funds: These are funds for which the 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 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 fiduciary funds of the District include a statement of fiduciary assets and liabilities.

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, 2017

Government-Wide Financial Analysis

Figure A-3 below provides a summary of the District's net position as of June 30, 2017 compared to June 30, 2016.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-16
Current and other assets	\$ 180,529,989	\$ 181,613,500	\$ 2,732,604	\$ 2,389,540	\$ 183,262,593	\$ 184,003,040	-0.40%
Capital assets	196,597,627	190,056,124	453,108	501,466	197,050,735	190,557,590	3.41%
Total assets	377,127,616	371,669,624	3,185,712	2,891,006	380,313,328	374,560,630	1.54%
Deferred outflows of resources	30,474,753	16,465,839	864,613	454,999	31,339,366	16,920,838	85.21%
Long-term liabilities	114,165,710	97,407,330	2,777,845	2,168,686	116,943,555	99,576,016	17.44%
Other liabilities	48,273,140	37,785,834	319,364	197,875	48,592,504	37,983,709	27.93%
Total liabilities	162,438,850	135,193,164	3,097,209	2,366,561	165,536,059	137,559,725	20.34%
Deferred inflows of resources	66,803,695	68,194,924	44,977	167,696	66,848,672	68,362,620	-2.21%
Net position:							
Net investment in capital assets	181,820,851	173,180,292	453,108	501,466	182,273,959	173,681,758	4.95%
Restricted	18,655,832	23,926,922	-	-	18,655,832	23,926,922	-22.03%
Unrestricted	(22,116,859)	(12,359,839)	455,031	310,282	(21,661,828)	(12,049,557)	79.77%
Total net position	\$ 178,359,824	\$ 184,747,375	\$ 908,139	\$ 811,748	\$ 179,267,963	\$ 185,559,123	-3.39%

The District's combined net position as of June 30, 2017 decreased by \$6,291,160 (3.39%) over the June 30, 2016 combined net position. Net position in the governmental activities decreased by \$6,387,551 (3.4%). The net position of the District's business-type activities increased by \$96,391 (11.8%).

The most significant factors for the decrease in net position of the District were the District's increase in expenditures for salaries and benefits at a level that exceeded the percent of budget guarantee the district operated under.

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 decreased by \$5,271,090 (22.03%) primarily due to the use of bond proceeds issued in prior years for significant capital projects.

Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements) decreased by \$9,612,271 primarily due to changes in net pension liability.

Figure A-4 shows the changes in net position for the year ended June 30, 2017 compared to the year ended June 30, 2016.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-16
Revenues:							
Program revenues:							
Charges for services	\$ 6,077,122	\$ 4,030,443	\$ 2,120,160	\$ 2,233,536	\$ 8,197,282	\$ 6,263,979	30.9%
Operating grants and contributions	36,505,696	33,556,831	7,395,550	7,572,916	43,901,246	41,129,747	6.7%
Capital grants and contributions	-	-	-	-	-	-	N/A
General revenues:							
Property taxes	60,111,185	60,834,657	-	-	60,111,185	60,834,657	-1.2%
Utility tax	3,385,530	3,545,882	-	-	3,385,530	3,545,882	-4.5%
Revenue in lieu of tax	3,012,624	2,490,934	-	-	3,012,624	2,490,934	20.9%
State foundation aid	84,429,673	86,685,533	-	-	84,429,673	86,685,533	-2.6%
Statewide sales and services tax	15,129,201	15,114,132	-	-	15,129,201	15,114,132	0.1%
Other	2,836,066	2,781,939	12,745	1,214	2,848,811	2,783,153	2.4%
Total revenues	211,487,097	209,040,351	9,528,455	9,807,666	221,015,552	218,848,017	1.0%
Expenses:							
Instruction	139,416,652	133,042,846	-	-	139,416,652	133,042,846	4.8%
Support services	70,418,097	63,307,196	-	-	70,418,097	63,307,196	11.2%
Noninstructional	692,881	666,296	9,432,064	9,341,991	10,124,945	10,008,287	1.2%
Other	7,347,018	7,234,915	-	-	7,347,018	7,234,915	1.5%
Total expenses	217,874,648	204,251,253	9,432,064	9,341,991	227,306,712	213,593,244	6.4%
Change in net position before transfers	(6,387,551)	4,789,098	96,391	465,675	(6,291,160)	5,254,773	-219.7%
Transfers	-	-	-	-	-	-	N/A
Increase (decrease) in net position	\$ (6,387,551)	\$ 4,789,098	\$ 96,391	\$ 465,675	\$ (6,291,160)	\$ 5,254,773	-219.7%
Net position, beginning	184,747,375	179,958,277	811,748	346,073	185,559,123	180,304,350	
Net position, ending	178,359,824	184,747,375	908,139	811,748	179,267,963	185,559,123	

In 2016-17, local taxes (property taxes and utility taxes), state foundation aid, statewide sales services and use tax and revenue in lieu of taxes accounted for 78.5% of the revenue from governmental activities while charges for services and grants and contributions accounted for 99.9% of the revenue from business-type activities.

The District's expenses primarily relate to instructional and support services, which account for 92.3% of the total expenses.

Total revenue for the District increased by \$2,167,535 (1.0%) in the fiscal year ended June 30, 2017. The most significant revenue category changes were due to increases in charges for services and operating grants and contributions. The increases are due to the District's expansion of services being offered that are chargeable and the ability to secure grant funding.

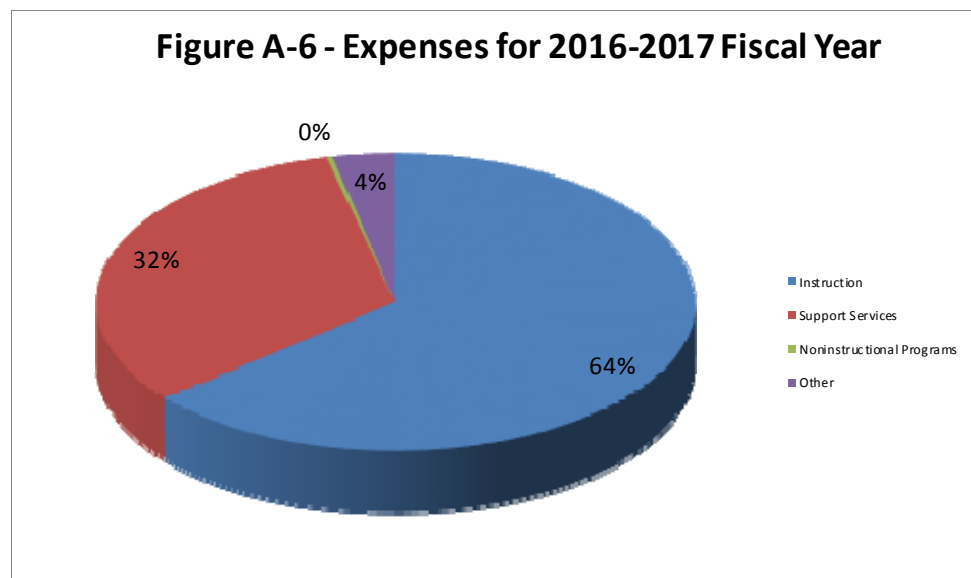
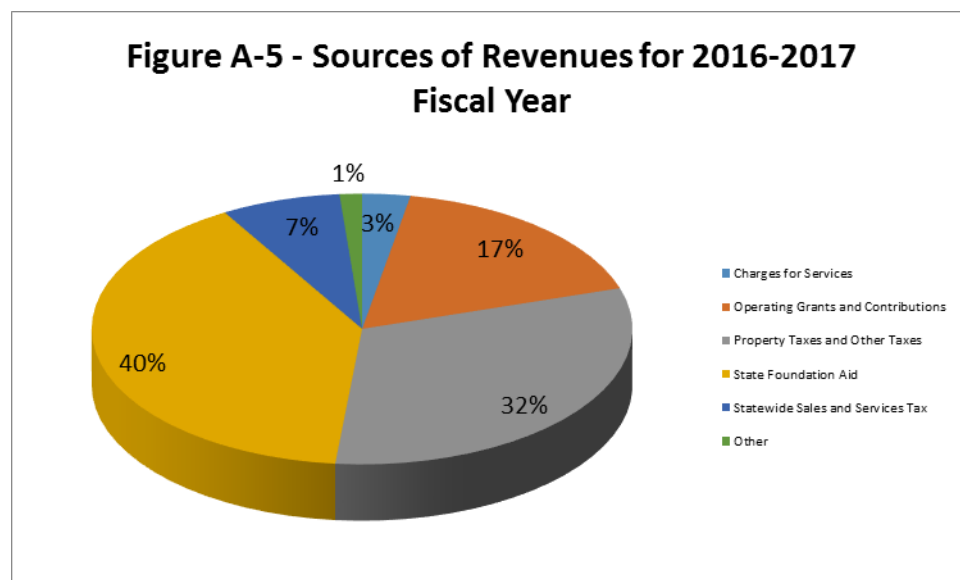
Property taxes received decreased by \$723,472 (1.2%) primarily due to the increase in assessed/taxable valuations in the District being offset by a larger reduction of the tax rate. State foundation aid decreased \$2,255,860 (2.6%) primarily due to decreased enrollment and the state funding formula.

Total District expenses increased by \$13,713,468 (6.4%), primarily because of increases in expenditures for salaries and benefits (as a result of raises given to employees and new hires due to the District's enrollment growth) and an increase in expenditures for building addition and renovation related expenditures.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

Figures A-5 and A-6, which follow, show charts reflecting sources of revenue and distribution of expenses for the 2016-17 fiscal year governmental activities.



Governmental Activities

Revenue for the District's governmental activities in 2016-17 increased by \$2,446,746 (1.1%) from the previous year, while total expenses increased by \$13,623,395 (10.0%). Governmental activities net position as of June 30, 2017 decreased by \$6,387,551 (3.5%) over the June 30, 2016 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, 2017 compared to the year ended June 30, 2016.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016	
Instruction	\$ 139,416,652	\$ 133,042,846	4.79%	\$ 105,425,238	\$ 107,045,661	-1.5%
Support services	70,418,097	63,307,196	11.23%	68,990,233	56,863,288	21.3%
Noninstructional	692,881	666,296	3.99%	576,340	(85,162)	-776.8%
Other	7,347,018	7,234,915	1.55%	300,019	349,258	-14.1%
Total	\$ 217,874,648	\$ 204,251,253	6.67%	\$ 175,291,830	\$ 164,173,045	6.8%

For the year ended June 30, 2017:

- The cost financed by the users of the District's programs was \$6,077,122.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$36,505,696.
- The net cost of governmental activities was financed with \$60,111,185 in property taxes, \$3,385,530 in utility tax, \$3,012,624 in revenue in lieu of tax, \$84,429,673 of unrestricted state grants, \$15,129,201 in statewide sales and services tax revenue, \$549,199 in investment earnings and \$2,286,867 in miscellaneous revenues.

For the year ended June 30, 2016:

- The cost financed by the users of the District's programs was \$4,030,443.
- Federal and state governments and some local grants subsidized certain programs with grants and contributions totaling \$33,556,831.
- The net cost of governmental activities was financed with \$60,834,657 in property taxes, \$3,545,882 in utility tax, \$2,490,934 of revenue in lieu of tax, \$86,685,533 of unrestricted state grants, \$15,114,132 in statewide sales and services tax revenue, \$86,005 in investment earnings and \$2,695,934 in miscellaneous revenues.

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 2016-17 were \$9,528,455; a decrease of \$279,211 (2.8%) from 2015-16. The decrease is primarily due to decreasing the number of catering events. Other revenues of these activities were comprised of federal and state reimbursements and interest. Expenses were \$9,432,064, an increase of \$90,073 (0.96%) from 2015-16, primarily due to the cost of food service operations in the current year.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

Individual Fund Analysis

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$31,545,952, which reflects a decrease of \$13,471,130 (29.9%) from last year's ending fund balances of \$45,017,082. The primary reasons for the decrease in combined fund balances at the end of the 2016-17 fiscal year are:

- Increases in local sources revenue and state foundation aid.
- Unspent proceeds at the end of the fiscal year from the borrowing of funds for capital projects by issuing School Infrastructure Sales, Services and Use Tax Revenue Bonds.
- The accumulation of proceeds from the Statewide School Infrastructure Sales, Services and Use Tax to be used for future capital projects.

Governmental Fund Highlights

- The fund balance in the District's General Fund decreased by \$8,200,040 (37.5%) from \$21,840,160 as of June 30, 2016 to \$13,640,120 as of June 30, 2017. The General Fund experienced a decrease in state sources of revenue primarily due to decreased enrollment.
- The fund balance in the Capital Projects Fund decreased by \$5,647,515 (42.0%). The statewide sales, service and use tax generated \$15,069 more in revenue in 2016-17 than in the previous fiscal year. Local tax generated from the physical plant and equipment levy was \$5,221,223 compared to the prior year \$5,186,149 which represents a \$35,074 (0.7%) increase from 2015-16. Total expenditures were \$24,225,229 in 2016-17 compared to \$31,946,025 in 2015-16. In the current year, major expenditures included Central High School pool and auditorium.

Proprietary Fund Highlights

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

- The net position of the School Nutrition Fund decreased by \$56,665 (6.5%) during 2016-17 primarily due to changes in the net pension liability. In addition, catering revenue significantly decreased due to less events.
- The net position of the Internal Service Fund increased by \$2,046,146 (5.8%) during 2016-17. This was due to claims experience for health and dental insurance less than expected.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

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 agency funds. Although the budget document presents functional area expenditures for expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Over the course of the year the District amended its operating budget one time to reflect additional expenditures projected. The District modified its original budget in 2016-17 from \$224,464,750 to \$239,703,927.

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.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2016-17 fiscal year, the District had invested \$197,050,735 (net of accumulated depreciation of \$127,465,787) 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 \$6,493,145 or 3.4% from last year. The most significant additions were for buildings in the current year including the completion of the Central High School pool and auditorium. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$10,839,611.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-16
Land	\$ 4,702,173	\$ 4,702,173	\$ -	\$ -	\$ 4,702,173	\$ 4,702,173	0.0%
Land improvements	2,449,452	2,217,130	-	-	2,449,452	2,217,130	10.5%
Buildings	74,984,763	50,880,194	-	-	74,984,763	50,880,194	47.4%
Building improvements	108,827,355	112,974,595	-	-	108,827,355	112,974,595	-3.7%
Furniture and equipment	1,865,636	1,709,534	453,108	501,466	2,318,744	2,211,000	4.9%
Intangibles	325,253	357,509	-	-	325,253	357,509	-9.0%
Construction in progress	3,442,995	17,214,989	-	-	3,442,995	17,214,989	-80.0%
Total	\$ 196,597,627	\$ 190,056,124	\$ 453,108	\$ 501,466	\$ 197,050,735	\$ 190,557,590	3.4%

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

Long-Term Liabilities

As of June 30, 2017, the District had \$14,776,776 in revenue bonds outstanding, \$2,687,076 in early retirement liabilities, \$741,945 in total compensated absence liabilities, \$3,102,443 in net OPEB liability, and \$99,276,394 in net pension liability for total outstanding long-term obligations of \$120,584,634 as reflected in Figure A-9 below. More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-16
Revenue bonds	\$ 14,310,000	\$ 16,335,000	\$ -	\$ -	\$ 14,310,000	\$ 16,335,000	-12.4%
Premium on bonds	466,776	540,832	-	-	466,776	540,832	-13.7%
Early retirement	2,687,076	2,190,284	-	-	2,687,076	2,190,284	22.7%
Compensated absences	720,300	702,741	21,645	18,157	741,945	720,898	2.9%
Net pension liability	96,588,012	75,126,047	2,688,382	2,074,678	99,276,394	77,200,725	28.6%
Net OPEB	3,012,980	2,512,426	89,463	75,851	3,102,443	2,588,277	19.9%
Total	\$ 117,785,144	\$ 97,407,330	\$ 2,799,490	\$ 2,168,686	\$ 120,584,634	\$ 99,576,016	21.1%

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

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The Iowa Legislature set the supplemental state aid percentage (formerly known as the allowable growth rate) at 2.25% for the 2016-17 fiscal year and 1.1% for the 2017-18 fiscal year. The Iowa Legislature has not yet set the allowable growth rate for the 2018-19 fiscal year. As the District's General Fund budget is comprised of approximately 80 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 spending decisions.
- The Iowa Legislature established the Teacher Leadership and Compensation System, as well as the Teacher Leadership Supplement (TLS) of categorical funding. There was \$3.5 million of planning grants available statewide for the 2013-14 fiscal year as well as \$50 million available per year for the 2014-15 through 2016-17 fiscal years for phased-in entry to the program. The District was awarded this grant beginning in the 2015-16 fiscal year. This funding is being distributed on a per-pupil basis, which was \$312.68 per student for the 2015-16 fiscal year and \$319.72 per student for the 2016-17 fiscal year. The cost per student for the 2017-18 fiscal year is currently \$323.27.

Davenport Community School District

Management's Discussion and Analysis Year Ended June 30, 2017

- The District ended fiscal year 2016 and fiscal year 2017 with a negative unspent balance; the District spent more than allowed by the funding formula. The result is that the District is required to appear before the state's School Budget Review Committee and present a corrective action plan identifying budget reductions that will be implemented over the next couple of years. It is estimated those reductions may total close to \$7 million a year.
- The District's certified enrollment count on October 1, 2017 shows a decline in enrollment of 255 students. That equates to lost funding of approximately \$1.7 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Marsha Tangen, Chief Financial Officer, Davenport Community School District, 1606 Brady Street, Davenport, Iowa 52803.



Davenport Community School District

Statement of Net Position

June 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 106,811,323	\$ 2,524,498	\$ 109,335,821
Receivables:			
Property tax:			
Current year	592,875	-	592,875
Succeeding year	65,230,811	-	65,230,811
Other	746,248	-	746,248
Due from other governments	6,896,649	98,568	6,995,217
Inventories	246,993	109,538	356,531
Prepaid expenses	5,090	-	5,090
Capital assets:			
Nondepreciable	8,145,168	-	8,145,168
Depreciable, net	188,452,459	453,108	188,905,567
Total assets	377,127,616	3,185,712	380,313,328
Deferred Outflows of Resources, pension related deferred outflows	30,474,753	864,613	31,339,366
Liabilities			
Accounts payable	9,817,478	110,460	9,927,938
Salaries and benefits payable	26,782,848	124,776	26,907,624
Construction contracts payable	1,128,296	-	1,128,296
Claims incurred but not reported	3,630,000	-	3,630,000
Unearned revenue	3,295,084	62,483	3,357,567
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	2,139,056	-	2,139,056
Early retirement	760,078	-	760,078
Compensated absences	720,300	21,645	741,945
Portion due after one year:			
Revenue bonds	12,637,720	-	12,637,720
Early retirement	1,926,998	-	1,926,998
Net OPEB liability	3,012,980	89,463	3,102,443
Net pension liability	96,588,012	2,688,382	99,276,394
Total liabilities	162,438,850	3,097,209	165,536,059
Deferred Inflows of Resources			
Deferred revenue from succeeding year property tax	65,230,811	-	65,230,811
Pension related deferred inflows	1,572,884	44,977	1,617,861
Total deferred inflows of resources	66,803,695	44,977	66,848,672
Net Position			
Net investment in capital assets	181,820,851	453,108	182,273,959
Restricted for:			
Management levy	7,605,776	-	7,605,776
Physical plant and equipment levy	3,707,192	-	3,707,192
School infrastructure	4,822,773	-	4,822,773
Debt service	1,949,257	-	1,949,257
Student activities	570,834	-	570,834
Unrestricted	(22,116,859)	455,031	(21,661,828)
Total net position	\$ 178,359,824	\$ 908,139	\$ 179,267,963

See Notes to Financial Statements.

Davenport Community School District

Statement of Activities

Year Ended June 30, 2017

Functions/Programs	Expenses
Governmental Activities	
Instruction	\$ 139,416,652
Support services:	
Student	16,441,860
Instructional staff	6,354,866
General administration	6,288,431
School administration	10,816,465
Business and central administration	6,830,713
Plant operation and maintenance	16,490,014
Student transportation	7,195,748
Other:	
Non-instructional	692,881
Area education agency	7,046,999
Long-term debt interest	300,019
Total governmental activities	<u>217,874,648</u>
Business-Type Activities	
Non-instructional:	
School nutrition	9,032,980
Out of school time	399,084
Total business-type activities	<u>9,432,064</u>
Total school district	<u><u>\$ 227,306,712</u></u>

General Revenues:

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

Change in net position

Net position, beginning of year

Net position, end of year

See Notes to Financial Statements

Davenport Community School District

**Balance Sheet
Governmental Funds
June 30, 2017**

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and investments	\$ 42,816,679	\$ 12,605,544	\$ 10,204,558	\$ 65,626,781
Receivables:				
Property tax:				
Current year	509,847	50,704	32,324	592,875
Succeeding year	57,350,642	5,491,377	2,388,792	65,230,811
Other	744,304	-	1,944	746,248
Due from other governments	4,888,677	2,007,972	-	6,896,649
Inventories	246,993	-	-	246,993
Prepays	5,090	-	-	5,090
Total assets	\$ 106,562,232	\$ 20,155,597	\$ 12,627,618	\$ 139,345,447
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 4,682,349	\$ 4,979,743	\$ 105,668	\$ 9,767,760
Accrued payroll and payroll taxes	26,739,863	26,216	7,291	26,773,370
Construction contracts payable	-	1,128,296	-	1,128,296
Unearned revenue	3,295,084	-	-	3,295,084
Total liabilities	34,717,296	6,134,255	112,959	40,964,510
Deferred Inflows of Resources				
Unavailable revenue				
Succeeding year property taxes	57,350,642	5,491,377	2,388,792	65,230,811
Sales, service and use tax	-	750,000	-	750,000
Federal grants	651,840	-	-	651,840
Other	202,334	-	-	202,334
Total deferred inflows of resources	58,204,816	6,241,377	2,388,792	66,834,985
Fund Balances				
Nonspendable				
Inventories	246,993	-	-	246,993
Prepaid items	5,090	-	-	5,090
Restricted				
Debt service	-	-	1,949,257	1,949,257
Management levy purposes	-	-	7,605,776	7,605,776
Student activities	-	-	570,834	570,834
School infrastructure	-	4,072,773	-	4,072,773
Physical plant and equipment	-	3,707,192	-	3,707,192
Unassigned	13,388,037	-	-	13,388,037
Total fund balances	13,640,120	7,779,965	10,125,867	31,545,952
Total liabilities, deferred inflows of resources, and fund balances	\$ 106,562,232	\$ 20,155,597	\$ 12,627,618	\$ 139,345,447

See Notes to Financial Statements.

Davenport Community School District

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2017

Total Governmental Fund Balances	\$	31,545,952
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

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

Capital assets	321,592,923	
Accumulated depreciation	<u>(124,995,296)</u>	196,597,627

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

Sales, services and use tax	750,000	
Federal grants	651,840	
Other	<u>202,334</u>	1,604,174

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.

37,495,346

Pension 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:

Deferred outflows of resources	30,474,753	
Deferred inflows of resources	<u>(1,572,884)</u>	28,901,869

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	(14,310,000)	
Premium on bonds payable	(466,776)	
Compensated absences	(720,300)	
Accumulated termination pay	(2,687,076)	
Net pension liability	(96,588,012)	
Other post employment benefits obligation	<u>(3,012,980)</u>	(117,785,144)

Net Position of Governmental Activities	\$	<u>178,359,824</u>
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See Notes to Financial Statements.

Davenport Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2017

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Property taxes	\$ 51,761,840	\$ 5,221,223	\$ 3,274,620	\$ 60,257,683
Utility taxes	2,914,107	286,341	185,082	3,385,530
Charges for services	2,083,336	-	-	2,083,336
Interest	433,257	60,972	54,970	549,199
Other	3,526,235	17,524	1,171,956	4,715,715
State sources:				
Sales, services and use tax	-	15,129,201	-	15,129,201
Other state sources	113,789,395	260,528	165,642	114,215,565
Federal sources	11,595,695	-	-	11,595,695
Total revenues	186,103,865	20,975,789	4,852,270	211,931,924
Expenditures:				
Current:				
Instruction	125,273,276	966,829	2,028,660	128,268,765
Support services:				
Student	16,333,361	-	-	16,333,361
Instructional staff	5,958,940	347,739	-	6,306,679
General administration	4,906,998	61,204	1,274,760	6,242,962
School administration	10,735,580	-	1,672	10,737,252
Business and central administration	5,026,026	1,605,928	-	6,631,954
Plant operation and maintenance	11,890,222	809,873	1,099,150	13,799,245
Student transportation	6,606,792	510,621	70,603	7,188,016
Non-instructional programs	525,711	85,394	-	611,105
Area Education Agency	7,046,999	-	-	7,046,999
Capital outlay	-	19,837,641	-	19,837,641
Debt service:				
Principal	-	-	2,025,000	2,025,000
Interest	-	-	374,075	374,075
Total expenditures	194,303,905	24,225,229	6,873,920	225,403,054
Deficiency of revenues under expenditures	(8,200,040)	(3,249,440)	(2,021,650)	(13,471,130)
Other financing sources (uses):				
Transfers in	-	-	2,398,075	2,398,075
Transfers out	-	(2,398,075)	-	(2,398,075)
Total other financing sources (uses)	-	(2,398,075)	2,398,075	-
Net change in fund balances	(8,200,040)	(5,647,515)	376,425	(13,471,130)
Fund balances, beginning of year	21,840,160	13,427,480	9,749,442	45,017,082
Fund balances, end of year	\$ 13,640,120	\$ 7,779,965	\$ 10,125,867	\$ 31,545,952

See Notes to Financial Statements.

Davenport Community School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (13,471,130)

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 exceeds depreciation in the period:

Capital outlay	17,291,616	
Depreciation expense	<u>(10,750,113)</u>	6,541,503

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. (442,827)

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities. 2,046,146

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

Repayment of long-term debt	2,025,000	
Amortization of bond premium	<u>74,056</u>	2,099,056

The net effect of pension related activity, consisting of employer contributions which are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position, and the pension expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (2,145,394)

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	(17,559)	
Accumulated termination pay	(496,792)	
Other post employment benefit liability	<u>(500,554)</u>	(1,014,905)
Change in Net Position of Governmental Activities		<u><u>\$ (6,387,551)</u></u>

See Notes to Financial Statements.

Davenport Community School District

Statement of Net Position

Proprietary Funds

June 30, 2017

	Business-type Activities-Enterprise Funds			Governmental
	School	Nonmajor		Activities
	Nutrition Fund	Out of School	Total	Internal
		Time Fund		Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,299,122	\$ 225,376	\$ 2,524,498	\$ 41,184,542
Due from other governmental units	98,568	-	98,568	-
Inventories	109,538	-	109,538	-
Total current assets	2,507,228	225,376	2,732,604	41,184,542
Noncurrent assets, capital assets, net of accumulated depreciation	453,108	-	453,108	-
Total assets	2,960,336	225,376	3,185,712	41,184,542
Deferred Outflows of Resources, pension related deferred outflow	841,412	23,201	864,613	-
Liabilities				
Current Liabilities				
Accounts payable	82,214	28,246	110,460	49,718
Accrued payroll and payroll taxes	112,764	12,012	124,776	9,478
Health claims and costs	-	-	-	3,630,000
Unearned revenue	62,483	-	62,483	-
Compensated absences	11,079	10,566	21,645	-
Total current liabilities	268,540	50,824	319,364	3,689,196
Noncurrent Liabilities				
Net pension liability	2,597,043	91,339	2,688,382	-
Other post employment benefits obligation	86,356	3,107	89,463	-
Total noncurrent liabilities	2,683,399	94,446	2,777,845	-
Total liabilities	2,951,939	145,270	3,097,209	3,689,196
Deferred Inflows of Resources, pension related deferred inflows	43,682	1,295	44,977	-
Net Position				
Net investment in capital assets	453,108	-	453,108	-
Unrestricted	353,019	102,012	455,031	37,495,346
Total net position	\$ 806,127	\$ 102,012	\$ 908,139	\$ 37,495,346

See Notes to Financial Statements.

Davenport Community School District

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended June 30, 2017

	Business-type Activities-Enterprise Funds			Governmental Activities Internal Service Fund
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	
Operating Revenue				
Charges for Services	\$ 1,574,028	\$ 546,132	\$ 2,120,160	\$ 28,675,469
Operating Expenses				
Salaries and Benefits	4,191,135	76,274	4,267,409	354,997
Purchased Services	760,135	289,340	1,049,475	1,647,865
Supplies	3,939,296	14,417	3,953,713	1,598
Other Operating Costs	52,916	19,053	71,969	-
Depreciation	89,498	-	89,498	-
Health Care	-	-	-	24,624,863
Total operating expenses	9,032,980	399,084	9,432,064	26,629,323
Operating income (loss)	(7,458,952)	147,048	(7,311,904)	2,046,146
Nonoperating Revenues				
Interest Income	11,737	1,008	12,745	-
Intergovernmental	7,390,550	-	7,390,550	-
Other Nonoperating Revenue	-	5,000	5,000	-
Total nonoperating revenues	7,402,287	6,008	7,408,295	-
Change in net position	(56,665)	153,056	96,391	2,046,146
Net Position Beginning of Year	862,792	(51,044)	811,748	35,449,200
Net Position End of Year	\$ 806,127	\$ 102,012	\$ 908,139	\$ 37,495,346

See Notes to Financial Statements.

Davenport Community School District

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2017

	Business-type Activities-Enterprise Funds			Governmental Activities
	School Nutrition Fund	Nonmajor Out of School Time Fund	Total	Internal Service Fund
Cash Flows from Operating Activities				
Cash received from user charges	\$ 1,636,655	\$ 546,137	\$ 2,182,792	\$ 28,816,803
Cash payments to employees for services	(4,091,371)	(90,915)	(4,182,286)	(356,516)
Cash payments for insurance claims	-	-	-	(23,983,863)
Cash payments to suppliers for goods or services	(4,120,493)	(318,306)	(4,438,799)	(1,643,935)
Net cash provided by (used in) operating activities	(6,575,209)	136,916	(6,438,293)	2,832,489
Cash Flows from Noncapital Financing Activities				
Grants and contributions received	6,776,160	5,000	6,781,160	-
Net cash provided by noncapital financing activities	6,776,160	5,000	6,781,160	-
Cash Flows from Capital and Related Financing Activities,				
Acquisition of capital assets	(41,140)	-	(41,140)	-
Cash Flows from Investing Activities, Interest received	11,737	1,008	12,745	-
Net increase in cash and cash equivalents	171,548	142,924	314,472	2,832,489
Cash and Cash Equivalents				
Beginning of Year	2,127,574	82,452	2,210,026	38,352,053
Cash and Cash Equivalents End of Year	<u>\$ 2,299,122</u>	<u>\$ 225,376</u>	<u>\$ 2,524,498</u>	<u>\$ 41,184,542</u>

(Continued)

Davenport Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2017

	<u>Business-type Activities-Enterprise Funds</u>			Governmental
	Nonmajor			Activities
	School	Out of School		Internal
	Nutrition Fund	Time Fund	Total	Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (7,458,952)	\$ 147,048	\$ (7,311,904)	\$ 2,046,146
Adjustments to reconcile operating income (loss) to net cash provided by (used in)				
operating activities:				
Depreciation	89,498	-	89,498	-
Commodities used	590,850	-	590,850	-
Changes in asset and liabilities				
Receivables	144	5	149	141,334
Inventories	(5,201)	-	(5,201)	-
Unearned revenue	62,483	-	62,483	-
Accounts payable	46,205	4,504	50,709	5,528
Health claims and costs	-	-	-	641,000
Accrued liabilities	6,506	(16,366)	(9,860)	(1,519)
Net pension liability	596,043	17,661	613,704	-
Deferred outflow of resources	(402,518)	(7,096)	(409,614)	-
Deferred inflow of resources	(113,668)	(9,051)	(122,719)	-
Other post employment benefits obligation	13,401	211	13,612	-
Net cash provided by (used in) operating activities	\$ (6,575,209)	\$ 136,916	\$ (6,438,293)	\$ 2,832,489
Schedule of noncash items:				
Noncapital financing activities, federal commodities	\$ 590,850	\$ -	\$ 590,850	\$ -

See Notes to Financial Statements.

Davenport Community School District

Statement of Fiduciary Assets and Liabilities

Fiduciary Fund

June 30, 2017

	<u>Agency</u>
Assets	
Cash and cash equivalents	\$ 151,743
Total assets	<u>\$ 151,743</u>
Liabilities	
Accounts payable	\$ 969
Due to activity groups	150,774
Total liabilities	<u>\$ 151,743</u>

See Notes to Financial Statements.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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, two K-8 schools, 17 elementary schools and various off-campus alternative education programs. Student enrollment (pre-school through high school) for the 2016-2017 school year was approximately 15,490 regular and special education students. The District employs approximately 2,300 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 Financial Statements Year Ended June 30, 2017

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

The District reports the following major proprietary fund:

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

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

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

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

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

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

Governmental activities in the government-wide statements include the operations from the governmental funds: the General Fund, the special revenue funds, 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 Financial Statements Year Ended June 30, 2017

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

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

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

Significant Accounting Policies

Pass-Through Revenues – GASB Statement No. 24 establishes standards of accounting and financial reporting for pass-through grants, food stamps and on-behalf payments for fringe benefits and salaries. GASB Statement No. 24 requires that all cash pass-through grants received by a governmental entity be recognized as revenue and expenditures or expenses in a governmental, proprietary or trust fund. The District recorded the \$7,046,999 pass-through grant from the Area Education Agency in fiscal year 2016-2017 as revenue and a related expense/expenditure in the Governmental Activities and General Fund.

Cash and Investments – The cash balances of District funds are pooled and invested. Investments are stated at fair value except for the investments in 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 Trust and the Education Liquidity Fund are "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 Financial Statements Year Ended June 30, 2017

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 become 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, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2016.

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

	General	Capital Projects	School Nutrition
Due From Other Governmental Units:			
Federal and state programs	\$ 3,875,771	\$ -	\$ 98,568
Sales, services and use tax	-	2,007,972	-
Other districts and governments	1,012,906	-	-
	<u>\$ 4,888,677</u>	<u>\$ 2,007,972</u>	<u>\$ 98,568</u>

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. Prepaids are recorded as expenditures when the goods 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. Interest incurred during construction is not capitalized for governmental funds. There was no interest required to be capitalized in the current year for proprietary fund types.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

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

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

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

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 2017, have been accrued as liabilities as of June 30, 2017.

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, 2017.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

Compensated Absences: Noninstructional District employees accumulate vacation hours for subsequent use or for payment upon termination. The compensated absences liability has been computed based on rates of pay in effect as June 30, 2017, and includes certain salary related payments. The compensated absences liability is reported as a liability in the government-wide statements. In governmental funds, however, these accrued benefits are not considered due and, therefore, are not reported as a fund liability. Vacation time accrued is expected to be paid out or utilized within one year.

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

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

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

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

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

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

Net position restricted through enabling legislation include \$4,822,773 for school infrastructure, \$3,707,192 for physical plant and equipment, \$7,605,776 for management levy, and \$1,949,257 for debt service. Net position restricted by donations and fundraising are student activities of \$570,834.

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

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

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

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

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

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

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

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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, 2017, the book balance of the District's cash deposits plus petty cash totaled \$34,034,464, including certificates of deposit of \$5,080,748 and the bank balances totaled \$36,739,518.

As of June 30, 2017, the District also had investments in the Education Liquidity Money Market Fund totaling \$44,221,771 and the Iowa Schools Joint Investment Trust Fund totaling \$31,231,329, which are also valued at an amortized cost pursuant to under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals. The investment in the Education Liquidity Money Market Fund is not rated. The investment in the Iowa Schools Joint Investment Trust Fund was rated AAAM by Standards and Poor rating service.

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

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

Credit Risk: The District's investment policy limits investments in commercial paper and other corporate debt to the top two higher classifications. The District did not hold any commercial paper or other corporate debt at June 30, 2017.

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, 2017.

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.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 2. Cash and Pooled Investments (Continued)

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

Cash Deposits, Certificates of Deposit and Petty Cash	\$ 34,034,464
The Education Liquidity Fund (TELF)	44,221,771
Iowa Schools Joint Investment Trust (ISJIT)	31,231,329
	<u>\$ 109,487,564</u>
Governmental Funds	\$ 65,626,781
Internal Service Fund	41,184,542
Total governmental activities	<u>106,811,323</u>
Business-type Activities/Enterprise Funds	2,524,498
Agency Fund	151,743
	<u>\$ 109,487,564</u>

Note 3. Interfund Transfers

Interfund transfers as of June 30, 2017 consisted of the following:

Transfer To	Transfer From	Amount
Nonmajor governmental fund, Debt Service	Capital Projects	\$ 2,398,075

Transfers from the Capital Projects Fund represents transfers to the Debt Service Fund debt service expenditures and reserves and to the Capital Projects – Revenue Bonds Fund to fund capital projects.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2017 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	17,214,989	16,684,919	30,456,913	3,442,995
Total capital assets not being depreciated	21,917,162	16,684,919	30,456,913	8,145,168
Capital assets being depreciated:				
Land Improvements	11,947,938	502,696		12,450,634
Buildings	100,219,917	25,933,352	-	126,153,269
Building improvements	159,937,085	4,020,864	-	163,957,949
Furniture and equipment	9,174,001	606,698	143,469	9,637,230
Intangibles	1,248,673	-	-	1,248,673
Total capital assets being depreciated	282,527,614	31,063,610	143,469	313,447,755
Less accumulated depreciation for:				
Land Improvements	9,730,808	270,374	-	10,001,182
Buildings	49,339,723	1,828,783		51,168,506
Buildings improvements	46,962,490	8,168,104	-	55,130,594
Furniture and equipment	7,464,467	450,596	143,469	7,771,594
Intangibles	891,164	32,256	-	923,420
Total accumulated depreciation	114,388,652	10,750,113	143,469	124,995,296
Total capital assets being depreciated, net	168,138,962	20,313,497	-	188,452,459
Governmental activities, capital assets, net	\$ 190,056,124	\$ 36,998,416	\$ 30,456,913	\$ 196,597,627
Business-type activities:				
Furniture and equipment	\$ 2,882,459	\$ 41,140	\$ -	\$ 2,923,599
Less accumulated depreciation	2,380,993	89,498	-	2,470,491
Business-type activities capital assets, net	\$ 501,466	\$ (48,358)	\$ -	\$ 453,108

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 4. Capital Assets (Continued)

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

Governmental activities:	
Instruction	\$ 10,415,015
Support services:	
Instructional staff support services	4,029
General administration	13,437
Building administration	3,946
Business administration	160,591
Plant operation and maintenance	145,817
Student transportation	7,278
Total governmental activities depreciation expense	\$ 10,750,113
Business-type activities, food service operations	\$ 89,498

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2017 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 16,335,000	\$ -	\$ 2,025,000	\$ 14,310,000	\$ 2,065,000
Premium on bonds	540,832	-	74,056	466,776	74,056
Total general obligation debt	16,875,832	-	2,099,056	14,776,776	2,139,056
Other Liabilities:					
Early retirement	2,190,284	1,347,985	851,193	2,687,076	760,078
Compensated absences	702,741	1,485,348	1,467,789	720,300	720,300
Net pension liability	75,126,047	21,461,965	-	96,588,012	-
OPEB liability	2,512,426	500,554	-	3,012,980	-
Total	\$ 97,407,330	\$ 24,795,852	\$ 4,418,038	\$ 117,785,144	\$ 3,619,434
Business-type activities:					
Compensated absences	\$ 18,157	\$ 37,505	\$ 34,017	\$ 21,645	\$ 21,645
Net pension liability	2,074,678	613,704	-	2,688,382	-
OPEB liability	75,851	13,612	-	89,463	-
Total	\$ 2,168,686	\$ 664,821	\$ 34,017	\$ 2,799,490	\$ 21,645

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 5. Long-Term Liabilities (Continued)

Annual debt service requirements on all outstanding indebtedness as of June 30, 2017, are as follows:

Year ending June 30:	Governmental Activities School Infrastructure Sales, Services, and Use Tax Revenue Bonds		
	Principal	Interest	Total
2018	\$ 2,065,000	\$ 332,575	\$ 2,397,575
2019	2,105,000	291,275	2,396,275
2020	2,160,000	238,775	2,398,775
2021	2,210,000	148,875	2,358,875
2022	2,265,000	129,675	2,394,675
2023-2024	3,505,000	96,625	3,601,625
Totals	\$ 14,310,000	\$ 1,237,800	\$ 15,547,800

Revenue Bonds/Notes -Governmental Activities: Two issues of unmatured revenue bonds, totaling \$14,310,000, are outstanding at June 30, 2017. The total original amount issued was \$19,330,000. The revenue bonds bear interest at rates ranging from 2.00% to 3.00% per annum and mature in varying annual amounts, ranging from \$995,000 to \$1,180,000, with the final maturity due in the year ending June 30, 2024. The bonds were issued for the purpose of financing capital projects. The revenue bonds are secured solely by the District's sales, service and use tax revenue. During the fiscal year ended June 30, 2017, the District had sales, service, and use tax revenue of \$15,129,201 and the amount of principal and interest due was \$2,399,075.

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. Provisions for the early retirement incentives offered during the year ended June 30, 2017, are as follows:

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

- 1) They are age fifty five or older by June 30th of the year in which they plan to exercise his/her participation in the offer.
- 2) Have completed at least 20 years of contracted service with the Davenport Schools by June 30th of the year in which they plan to exercise his/her participation in the offer.
- 3) They work at least a minimum of 4 hours per day or have a contract of least .50 FTE.
- 4) Submits an application for participation in the plan to the Board of Directors by February 1st of the year in which they plan to exercise his/her participation in the offer.
- 5) The effective date of retirement must be at, and not before, the conclusion of the contract or assignment of the year in which they plan to exercise his/her participation in the offer and no later than June 30th of that year.
- 6) They have not received an official notice of layoff or termination, including termination pursuant to Iowa Code Section 279.27 or Iowa Code Section 279.15; or
- 7) They are not on an extended unpaid leave of absence.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 5. Long-Term Liabilities (Continued)

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

The early retirement incentive shall be as follows:

- Employees with at least 35 years of service – the lesser of \$40,000 or 60% of employees' last annual salary
- Employees with at least 30 years of service – the lesser of \$35,000 or 50% of employees' last annual salary
- Employees with at least 25 years of service – the lesser of \$30,000 or 45% of employees' last annual salary
- Employees with at least 20 years of service – the lesser of \$25,000 or 35% of employees' last annual salary

Early retirement benefits are paid evenly over five years. During the year ended June 30, 2017, 63 District employees requested early retirement. During the year ended June 30, 2017, the District paid \$851,193 of early retirement benefits.

Legal Debt Margin: As of June 30, 2017, 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 sponsors a single-employer health care plan that provides medical and prescription drug benefits to all active and retired employees and their eligible dependents. Retiree coverage begins at IPERS retirement age of at least 55 and continues until the retiree is Medicare eligible at age 65. Eligibility requirements under IPERS is summarized as follows: a) Normal Retirement – earliest of the first day of the month or employees' 65th birthday, age 62 with 20 years of service, or Rule of 88 (age plus service of at least 88) with a minimum age of 55, b) Early Retirement – age 55, and c) Disability – 4 years of service. The plan does not issue a stand-alone financial report.

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

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

	Coverage Type	
	Single	Family
Plan I	\$ 583	\$ 1,422
Plan II (teachers)	\$ 583	\$ 1,422

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

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

Annual required contribution	\$ 758,714
Interest on net OPEB obligation	64,707
Adjustment to annual required contribution	(196,925)
Annual OPEB cost	626,496
Contributions made	(112,330)
Increase in net OPEB obligation	514,166
Net OPEB obligation beginning of year	2,588,277
Net OPEB obligation end of year	\$ 3,102,443

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2017 and the two preceding years follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 626,496	17.9%	\$ 3,102,443
June 30, 2016	633,202	18.0%	2,588,277
June 30, 2015	530,428	24.0%	2,069,082

Funded Status and Funding Progress: As of July 1, 2015, the most recent actuarial valuation date for period July 1, 2016 through June 30, 2017, the actuarial accrued liability for benefits was \$4,706,366 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$4,706,366. The covered payroll (annual payroll of active employees covered by the plan) was \$89,057,677 and the ratio of the UAAL to the covered payroll was 5.3 percent. As of June 30, 2017, there were no trust fund assets.

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

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

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

In the July 1, 2015 actuarial valuation, frozen entry age actuarial cost method was used. The actuarial assumptions included a 2.5 percent discount rate, an annual health care cost trend rate of 4 percent and an aging curve of 3 percent. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2015, was 30 years.

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. 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.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

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 2017, pursuant to the required rate, regular members contributed 5.95 percent of covered payroll and the District contributed 8.93 percent of covered payroll for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2017 were \$10,543,936.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, the District reported a liability of \$99,276,394 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's proportion was 1.5774895 percent, which was an increase of 0.014875 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$12,773,668. At June 30, 2017, 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	\$ 877,406	\$ 1,184,824
Changes of assumptions	1,514,649	-
Net difference between projected and actual earnings on pension plan investments	14,143,748	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,259,627	433,037
District contributions subsequent to the measurement date	10,543,936	-
Total	\$ 31,339,366	\$ 1,617,861

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

\$10,543,936 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, 2018. 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,	
2018	\$ 2,912,065
2019	2,912,065
2020	8,595,318
2021	4,730,026
2022	28,095
Total	\$ 19,177,569

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions: The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Salary Increases (effective June 30, 2010)	4.00 percent to 17.00 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan, investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00 percent per annum, based on 3.00 percent inflation and 1.00 percent real wage inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

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
Core plus fixed income	28%	1.09%
Domestic equity	24%	5.85%
International equity	16%	6.32%
Private equity/debt	11%	10.31%
Real estate	8%	3.87%
Credit opportunities	5%	4.48%
U.S. TIPS	5%	1.36%
Other real assets	2%	6.42%
Cash	1%	-0.26%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 160,615,771	\$ 99,276,394	\$ 47,505,157

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

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, 2017, the District reported payables to IPERS of \$865,528 for legally required District contributions and \$1,975,113 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 \$225,000 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. Changes in the accrual balance for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Balance, beginning of year	2,989,000	2,667,000
Incurred claims and claim adjustments	24,631,524	23,584,620
Payment of claims	23,990,524	23,262,620
Balance, end of year	3,630,000	2,989,000

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

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 9. Commitments and Contingencies

The District has entered into various construction and remodel contracts for projects throughout the District. As of June 30, 2017, these contract totaled \$7,266,319. Work done and payments of \$3,442,996 have been made leaving the portion of these contracts which has not been completed or paid or accrued as a liability as \$3,823,323.

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.

Note 10. 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, 2017 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	\$ 114,964
City of Walcott, Iowa	Urban renewal and economic development projects	10,102
City of Blue Grass, Iowa	Urban renewal and economic development projects	48,313

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, 2017, this reimbursement amounted to \$75,668.

Note 11. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2017:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*: This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 11. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures*: This Statement is intended to provide additional information about tax abatements to the public to further the ability to assess how tax abatements affect the District's financial position and results of operations, including the District's ability to raise revenue sources in the futures. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions* to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provided defined benefit pensions to both employees of state and local governments and to employees who are not state or local governmental employees, and (3) has no predominate stator or local government employer.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*: This Statement amends the blending requirements for the for the financial statement presentation of component units of state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

The implementation of the above statements did not have a material impact to the District's financial statements.

As of June 30, 2017, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the District beginning with its year ending June 30, 2018. This Statement replaces the requirements of *Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and *No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 11. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, issued March 2016, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, issued March 2016, will be effective for the District beginning with its year ending June 30, 2018. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the District beginning with its fiscal year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)).

Davenport Community School District

Notes to Financial Statements Year Ended June 30, 2017

Note 11. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for in substance defeasance by providing guidance in transactions in which cash and other monetary assets acquired with only existing resources, resources other than those from proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also provides guidance on prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District's management has determined the implementation of GASB Statement No. 75 will have a significant impact on the District's financial statements. The effect the other GASB Statements will have on the District's financial statements has not yet been determined.

Required Supplementary Information



Davenport Community School District

Required Supplementary Information
Schedule of Funding Progress for the Retiree Health Plan
Year Ended June 30, 2017

Year Ended June 30:	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
2013	7/1/2011	\$ -	\$ 5,158,917	\$ 5,158,917	- %	\$ 74,260,787	6.95%
2015	7/1/2013	-	4,787,587	4,787,587	-	81,209,038	5.90%
2016	7/1/2015	-	4,706,336	4,706,336	-	89,057,677	5.28%

See Note 6 in the accompanying notes to financial statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

Note: Amounts reported in thousands.

Davenport Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Funds
Required Supplementary Information
Year Ended June 30, 2017**

	Governmental Funds - Actual	Enterprise Fund - Actual
Revenues:		
Local sources	\$ 70,991,463	\$ 2,137,905
State sources	129,344,766	69,077
Federal sources	11,595,695	7,321,473
Total revenues	211,931,924	9,528,455
Expenditures/expenses:		
Instruction	128,268,765	17,871
Support services	67,239,469	512,177
Noninstructional programs	611,105	8,902,016
Other expenditures	29,283,715	-
Total expenditures/expenses	225,403,054	9,432,064
Excess (deficiency) of revenues over (under) expenditures/expenses	(13,471,130)	96,391
Other financing sources (uses):		
Interfund transfers in	2,398,075	-
Interfund transfers out	(2,398,075)	-
Total other financing sources (uses)	-	-
Net change in fund balances	(13,471,130)	96,391
Balance, beginning of year	45,017,082	811,748
Balance, end of year	\$ 31,545,952	\$ 908,139

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 73,129,368	\$ 74,931,270	\$ 74,931,270	\$ (1,801,902)
129,413,843	128,190,845	128,190,845	1,222,998
18,917,168	18,744,472	18,744,472	172,696
221,460,379	221,866,587	221,866,587	(406,208)
128,286,636	130,367,948	130,367,948	2,081,312
67,751,646	57,088,090	67,189,029	(562,617)
9,513,121	8,785,897	10,263,120	749,999
29,283,715	28,222,815	31,883,830	2,600,115
234,835,118	224,464,750	239,703,927	4,868,809
(13,374,739)	(2,598,163)	(17,837,340)	4,462,601
2,398,075	2,864,572	2,864,572	(466,497)
(2,398,075)	(2,864,572)	(2,864,572)	466,497
-	-	-	-
(13,374,739)	(2,598,163)	(17,837,340)	4,462,601
45,828,830	45,828,830	45,828,830	-
\$ 32,454,091	\$ 43,230,667	\$ 27,991,490	\$ 4,462,601



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 Three Fiscal Years

	2017*	2016*	2015*
District's proportion of the net pension liability	1.577490%	1.562615%	1.502500%
District's proportionate share of the net pension liability	\$ 99,276,394	\$ 77,200,725	\$ 59,586,686
District's covered-employee payroll	\$ 113,281,288	\$ 107,021,725	\$ 98,315,409
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.64%	72.14%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	81.82%	85.19%	87.61%

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

See Notes to Required Supplementary Information.

Davenport Community School District

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

	2017	2016	2015	2014
Statutorily required contribution	\$ 10,543,936	\$ 10,106,521	\$ 9,557,040	\$ 8,779,566
Contributions in relation to the statutorily required contribution	\$ (10,543,936)	\$ (10,106,521)	\$ (9,557,040)	\$ (8,779,566)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 118,073,180	\$ 113,174,927	\$ 107,021,725	\$ 98,315,409
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.93%

See Notes to Required Supplementary Information.

2013	2012	2011	2010	2009	2008
\$ 8,353,920	\$ 7,874,747	\$ 6,607,604	\$ 6,149,722	\$ 5,737,489	\$ 5,347,495
\$ (8,353,920)	\$ (7,874,747)	\$ (6,607,604)	\$ (6,149,722)	\$ (5,737,489)	\$ (5,347,495)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 96,354,325	\$ 97,580,508	\$ 95,073,439	\$ 92,477,023	\$ 90,354,157	\$ 88,388,347
8.67%	8.07%	6.95%	6.65%	6.35%	6.05%



Davenport Community School District

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Information

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents functional expenditures or expenses by fund, the legal level of control is at the aggregated functional area level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$15,239,177.

During the year ended June 30, 2017, expenditures exceeded the amounts budgeted in the support services function.

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.

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailors, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Davenport Community School District

Note to Required Supplementary Information

Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)

Changes of assumptions:

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

Other Supplementary Information





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, 2017

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Assets				
Cash and Investments	\$ 7,610,767	\$ 644,534	\$ 1,949,257	\$ 10,204,558
Receivables:				
Property tax:				
Current year	32,324	-	-	32,324
Succeeding year	2,388,792	-	-	2,388,792
Other	-	1,944	-	1,944
Total assets	\$ 10,031,883	\$ 646,478	\$ 1,949,257	\$ 12,627,618
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 37,315	\$ 68,353	\$ -	\$ 105,668
Accrued payroll and payroll taxes	-	7,291	-	7,291
Total liabilities	37,315	75,644	-	112,959
Deferred inflows of resources,				
Unavailable revenue:				
Succeeding year property taxes	2,388,792	-	-	2,388,792
Total deferred inflows of resources	2,388,792	-	-	2,388,792
Fund balances:				
Restricted for				
Debt service	-	-	1,949,257	1,949,257
Management levy purposes	7,605,776	-	-	7,605,776
Student activities	-	570,834	-	570,834
Total fund balances	7,605,776	570,834	1,949,257	10,125,867
Total liabilities, deferred inflows of resources and fund balances	\$ 10,031,883	\$ 646,478	\$ 1,949,257	\$ 12,627,618

Davenport Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2017

	Special Revenue			
	Management	Student	Debt	
	Fund	Activity	Service	Total
Revenues:				
Local sources:				
Property taxes	\$ 3,274,620	\$ -	\$ -	\$ 3,274,620
Utility taxes	185,082	-	-	185,082
Interest	35,527	3,051	16,392	54,970
Other	68,257	1,103,699	-	1,171,956
State sources, other	165,642	-	-	165,642
Total revenues	3,729,128	1,106,750	16,392	4,852,270
Expenditures:				
Current:				
Instruction	1,045,674	982,986	-	2,028,660
General administration	1,274,760	-	-	1,274,760
School administration	-	1,672	-	1,672
Plant operation and maintenance	1,096,484	2,666	-	1,099,150
Student transportation	-	70,603	-	70,603
Debt service:				
Principal	-	-	2,025,000	2,025,000
Interest	-	-	374,075	374,075
Total expenditures	3,416,918	1,057,927	2,399,075	6,873,920
Excess (deficiency) of revenues over (under) expenditures	312,210	48,823	(2,382,683)	(2,021,650)
Other financing sources, transfers in	-	-	2,398,075	2,398,075
Net change in fund balances	312,210	48,823	15,392	376,425
Fund balances, beginning of year	7,293,566	522,011	1,933,865	9,749,442
Fund balances, end of year	\$ 7,605,776	\$ 570,834	\$ 1,949,257	\$ 10,125,867



Davenport Community School District

**Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year Ended June 30, 2017**

Group	Beginning June 30, 2016	Revenues	Expenditures	Transfers	Ending June 30, 2017
Adams Elementary	\$ 2,501	\$ 1,700	\$ 2,722	\$ -	\$ 1,479
Buffalo Elementary	6,369	1,035	900	-	6,504
Blue Grass Elementary	2,658	676	607	-	2,727
Buchanan Elementary	1,204	1,365	-	-	2,569
Central High School Athletics	(13,739)	82,009	68,867	-	(597)
Central High School	170,580	183,345	172,329	-	181,596
District Wide Athletics	-	50	-	-	50
Eisenhower Elementary	6,956	358	218	-	7,096
Fillmore Elementary	2,711	2,317	1,352	-	3,676
Garfield Elementary	3,702	619	662	-	3,659
Harrison Elementary	903	112	-	-	1,015
Hayes Elementary	3,107	2,002	2,285	-	2,824
Jackson Elementary	926	-	-	-	926
Jefferson Elementary	2,244	10,684	6,451	-	6,477
Madison Elementary	1,020	854	956	-	918
Mid City High School	1,496	1,636	1,053	-	2,079
McKinley Elementary	4,830	3,793	4,375	-	4,248
Monroe Elementary	426	260	234	-	452
North High School Athletics	4,704	93,060	80,013	-	17,751
North High School	17,851	220,403	208,649	-	29,605
Smart Intermediate School	11,091	12,401	11,736	-	11,756
Senior High	291	11,120	10,561	-	850
Sudlow Intermediate School	66,057	98,862	105,875	-	59,044
Truman Elementary	887	-	391	-	496
Walcott School	44,025	34,399	41,086	-	37,338
West High School Athletics	17,201	105,179	99,560	-	22,820
West High School	90,888	184,692	187,797	-	87,783
Wilson Elementary	4,522	140	935	-	3,727
Williams Intermediate School	31,954	16,125	13,604	-	34,475
Wood Intermediate School	26,129	31,531	30,800	-	26,860
Washington Elementary	8,210	2,974	3,909	-	7,275
Unallocated interest income	307	3,049	-	-	3,356
Total Special Revenue Fund, Student Activity By Account	\$ 522,011	\$ 1,106,750	\$ 1,057,927	\$ -	\$ 570,834

Davenport Community School District

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2017

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Revenue Bonds	Total
Assets				
Cash and pooled investments	\$ 6,671,659	\$ 4,858,837	\$ 1,075,048	\$ 12,605,544
Receivables:				
Property tax:				
Current year	-	50,704	-	50,704
Succeeding year	-	5,491,377	-	5,491,377
Due from other governments	2,007,972	-	-	2,007,972
Total assets	\$ 8,679,631	\$ 10,400,918	\$ 1,075,048	\$ 20,155,597
Liabilities, Deferred Inflows of Resources, and and Fund Balances				
Liabilities:				
Accounts payable	3,679,682	1,157,100	142,961	4,979,743
Accrued payroll and payroll taxes	26,216	-	-	26,216
Construction contracts payable	1,083,047	45,249	-	1,128,296
Total liabilities	4,788,945	1,202,349	142,961	6,134,255
Deferred Inflows of Resources:				
Unavailable revenue:				
Succeeding year property tax	-	5,491,377	-	5,491,377
Statewide sales and services tax	750,000	-	-	750,000
Total deferred inflows of resources	750,000	5,491,377	-	6,241,377
Fund Balances:				
Restricted for:				
Physical plant and equipment	-	3,707,192	-	3,707,192
School infrastructure	3,140,686	-	932,087	4,072,773
Total fund balances	3,140,686	3,707,192	932,087	7,779,965
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,679,631	\$ 10,400,918	\$ 1,075,048	\$ 20,155,597

Davenport Community School District

Schedule of Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund - By Account
Year Ended June 30, 2017

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Revenue Bonds	Total
Revenues:				
Local sources:				
Property taxes	\$ -	\$ 5,221,223	\$ -	\$ 5,221,223
Utility taxes	-	286,341	-	286,341
Interest	22,631	26,094	12,247	60,972
Other	179	17,345	-	17,524
State sources:				
Statewide sales, services, and use tax	15,129,201	-	-	15,129,201
Other state sources	-	260,528	-	260,528
Total revenues	15,152,011	5,811,531	12,247	20,975,789
Expenditures:				
Current:				
Instruction	761,524	205,305	-	966,829
Support services:				
Instructional staff services	152,840	194,899	-	347,739
General administration	61,204	-	-	61,204
Business and central administration	145,995	338,520	1,121,413	1,605,928
Plant operation and maintenance	39,467	770,406	-	809,873
Student transportation	-	510,621	-	510,621
Non-instructional programs	85,394	-	-	85,394
Capital outlay	10,000,932	6,175,665	3,661,044	19,837,641
Total expenditures	11,247,356	8,195,416	4,782,457	24,225,229
Excess (deficiency) of revenues over (under) expenditures	3,904,655	(2,383,885)	(4,770,210)	(3,249,440)
Other financing sources (uses):				
Transfers in	-	-	953,500	953,500
Transfers out	(3,351,575)	-	-	(3,351,575)
Total other financing sources (uses)	(3,351,575)	-	953,500	(2,398,075)
Net change in fund balance	553,080	(2,383,885)	(3,816,710)	(5,647,515)
Fund balance, beginning of year	2,587,606	6,091,077	4,748,797	13,427,480
Fund balance, end of year	\$ 3,140,686	\$ 3,707,192	\$ 932,087	\$ 7,779,965

Davenport Community School District

Schedule of Changes in Fiduciary Assets and Liabilities

Agency Fund

Year Ended June 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash and investments	\$ 114,504	\$ 171,849	\$ 134,610	\$ 151,743
	<u>\$ 114,504</u>	<u>\$ 171,849</u>	<u>\$ 134,610</u>	<u>\$ 151,743</u>
Liabilities				
Accounts payable	\$ 8,858	\$ 126,686	\$ 134,575	\$ 969
Due to activity groups	105,646	171,849	126,721	150,774
Total liabilities	<u>\$ 114,504</u>	<u>\$ 298,535</u>	<u>\$ 261,296</u>	<u>\$ 151,743</u>

Davenport Community School District

**Schedule of Changes in Amounts Due to Activity Groups-Agency Fund
Year Ended June 30, 2017**

Activity Group	Beginning June 30, 2016	Revenues	Expenditures	Ending June 30, 2017
Adams Staff Account	\$ 2,465	\$ 524	\$ 51	\$ 2,938
Administration Pop Account	2,358	2,423	2,403	2,378
Administration Scholar Account	130	9,600	9,600	130
Blue Grass Staff Account	821	1,308	1,123	1,006
Buchanan Pop Account	(102)	1,380	1,035	243
Buchanan Boosters Account	3,841	1,950	3,050	2,741
Buffalo Business Partners	133	2,925	2,653	405
CV Hayes Staff Account	54	-	-	54
CV Hoover Staff Account	406	74	170	310
CV Hoover Parent Account	1,096	-	-	1,096
CV West Staff Account	385	301	287	399
CV West PTO Account	647	-	-	647
CV West Staff Social Account	310	992	604	698
Central Staff Account	11,942	43,809	29,164	26,587
Central Band Orchestra Parent Account	280	-	215	65
Central/North Prom	1,599	3,000	3,835	764
Central Vocal Music Parent Account	146	-	64	82
Davenport Learning Staff Account	2,774	1,675	3,186	1,263
Districtwide Drop Out Event	948	-	-	948
Districtwide Symphony	-	2,625	2,625	-
Districtwide IMC Sunshine	246	-	246	-
Eisenhower Staff Account	168	2,514	2,285	397
Fillmore Staff Account	466	1,231	928	769
Garfield Staff Account	3,186	2,148	1,730	3,604
Harrison Staff Account	10,133	4,272	1,958	12,447
Havlife Foundation Account	16,755	-	7,027	9,728
Hayes Staff Fund	(210)	1,312	839	263
Jackson Staff Fund	422	-	205	217
Jefferson Staff Fund	1,482	2,700	2,278	1,904
Madison Staff Account	1,897	1,246	688	2,455
Mid City Staff Account	1,266	384	1,295	355
McKinley Staff Fund	34	-	-	34
Monroe Staff Account	7,676	9,099	5,024	11,751
North Staff Account	6,062	14,949	11,411	9,600
River Music Experience/Havlife	983	-	-	983
Smart Staff Account	1,225	324	588	961
Sudlow Staff Account	4,993	1,460	5,847	606
Truman Staff Account	566	132	-	698
Walcott Staff Account	197	-	160	37
Washington Staff Account	223	589	915	(103)
West Staff Account	4,433	28,511	3,914	29,030
West Shrine Account	41	160	145	56
West Athletics Account	(4,091)	11,062	3,388	3,583
West Boosters Account	290	-	-	290
West After Prom Account	2,122	6,000	5,122	3,000
Williams Staff Account	2,951	757	1,117	2,591
Wilson Staff Account	8,809	9,113	8,466	9,456
Wood Staff Account	1,444	1,300	1,080	1,664
Young Staff Account	6	-	-	6
Youth Fest Account	1,638	-	-	1,638
Total Due to Activity Groups	\$ 105,646	\$ 171,849	\$ 126,721	\$ 150,774



Statistical Section



Davenport Community School District

Statistical Section

Contents

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

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These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	69
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These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	79
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.	84
Demographic and Economic Information	
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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.	102

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

Davenport Community School District

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

	2017	2016	2015	2014
Governmental activities:				
Net investment in capital assets	\$ 181,820,851	\$ 173,180,292	\$ 168,031,137	\$ 147,591,718
Restricted	18,655,832	23,926,922	25,490,625	38,106,915
Unrestricted	(22,116,859)	(12,359,839)	(13,563,485)	54,329,549
Total governmental activities net position	\$ 178,359,824	\$ 184,747,375	\$ 179,958,277	\$ 240,028,182
Business-type activities				
Net investment in capital assets	\$ 453,108	\$ 501,466	\$ 321,414	\$ 413,546
Unrestricted	455,031	310,282	24,659	1,622,191
Total business-type activities net position	\$ 908,139	\$ 811,748	\$ 346,073	\$ 2,035,737
Primary government:				
Net investment in capital assets	\$ 182,273,959	\$ 173,681,758	\$ 168,352,551	\$ 148,005,264
Restricted	18,655,832	23,926,922	25,490,625	38,106,915
Unrestricted	(21,661,828)	(12,049,557)	(13,538,826)	55,951,740
Total primary government net position	\$ 179,267,963	\$ 185,559,123	\$ 180,304,350	\$ 242,063,919

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

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ 145,139,593	\$ 142,713,992	\$ 133,596,413	\$ 122,855,936	\$ 114,430,225	\$ 104,909,566	
30,754,572	22,439,084	22,083,566	23,789,830	24,956,179	22,276,424	
49,317,951	40,495,698	31,528,694	21,634,801	15,470,549	12,630,676	
<hr/>						
\$ 225,212,116	\$ 205,648,774	\$ 187,208,673	\$ 168,280,567	\$ 154,856,953	\$ 139,816,666	
<hr/>						
\$ 358,765	\$ 423,492	\$ 510,223	\$ 610,226	\$ 624,336	\$ 732,858	
2,758,445	2,839,445	2,388,782	1,480,466	477,059	(315,743)	
<hr/>						
\$ 3,117,210	\$ 3,262,937	\$ 2,899,005	\$ 2,090,692	\$ 1,101,395	\$ 417,115	
<hr/>						
\$ 145,498,358	\$ 143,137,484	\$ 134,106,636	\$ 123,466,162	\$ 115,054,561	\$ 105,642,424	
30,754,572	22,439,084	22,083,566	23,789,830	24,956,179	22,276,424	
52,076,396	43,335,143	33,917,476	23,115,267	15,947,608	12,314,933	
<hr/>						
\$ 228,329,326	\$ 208,911,711	\$ 190,107,678	\$ 170,371,259	\$ 155,958,348	\$ 140,233,781	
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Davenport Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2017	2016	2015
Expenses:			
Governmental activities:			
Instruction	\$ 139,416,652	\$ 133,042,846	\$ 132,454,398
Student Support Services	16,441,860	14,959,706	7,013,751
Instructional Staff Support Services	6,354,866	5,481,304	5,517,395
General Administration	6,288,431	5,639,397	4,800,446
School Administration	10,816,465	11,431,660	9,719,379
Business Administration	6,830,713	6,451,175	6,179,430
Plant Operation and Maintenance	16,490,014	12,958,917	12,718,459
Student Transportation	7,195,748	6,385,037	6,427,016
Community Services	692,881	666,296	603,339
Area Education Agency	7,046,999	6,885,657	6,817,320
Interest on Long-term Debt	300,019	349,258	159,982
Total governmental activities expenses	217,874,648	204,251,253	192,410,915
Business-type activities:			
School Nutrition	9,032,980	8,907,468	8,041,263
Out of School Time	399,084	434,523	489,227
Day Care ³	-	-	-
Total business-type activities expenses	9,432,064	9,341,991	8,530,490
Total Primary Government Expenses	227,306,712	213,593,244	200,941,405
Program revenues:			
Governmental activities:			
Charges for services:			
Instruction	5,076,599	4,029,551	n/a
Support services	993,023	892	n/a
Other	7,500	-	3,368,675
Operating grants and contributions	36,505,696	36,047,765	40,542,048
Capital grants and contributions	-	-	-
Total governmental revenues	42,582,818	40,078,208	43,910,723
Business-type activities:			
Charges for services:			
Food Services	1,574,028	1,670,598	1,629,652
Out of School Program	546,132	562,938	635,619
Day Care	-	-	-
Operating grants and contributions	7,395,550	7,572,916	6,584,340
Total business-type revenues	9,515,710	9,806,452	8,849,611
Total primary government revenues	52,098,528	49,884,660	52,760,334
Net (expense) revenues:			
Governmental activities	(175,291,830)	(164,173,045)	(148,500,192)
Business-type activities	83,646	464,461	319,121
Total primary government net expense	\$ (175,208,184)	\$ (163,708,584)	\$ (148,181,071)

2014	2013	2012	2011	2010	2009	2008
\$ 125,736,240	\$ 120,970,114	\$ 122,607,165	\$ 123,435,023	\$ 115,220,844	\$ 116,034,206	\$ 113,522,124
6,346,051	5,607,181	1,997,273	3,266,982	3,596,004	4,022,805	4,003,009
4,898,917	6,550,882	7,038,613	6,142,636	6,100,992	5,082,850	5,139,836
4,195,386	3,774,487	1,958,785	1,813,010	1,871,580	1,877,261	1,949,544
9,651,935	9,200,600	11,866,688	9,950,584	9,870,846	9,439,032	8,754,199
3,447,114	4,693,532	4,135,698	3,822,055	3,692,544	4,454,131	4,550,916
17,392,671	13,549,183	15,002,820	14,052,852	14,209,020	15,221,426	14,157,556
5,856,022	5,061,706	5,260,931	5,027,504	4,588,851	4,623,723	4,047,272
577,899	534,745	589,778	505,551	440,988	278,949	220,927
6,461,319	6,218,691	6,113,725	6,637,326	6,505,439	5,852,203	5,662,264
108,104	-	-	-	800	343,315	667,645
184,671,658	176,161,121	176,571,476	174,653,523	166,097,908	167,229,901	162,675,292
8,431,050	8,240,850	8,128,218	7,538,582	7,235,067	7,145,508	7,392,708
945,852	978,362	686,491	-	-	-	-
-	-	-	-	-	24,895	345,411
9,376,902	9,219,212	8,814,709	7,538,582	7,235,067	7,170,403	7,738,119
194,048,560	185,380,333	185,386,185	182,192,105	173,332,975	174,400,304	170,413,411
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
4,199,627	3,945,860	3,389,471	6,816,358	7,004,271	5,612,778	5,629,822
33,676,763	33,862,643	35,614,403	40,018,481	38,122,590	33,228,717	29,110,981
74,720	-	150,000	149,825	150,000	203,189	13,088
37,951,110	37,808,503	39,153,874	46,984,664	45,276,861	39,044,684	34,753,891
1,987,983	1,994,136	2,288,652	2,367,038	2,474,381	2,727,373	2,597,998
790,137	747,704	821,163	-	-	-	-
-	-	-	-	-	17,155	216,982
6,333,063	6,329,637	6,041,999	5,967,490	5,638,183	5,108,946	4,761,250
9,111,183	9,071,477	9,151,814	8,334,528	8,112,564	7,853,474	7,576,230
47,062,293	46,879,980	48,305,688	55,319,192	53,389,425	46,898,158	42,330,121
(146,720,548)	(138,352,618)	(137,417,602)	(127,668,859)	(120,821,047)	(128,185,217)	(127,921,401)
(265,719)	(147,735)	337,105	795,946	877,497	683,071	(161,889)
\$ (146,986,267)	\$ (138,500,353)	\$ (137,080,497)	\$ (126,872,913)	\$ (119,943,550)	\$ (127,502,146)	\$ (128,083,290)

Davenport Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2017	2016	2015
General revenues and other changes in net position:			
Governmental activities:			
Property Taxes	60,111,185	60,834,657	61,247,158
Utility Tax	3,385,530	3,545,882	3,648,294
Revenue in lieu of tax	3,012,624	-	-
Sales, Services, and Use Tax	15,129,201	15,114,132	15,170,683
Unrestricted State Aid and Grants	84,429,673	86,685,533	80,262,330
Interest and Investment earnings	549,199	86,005	275,646
Miscellaneous	2,286,867	2,695,934	1,392,782
Transfers	-	-	-
Total governmental activities	168,904,279	168,962,143	161,996,893
Business-type activities:			
Interest and Investment Earnings	12,745	1,066	892
Other	-	148	672
Transfers	-	-	-
Total business-type activities	12,745	1,214	1,564
Total primary government	168,917,024	168,963,357	161,998,457
Change in net position:			
Governmental activities	(6,387,551)	4,789,098	13,496,701
Business-type activities	96,391	465,675	320,685
Total primary government	\$ (6,291,160)	\$ 5,254,773	\$ 13,817,386

Fiscal Year						
2014	2013	2012	2011	2010	2009	2008
65,467,771	64,942,943	63,510,538	61,114,524	60,062,506	58,499,226	56,080,120
2,617,812	2,717,545	2,731,927	2,594,463	2,713,155	2,680,964	2,615,919
-	-	-	-	-	-	-
13,877,511	14,110,961	13,613,991	12,832,292	11,711,344	14,495,378	15,411,214
78,431,166	75,791,773	75,498,841	69,280,863	58,634,847	66,533,410	68,452,968
197,423	165,646	472,846	628,504	533,535	979,404	1,624,652
126,308	186,829	33,945	146,319	35,681	37,122	225,852
818,623	-	(4,393)	-	(104,619)	-	-
161,536,614	157,915,697	155,857,695	146,596,965	133,586,449	143,225,504	144,410,725
1,893	1,758	13,894	12,067	6,781	1,209	-
976	250	8,540	300	400	-	-
(818,623)	-	4,393	-	104,619	-	-
(815,754)	2,008	26,827	12,367	111,800	1,209	-
160,720,860	157,917,705	155,884,522	146,609,332	133,698,249	143,226,713	144,410,725
14,816,066	19,563,079	18,440,093	18,928,106	12,765,402	15,040,287	16,489,324
(1,081,473)	(145,727)	363,932	808,313	989,297	684,280	(161,889)
\$ 13,734,593	\$ 19,417,352	\$ 18,804,025	\$ 19,736,419	\$ 13,754,699	\$ 15,724,567	\$ 16,327,435

Davenport Community School District

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

	2017	2016	2015	2014
General Fund:				
Nonspendable	252,083	241,009	398,240	389,639
Unassigned	13,388,037	21,599,151	24,299,600	25,274,148
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	13,640,120	21,840,160	24,697,840	25,663,787
All other governmental funds:				
Nonspendable	-	-	-	19,722
Restricted	17,905,832	23,176,922	37,176,145	38,106,914
Reserved	-	-	-	-
Unreserved, reported in:				
Capital Project Funds	-	-	-	-
Special Revenue Funds	-	-	-	-
Total all other governmental funds	17,905,832	23,176,922	37,176,145	38,126,636

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

Fiscal Year					
2013	2012	2011	2010	2009	2008
254,798	374,294	400,233	-	-	-
20,920,870	15,338,624	11,010,775	-	-	-
-	-	-	752,109	598,299	755,430
-	-	-	9,259,384	12,746,539	9,485,605
21,175,668	15,712,918	11,411,008	10,011,493	13,344,838	10,241,035
-	-	-	-	-	-
29,266,974	24,702,394	23,095,794	-	-	-
-	-	-	2,678,604	15,487,328	14,541,398
-	-	-	12,758,303	1,729,864	1,888,725
-	-	-	8,352,923	7,738,987	5,846,301
29,266,974	24,702,394	23,095,794	23,789,830	24,956,179	22,276,424

Davenport Community School District

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2017	2016	2015
Revenues			
Property taxes	\$ 60,257,683	\$ 60,923,170	\$ 61,224,395
Utility tax	3,385,530	3,545,882	3,648,294
Sales, Service and Use Tax, Pledged as			
Security for Revenue Bonds	15,129,201	15,114,132	15,170,683
Intergovernmental	125,811,260	121,863,419	117,138,327
Charges for Services	2,083,336	2,830,493	2,117,326
Interest	549,199	86,004	275,645
Contributions and Donations	-	1,242,293	1,119,312
Other	4,715,715	3,268,660	5,029,288
Total revenues	211,931,924	208,874,053	205,723,270
Expenditures			
Instruction	\$ 128,268,765	\$ 124,646,639	\$ 126,118,386
Student Support Service	16,333,361	15,309,574	7,376,623
Instructional Staff Support Service	6,306,679	5,595,340	5,715,720
General Administration	6,242,962	5,691,800	4,880,510
School Administration	10,737,252	11,724,527	10,187,425
Business Administration	6,631,954	6,495,376	6,312,477
Plant Operations and Maintenance	13,799,245	13,197,622	13,085,788
Student Transportation	7,188,016	6,379,253	6,422,346
Non-instructional	611,105	678,112	622,734
Area Education Agency	7,046,999	6,885,657	6,817,320
Capital Outlay	19,837,641	26,708,742	28,885,713
Debt Service:			
Principal	2,025,000	1,995,000	1,000,000
Interest	374,075	423,314	211,601
Total expenditures	\$ 225,403,054	\$ 225,730,956	\$ 217,636,643
Excess of revenues over (under) expenditures	\$ (13,471,130)	\$ (16,856,903)	\$ (11,913,373)
Other financing sources (uses):			
Transfers in	2,398,075	12,166,411	2,392,824
Transfers out	(2,398,075)	(12,166,411)	(2,392,824)
Issuance of Bonds	-	-	9,795,000
Premium on Bonds	-	-	201,934
Total other financing sources	-	-	9,996,934
Special Item			
Proceeds from Sale of School Property	-	-	-
Net change in fund balances	\$ (13,471,130)	\$ (16,856,903)	\$ (1,916,439)
Debt service as a percentage of noncapital expenditures	1.16%	1.20%	0.64%

Fiscal Year							
2014	2013	2012	2011	2010	2009	2008	
\$ 65,473,551	\$ 65,068,981	\$ 63,342,557	\$ 61,097,510	\$ 59,978,454	\$ 58,463,767	\$ 55,945,162	
2,617,812	2,717,545	2,731,926	2,594,463	2,713,155	2,680,964	2,615,919	
13,877,511	14,009,961	13,613,991	12,832,292	11,711,344	14,495,378	15,411,214	
110,044,423	107,161,891	107,727,555	107,523,909	95,281,065	98,185,617	94,308,745	
2,920,189	2,996,858	3,389,471	4,330,427	3,957,803	4,256,788	3,876,643	
197,424	165,646	472,846	628,504	533,535	979,404	1,624,652	
688,092	652,378	833,320	681,584	415,120	681,578	191,841	
2,855,877	2,353,270	1,929,353	2,321,967	2,616,574	2,632,264	1,802,332	
198,674,879	195,126,530	194,041,019	192,010,656	177,207,050	182,375,760	175,776,508	
\$ 118,583,277	\$ 115,417,601	\$ 117,168,124	\$ 121,991,035	\$ 114,024,980	\$ 111,037,438	\$ 107,820,164	
6,346,051	6,589,764	3,264,883	4,906,654	5,456,799	4,329,266	3,819,850	
4,898,918	6,541,656	6,988,659	6,142,636	6,077,840	5,082,850	5,134,015	
4,195,386	3,759,798	1,944,096	1,798,321	1,856,891	1,862,572	1,934,856	
9,651,935	9,196,821	11,688,893	9,945,284	9,785,027	9,432,227	8,754,199	
5,317,248	4,591,156	4,053,141	3,740,036	3,582,860	4,447,595	4,543,863	
17,314,484	13,463,488	14,897,537	13,987,436	14,111,490	15,057,211	13,949,803	
5,856,022	5,054,428	5,253,653	5,020,226	4,581,573	4,616,445	4,039,994	
656,087	530,984	585,125	505,551	419,790	272,685	217,087	
6,461,319	6,218,691	6,113,725	6,637,326	6,505,439	5,852,203	5,662,264	
19,940,054	9,732,598	16,170,280	16,630,672	8,067,778	7,441,230	9,383,063	
-	-	-	-	6,960,000	6,655,000	6,370,000	
108,104	-	-	-	171,658	505,480	819,736	
\$ 199,328,885	\$ 181,096,985	\$ 188,128,116	\$ 191,305,177	\$ 181,602,125	\$ 176,592,202	\$ 172,448,894	
\$ (654,006)	\$ 14,029,545	\$ 5,912,903	\$ 705,479	\$ (4,395,075)	\$ 5,783,558	\$ 3,327,614	
1,083,055	3,945	5,399	506,648	7,135,367	7,166,975	7,212,630	
(1,083,055)	(3,945)	(9,792)	(506,648)	(7,239,986)	(7,166,975)	(7,212,630)	
9,535,000	-	-	-	-	-	-	
464,573	-	-	-	-	-	-	
9,999,573	-	(4,393)	-	(104,619)	-	-	
-	-	-	-	-	-	4,214	
\$ 9,345,567	\$ 14,029,545	\$ 5,908,510	\$ 705,479	\$ (4,499,694)	\$ 5,783,558	\$ 3,331,828	
0.06%	0.00%	0.00%	0.00%	4.11%	4.25%	4.41%	

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
2015	2016-17	4,062,405,593	6,215,265,447	25,548,537	26,163,329
2014	2015-16	3,864,324,824	6,061,615,431	26,073,610	26,591,185
2013	2014-15	3,976,159,852	6,157,832,146	29,829,360	29,829,360
2012	2013-14	3,953,498,589	6,053,046,249	84,097,659	84,097,659
2011	2012-13	3,863,743,319	6,031,459,163	77,614,095	77,614,095
2010	2011-12	3,655,848,531	5,864,886,919	74,854,621	74,854,621
2009	2010-11	3,505,901,299	5,734,964,644	74,454,695	74,454,695
2008	2009-10	3,449,040,935	5,673,979,209	70,826,025	70,826,025
2007	2008-09	3,349,890,912	5,608,825,247	69,879,316	69,889,389
2006	2007-08	3,201,172,684	5,250,133,365	67,374,978	67,374,978

Source: Iowa Department of Management

Gas and Electric		Total		
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Direct Rate
200,098,678	369,443,150	4,288,052,808	6,610,871,926	15.37043
204,650,071	352,160,829	4,095,048,505	6,440,367,445	15.67601
203,238,988	299,656,208	4,209,228,200	6,487,317,714	15.83747
158,516,628	247,938,033	4,196,112,876	6,385,081,941	16.66333
159,247,006	239,398,708	4,100,604,420	6,348,471,966	17.04996
161,125,636	233,595,662	3,891,828,788	6,173,337,202	17.05061
152,167,149	226,918,464	3,732,523,143	6,036,337,803	17.11276
161,620,628	220,731,443	3,681,487,588	5,965,536,677	17.09334
159,783,923	195,094,477	3,579,554,151	5,873,809,113	17.09414
156,936,258	205,802,131	3,425,483,920	5,523,310,474	17.15760

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
2017	14.07043	1.30000	15.37043	5.82228	16.78000	1.00909	0.38948
2016	14.37601	1.30000	15.67601	6.00377	16.78000	0.96863	0.41830
2015	14.53747	1.30000	15.83747	6.13204	16.78000	0.92782	0.44200
2014	15.36333	1.30000	16.66333	6.23534	16.78000	0.92043	0.44342
2013	15.74996	1.30000	17.04996	6.30156	16.78000	0.91511	0.38355
2012	15.75061	1.30000	17.05061	6.03776	15.53000	1.01724	0.32062
2011	15.81276	1.30000	17.11276	6.37607	15.53000	0.92444	0.30838
2010	15.79334	1.30000	17.09334	5.47607	15.58000	0.87714	0.32634
2009	15.79414	1.30000	17.09414	5.33791	15.57584	0.60635	0.34572
2008	15.80576	1.30000	17.10576	5.54040	15.57515	0.60785	0.38043

Source: Scott County Auditor's Office

Davenport Community School District

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

Taxpayer	2017			2007		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MidAmerican Energy	\$139,828,265	1	3.62%			
SDG Macerich Properties	\$52,515,135	2	1.36%	\$68,691,858	1	2.02%
Iowa American Water Company	\$44,879,716	3	1.16%	\$40,248,410	2	1.18%
Putnam Landlord LLC	\$21,441,754	4	0.55%			
Continental Cement Co (LaFarge Corporation)	\$20,398,217	5	0.53%	\$20,156,405	4	0.59%
Menard Inc.	\$16,730,847	6	0.43%			
THF Davenport North Development	\$16,445,680	7	0.43%	\$17,316,235	6	0.33%
Iowa 80 Truckstop Inc.	\$15,200,298	8	0.39%	\$15,728,168	7	0.46%
City Square LLC	\$15,018,080	9	0.39%			
Rhythm City Casino LLC	\$15,014,970	10	0.39%			
Quanex Corporation				\$22,322,600	3	0.66%
Qwest				\$19,331,525	5	0.57%
Walmart real estate				\$13,529,535	9	0.40%
Oscar Mayer Foods Corp				\$14,878,421	8	0.44%
Davenport Center LTD Partnership				\$13,235,626	10	0.39%
Total	\$357,472,962		9.25%	\$214,998,264		7.04%

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		
2016-17	64,390,064	66,675,347	103.55%	303,982	0.47%
2015-16	64,595,340	67,060,056	103.82%	364,209	0.56%
2014-15	65,070,176	65,017,184	99.92%	278,724	0.43%
2013-14	68,299,475	68,253,944	99.93%	184,856	0.27%
2012-13	68,088,684	67,911,950	99.74%	165,430	0.24%
2011-12	66,488,700	66,147,985	99.49%	191,731	0.29%
2010-11	64,011,988	63,451,778	99.12%	108,783	0.17%
2009-10	63,070,307	62,598,461	99.25%	195,661	0.31%
2008-09	61,286,919	59,080,460	96.40%	86,361	0.14%
2007-08	58,718,818	56,528,792	96.27%	142,393	0.24%

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

Davenport Community School District

Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities		Percentage of Personal Income	Per Capita
	Revenue	Sales Bonds		
2017	\$	14,776,776	N/A	N/A
2016		16,875,832	N/A	98.04
2015		18,944,888	0.23%	110.54
2014		9,999,573	0.12%	55.96
2013		-	0.00%	-
2012		-	0.00%	-
2011		-	0.00%	-
2010		-	0.00%	-
2009		6,960,000	0.11%	42.78
2008		13,615,000	0.23%	83.69

Source: District financial records

N/A: Not Available



Davenport Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2017

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable(1)	Estimated Share of Direct and Overlapping Debt
Scott County	\$ 29,500,000	100.00%	\$ 29,500,000
Eastern Iowa Community College	46,185,000	59.18%	\$ 27,332,283
City of Blue Grass	1,995,523	95.33%	\$ 1,902,332
City of Buffalo	372,895	100.00%	\$ 372,895
City of Davenport	219,760,000	100.00%	\$ 219,760,000
City of Durant	3,756,000	3.98%	\$ 149,489
Subtotal, overlapping debt			279,016,999
District direct debt			-
Total direct and overlapping debt			\$ 279,016,999

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.

(1) 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 2017				
Assessed value				<u><u>\$ 4,288,052,808</u></u>
Debt limit (5% of assessed value)				\$ 214,402,640
Debt applicable to limit				-
Legal debt margin				<u><u>\$ 214,402,640</u></u>
	2017	2016	2015	2014
Debt limit	\$ 214,402,640	\$ 204,752,425	\$ 204,251,973	\$ 203,889,771
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u><u>\$ 214,402,640</u></u>	<u><u>\$ 204,752,425</u></u>	<u><u>\$ 204,251,973</u></u>	<u><u>\$ 203,889,771</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

2013	2012	2011	2010	2009	2008
\$ 199,231,865	\$ 194,594,439	\$ 194,271,258	\$ 186,223,489	\$ 184,074,379	\$ 178,977,708
-	-	-	-	6,960,000	13,615,000
<u>\$ 199,231,865</u>	<u>\$ 194,594,439</u>	<u>\$ 194,271,258</u>	<u>\$ 186,223,489</u>	<u>\$ 177,114,379</u>	<u>\$ 165,362,708</u>
0.00%	0.00%	0.00%	0.00%	3.78%	7.61%

Davenport Community School District

Pledged Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales, Services, and Use Tax Revenue Bonds				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2017	\$ 15,129,201	\$ 2,025,000	\$ 374,075	6.31	
2016	15,114,132	1,995,000	423,314	6.25	
2015	15,170,683	1,000,000	247,611	12.16	
2014	13,877,511	-	-	-	
2013	14,110,961	-	-	-	
2012	13,693,974	-	-	-	
2011	12,832,292	-	-	-	
2010	11,711,344	6,960,000	171,658	1.64	
2009	14,495,378	6,655,000	503,880	2.03	
2008	15,411,214	6,370,000	818,136	2.14	

Source: District financial records.

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
2017	N/A	N/A	N/A	N/A	15,234	3.70
2016	172,474	N/A	N/A	38.0	15,490	4.60
2015	172,126	N/A	N/A	35.8	15,299	5.70
2014	169,630	8,164,378	43,690	37.0	15,348	6.00
2013	170,385	8,023,456	47,090	37.0	15,600	5.70
2012	168,827	8,083,282	47,879	37.0	15,546	6.70
2011	167,053	7,896,324	47,268	37.7	15,795	6.60
2010	165,752	7,327,666	44,209	37.7	16,120	6.90
2009	166,650	6,962,274	41,778	35.4	15,089	7.50
2008	164,690	6,261,177	38,018	38.0	16,397	6.70

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

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

N/A: Not Available

Davenport Community School District

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Genesis (all locations in the Quad Cities Chamber Region*)	2,978	1	3.62%	5,000	3	3.03%
Davenport Community School District	2,560	2	3.11%	2,482	5	1.50%
Arconic (Alcoa)	2194	3	2.67%	2,250	7	1.36%
Hy Vey (All Scott County locations)	2025	4	2.46%			
John Deere Davenport Works	2000	5	2.43%			
Kraft Foods/Oscar Mayer	1,600	6	1.94%	1,600	9	0.97%
Isle Casino Hotel Bettendorf	1250	7	1.52%			
Tri City Electric	1200	8	1.46%			
City of Davenport	959	9	1.17%			
St. Ambrose University	543	10	0.66%			
Deere & Company (all locations in the Quad Cities Chamber Region*)				6,240	2	3.78%
Rock Island Arsenal				6,600	1	4.00%
Unity Point (all locations in the Quad Cities Chamber Region*)				2,650	4	1.61%
HyVee (all locations in the Quad Cities Chamber Region*)				1,748	8	1.06%
Tyson Fresh Meats				2,400	6	1.46%
U S Postal Service				1,600	10	0.97%
	17,309		21.03%	21,238		12.88%

Note: Information unavailable for district only.

Information for 2007 is Quad City Region. Information for 2016 is Scott County, IA.

Source: Bi-State Regional Commission and Iowa Workforce Development

Quad Cities Chamber Region includes: Clinton Co., IA, Muscatine Co., IA, Scott Co., IA, Henry Co., IL, Mercer Co., IL, Rock Island Co., IL.

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

The ABCs about Davenport Community Schools ...

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

Our Beliefs

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

Budget: \$267,248,263 in 2016-17

Collaboration with Community Leaders and Agency Partners:

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

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

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

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

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

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

Computers and Technology:

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

Curriculum Highlights:

Elementary (K-Grade 5)

- ✓ Preschool opportunities
- ✓ Concept Based Brain Compatible (CBBC)/"Brain Friendly" Classrooms
- ✓ Skills for Life initiative
- ✓ Emphasis on reading proficiency in primary grades
- ✓ Balanced Literacy approach
- ✓ Special, visiting artists programs
- ✓ Vocal music performance opportunities
- ✓ Instrumental music program beginning in 4th grade

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

- ✓ Departmental instruction in 4th and 5th grade in art, mathematics, music, physical education, science, and social studies
- ✓ Special education programming
- ✓ Talented and gifted programming
- ✓ State-of-the-art library media centers – the first library media centers in elementary schools in Iowa and west of the Mississippi River

Intermediate (Grades 6-8)

- ✓ Individual school-based middle school programming
- ✓ Writing across the curriculum
- ✓ Multiple-year sequence in French and Spanish
- ✓ School-to-Work programming
- ✓ Individual student lessons in instrumental music
- ✓ Special education programming
- ✓ Talented and gifted programming
- ✓ State-of-the-art library media centers

High Schools (Grades 9-12)

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

District of Distinction Programs:

- ✓ The Accelerated Associate Degree Program at North High School, where accepted students can earn an Associate Degree during their 4-year high school career (check out the student testimonial at the bottom of this page!)
- ✓ The Student-Built Homes Program, where participating high school students experience hands-on learning as they build a home from start to finish
- ✓ The ProStart program, a high school culinary arts program taught by an Iowa ProStart Teacher of the Year
- ✓ Army and Marine Corps Junior Reserve Officer Training Corps (JROTC) Programs—two of only six in the state of Iowa, and the only programs in the Quad Cities

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

- ✓ Over 250 courses are offered in our [high school course guide](#), including specialized offerings such as international foods, civil engineering, sports medicine, interior design, and invertebrate zoology.
- ✓ The [Creative Arts Academy of the Quad Cities](#) offers a rigorous arts-integrated curriculum and intensive, project-based activities that prepare students for exciting career paths in the arts and develop the skills of communication, collaboration, critical thinking, and creativity. (check out the student testimonial at the bottom of this page!)
- ✓ The urban farm at [Mid City High School](#): Participating students use a variety of skills to operate an urban farm, from planning the layout of each year's crops, to the "labor of love" of planting and caring for the farm, to turning the harvest into food.
- ✓ [The INSPIRE Academy](#) at West High School features career academies that provide real-world learning experiences to prepare students for success in college and career, including a rigorous capstone experience that challenges teams to solve a real-world problem through technology (check out the student testimonial at the bottom of this page!). Students choose from the following five career pathways:
- ✓ Engineering: This pathway is home to the [2017 World Champion "Combustible Lemons," FTC Robotics Team #5466](#).
- ✓ Advanced Manufacturing/Engineering Tech: students learn woodworking, welding, construction, engineering, robotics, and Computer Integrated Manufacturing
- ✓ Health Sciences: Students have the opportunity to earn CNA certification (Certified Nursing Assistant), and this pathway soon expands to include Biomedical Technology and Pharmaceutical Sciences
- ✓ Business/Finance: Students have the opportunity to work at the student-run Falcon DuTrac branch
- ✓ Computer Science: Students learn Cyber Security, Java programming, C# and C++ programming, Visual Basic, and Web Design and Development
- ✓ As of 2016-17, 15 advanced placement (AP) and 58 dual credit college courses are offered at our high schools.
- ✓ The award-winning [Stepping Stones afterschool program](#) serves our elementary schools with high-quality afterschool enrichment programs, as well as top-notch summer programming.
- ✓ A stellar World Languages curriculum features up to six years of German and up to seven years of French and Spanish, including instruction that introduces Latin and Greek
- ✓ Award-winning Children's Villages and progressive early childhood partnerships that provide voluntary preschool programs for all area 4 year olds

Employee Top Awards:

- ✓ Central High teachers Gail Heninger, Joni Nelson, and Shifra Gassner received 2017 Education Eddy Awards from River Action. Ms. Heninger received her Eddy for her work with the Environmental Club, and Ms. Nelson and Ms. Gassner were recognized for their involvement in the Upper Mississippi River Conference and Student summit.
- ✓ West High's Greg Smith, an Industrial Technology and Project Lead the Way teacher, was the recipient of this year's Southeast Iowa STEM Teacher of the Year Award from the Governor's STEM Advisory Council.

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

- ✓ North High business teacher Steve Verdon was named Iowa ACTE (Association for Career and Technical Education) Teacher of the Year. This incredible honor is given to only one Career and Technical Education instructor in Iowa per year. The award recognizes the finest career and technical teachers at the secondary school level who have demonstrated innovation in the classroom, commitment to their students, and dedication to the improvement of CTE in their institutions and communities.
- ✓ Andy Tadlock, Wood Intermediate choral director and lead teacher, was selected to conduct the Bass Clef Honor Choir at the 31st Annual Iowa Opus All-State Choir, held on the campus of Iowa State University. Mr. Tadlock also conducted at the 2016 Iowa Choral Director's North Central District Honor Choir in Mason City, Iowa.
- ✓ Central High Family and Consumer Science teacher Jenee Cross was awarded an Afterschool Champions Award from the Iowa Afterschool Alliance. Mrs. Cross worked with River Bend Food Bank Programs Director Dianne Erickson to create the Community Cafe program to teach students how to be proactive members of their environment and tackle community hunger issues.
- ✓ West High School, via West art teacher Chad Wolf, was the recipient of a nearly \$5000 grant from Century Link for the furnishing of a digital studio for students.
- ✓ Superintendent Dr. Art Tate was awarded the Lloyd Schoeneman Community Impact Award from Quad City Arts for his exceptional support of arts education in the Davenport Community Schools, including the Creative Arts Academy, artsBASICS, and the new Central High School Performing Arts Center.
- ✓ Central High's band director Alex Wilga was awarded the Dr. Lewis A Schmidt Citation of Excellence Alumni Award from VanderCook College of Music. Mr. Wilga is one of the first recipients of this award and credits his success to his students, both past and present, saying, "Without them I would not be the teacher I am."
- ✓ Garfield Elementary counselor Candy Reed received an award from the American School Counselor Association (ASCA) to celebrate Garfield as a Recognized ASCA Model Program (RAMP). RAMP designations are given at the culmination of a school's implementation of a comprehensive, data-driven school counseling program.

Facilities:

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

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Facility Maintenance:

- ✓ Recognized as environmental leader receiving Governor's Iowa Environmental Excellence Award, Iowa Recycling Award, and the U.S. Environmental Protection Agency ENERGY STAR Partner of the Year
- ✓ Facilities upgrades of nearly \$130 million over the past 12 years, earning the Association of School Business Officials International Facilities Masters Award
- ✓ An ENERGY STAR partner since 1998 the district has assessed the energy performance of 100 percent of its schools. Undertaken improvements and elevated the average rating across the portfolio by ten percent.

Family Services

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

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Food Service:

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

- ✓ 65.99% Free or reduced
- ✓ Highly trained nutrition experts serve every building in the school district. Each day nearly 20,000 meals are served to students in over 30 locations.
- ✓ Meal service extends into the summer months with our “Community Café” program serving an estimated 40,000 meals across 20 community parks, schools and community centers.

Guidelines for Elementary Class Sizes:

Kindergarten through first grade – 20 students

Second grade – 21 students

Third grade – 22 students

Fourth through fifth grade – 26 students

Iowa Core Curriculum:

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

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

Some of our Outstanding Alumni...

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

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

Parents as our Partners

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

Professional Employees' Credentials:

Bachelors' Degrees – 100%

Masters' Degrees – 55.09%

Specialist or Doctorate Degrees – 1.87%

Program & School Top Awards

- ✓ Davenport Community Schools is one of only two districts in the state of Iowa to receive a 2017 Best Community for Music Education Award from the NAMM (National Association of Music Merchants) Foundation. This designation is awarded to districts that demonstrate outstanding achievement in efforts to provide music access and education to all students.
- ✓ Davenport Community Schools was honored as one of the 12 recognized districts in Iowa on The College Board's 5th Annual Advanced Placement District Honor Roll. This year's Honor Roll contains 547 districts across the U.S. and Canada, each honored for increasing access to AP course work while simultaneously maintaining or increasing the percentage of students earning scores of 3 or higher on AP Exams.
- ✓ Mid City High received a Silver Citation award in the American School and University 2015 Educational Interiors Showcase. Jurors from across the country judged designs based on criteria such as 21st century learning environments, innovation, safety and security, and community connectivity.
- ✓ At Garfield Elementary, Mrs. Snyder's kindergartners participated in the Lexia Usage Challenge and placed in the top ten of the large school category throughout all of the Midwest.
- ✓ Buffalo Elementary received a Scott County Regional Authority grant for \$76,000 to create a STEAM (Science, Technology, Engineering, Art, Math) Lab for the integration of STEAM education into students' daily learning experiences.
- ✓ Truman Elementary received a \$4000 grant from James Patterson and the Scholastic Reading Club to help their school library. Truman was one of only two schools in Iowa to receive the grant, which helps get books into the hands of students.
- ✓ The Iowa Department of Education presented Central High with an Iowa College and Career Readiness Award. Central was the only school in the state of Iowa selected to receive the "College and Career Transition Award."
- ✓ Iowa FINE – First in the Nation in Education – Awards
- ✓ U.S. Department of Education Blue Ribbon Award

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

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

Safe and Supportive Schools

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

Student Top Awards (Just A Few!):

- ✓ Central High/Creative Arts Academy student Karlie Westmoreland received a gold medal at the national level of the Scholastic Art & Writing Awards. Karlie attended the National Ceremony and accepted her award in person at Carnegie Hall.
- ✓ The “Combustible Lemons,” West High’s robotics team that competes in FIRST Tech Challenge events, was this year’s FTC WORLD CHAMPION student robotics team. The Lemons accomplished this amazing feat at the FTC World Championships in Saint Louis, winning this year’s competition in which students and their robot competed in a game called “Velocity Vortex.”
- ✓ Central High’s Kevin Kurth won the State Long Jump Title with a jump of 23 feet and 3.5 inches.
- ✓ The Marine Corps JROTC program won 1st place / Overall Grand Champion at the Waterloo West Drill and Physical Fitness Meet, and was named 1st Place Grand Champion at a Des Moines area competitive meet. The Army JROTC Program won the Best Youth Group Trophy at the 32nd annual St. Patrick’s Day parade, their 7th year in a row winning the trophy.
- ✓ North High sophomore Keishanique Moton Tyler was accepted into the Bucksbaum Early Entrance Academy at the University of Iowa. This Academy is a prestigious program for academically gifted and talented students who choose to start college early.
- ✓ Central High’s AJ Smith was named Iowa’s State Champion on the Microsoft Office Specialist PowerPoint exam. Because of his results, AJ qualified to travel to Orlando, Florida, to compete in Certiport’s 2017 Microsoft Office Specialist U.S. National Championship.

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

- ✓ In the Iowa Elks Hoop Shoot Competition, Washington Elementary's Navon Shabazz won the 8-9 Year-Old Boys District Division. Navon advanced to the State Competition, where he made 22 of 25 free throws and was crowned the 8-9 Year-Old Boys Division State Champion. He also won the John O'Conner Award for being the overall top male free throw shooter in the state of Iowa.
- ✓ West High's Wylie Halferty, Alleyah Melendez, and Madison Cousins represented West at the National Speech and Debate Tournament in Birmingham, Alabama. In addition, Wylie and Alleyah were selected to join two Bettendorf students as the eastern Iowa 4-person team competing in the World Schools Debate.
- ✓ Central High's Hannah Mandell was named a Finalist in the 2017 Competition for National Merit Scholarships. Hannah is one of only 15,000 students to be awarded this distinction across the nation.
- ✓ North High's Melanie Anderson won her 5th Best Female Soloist award of the show choir season at the Fort Madison Invitational, and was awarded a Scholarship to Central College in Pella.
- ✓ Central High's Mickey Sloat was named a 2016 Herbert Hoover Uncommon Student Award recipient for her creation of the Don't Upstage Yourself program. The mission of the program is "Using theatre as a tool to encourage in students a love of the arts, public speaking, and, most importantly, themselves." Mickey was 1 of only 3 students to receive top honors and take home the \$5000 scholarship.

Student Diversity:

- ✓ 55.69% White
- ✓ 18.7% Black of African-American
- ✓ 13.92% Hispanic
- ✓ 9.7% Multi-racial
- ✓ 1.63% Asian
- ✓ 0.25% Native American
- ✓ 0.1% Pacific Islander

Student Enrollment K-12: 15,490

Teacher Data:

	Beginning Salary	Maximum Salary	Number of Teachers	Average Salary
Bachelors	\$36,302	\$57,082	397	\$40,840
Bachelors + 15 hours	\$37,900	\$57,681	201	\$46,802
Masters	\$41,097	\$69,870	432	\$57,026
Masters + 15 hours	\$42,696	\$71,469	128	\$62,257
Masters + 30 hours	\$44,294	\$73,067	150	\$63,581
Specialists Degree	\$45,893	\$74,666	25	\$64,770
Average teacher's salary:	\$52,051			

Davenport Community School District

Demographic and Miscellaneous Statistics (Continued)

- ✓ Over 1300 teachers (55.13% have a Master's Degree or higher)
- ✓ 14 National Board Certified Teachers on staff
- ✓ A highly structured mentoring program pairs new teachers with an experienced teacher as mentor for two years. At the end of this intensive coaching and portfolio review process, new teachers receive their standard teaching license.
- ✓ All teachers receive ongoing coaching and professional development by a staff of Curriculum & Instruction Specialists and other experts from around the nation
- ✓ Weekly "collaborative time" allows teachers to engage in professional issues and plan for student needs

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

Elementary School - 1.5 miles

Intermediate School- 2 miles

High School - 3 miles

Davenport Community School District

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

	2017	2016	2015	2014
Administration:				
District Secretary/Treasurer	1	1	1	1
Superintendent	1	1	1	1
Assistant Superintendents	2	2	2	2
Principals	28	29	29	29
Assistant Principals	20	21	20	16
All Other Administrators	5	9	9	12
Total Administration	57	63	62	61
Instructional:				
Teachers	924	964	943	966
Teachers - Special Programs	252	221	204	181
Teachers Aides	412	397	407	369
Total Instructional	1588	1582	1554	1516
Student Services:				
Counselors	42	44	42	39
Library Specialist	26	28	23	23
Other Education Professional	148	148	143	76
Nurses	24	22	23	23
Other Technical	12	17	16	15
Total Student Services	252	259	247	175
Support Services:				
Business Manager/Accountant	2	2	2	2
Other Professional	18	21	19	15
Office/Clerical	104	114	112	110
Crafts/Trades	25	25	26	24
Service Workers	268	251	246	265
Total Support Services	417	413	405	416
Total	2314	2317	2268	2168

Source: District records

2013	2012	2011	2010	2009	2008
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
29	29	29	29	28	30
13	13	19	19	18	18
13	13	16	16	16	17
59	59	68	68	66	69
903	928	934	923	940	915
175	197	195	206	203	198
337	381	384	410	353	332
1,415	1,506	1,513	1,539	1,496	1,445
38	41	41	40	42	38
23	24	24	24	23	22
49	40	23	41	37	36
17	27	29	26	26	22
25	20	20	18	40	26
152	151	137	149	168	144
2	2	2	2	2	2
18	30	33	33	38	13
104	112	112	111	114	114
26	24	24	24	26	28
261	294	320	311	254	282
410	462	491	481	434	439
2,036	2,179	2,209	2,237	2,164	2,097



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
2017	15,490	194,079,490	12,529	2.2	1,334	11.61	65.99
2016	15,299	187,592,658	12,262	4.2	1,185	12.91	65.99
2015	15,299	179,967,772	11,763	6.5	1,225	12.49	67.70
2014	15,348	169,481,000	11,043	3.9	1,147	13.38	63.00
2013	15,600	165,821,796	10,630	(0.9)	1,078	14.47	62.00
2012	15,546	166,822,285	10,731	(0.8)	1,125	13.82	61.71
2011	15,795	170,897,456	10,820	8.6	1,129	13.99	61.42
2010	16,120	160,588,239	9,962	3.1	1,129	14.28	60.00
2009	16,089	155,503,602	9,665	6.0	1,143	14.08	57.00
2008	16,397	149,512,560	9,118	4.9	1,113	14.73	56.00

Source: District financial records.

Davenport Community School District

School Building Information

Last Ten Fiscal Years

(Unaudited)

School	2017	2016	2015	2014
Elementary:				
Adams (1950)				
Square feet	82,282	82,282	82,282	82,282
Capacity	586	690	690	690
Enrollment	504	564	577	570
Blue Grass (1957)				
Square feet	66,884	66,884	66,884	66,884
Capacity	438	552	552	552
Enrollment	290	287	296	329
Buchanan (1971)				
Square feet	56,103	56,103	56,103	56,103
Capacity	531	506	506	506
Enrollment	303	373	383	391
Buffalo (2002)				
Square feet	53,980	53,980	53,980	53,980
Capacity	439	391	391	391
Enrollment	217	230	254	251
Eisenhower (1969)				
Square feet	57,811	57,811	57,811	57,811
Capacity	506	506	506	506
Enrollment	436	436	457	462
Garfield (1923)				
Square feet	65,211	90,458	90,458	90,458
Capacity	673	483	483	483
Enrollment	345	394	409	462
Harrison (1953)				
Square feet	72,912	72,912	72,912	72,912
Capacity	479	598	598	598
Enrollment	387	527	539	567
Hayes (1923)				
Square feet	77,618	77,618	77,618	77,618
Capacity	463	506	506	506
Enrollment	325	401	412	416
Jefferson (1939)				
Square feet	64,514	64,514	64,514	64,514
Capacity	488	552	552	552
Enrollment	403	453	482	427
Lincoln (1939)				
Square feet	59,536	59,536	59,536	59,536
Capacity	483	483	483	483
Enrollment	-	-	-	-
Madison (1939)				
Square feet	64,614	64,614	64,614	64,614
Capacity	493	506	506	506
Enrollment	419	381	390	396
McKinley (1939)				
Square feet	61,063	61,063	61,063	61,063
Capacity	457	460	460	460
Enrollment	419	376	395	403

(Continued)

2013	2012	2011	2010	2009	2008
82,282	82,282	82,282	82,282	82,282	82,282
690	690	690	690	690	690
553	552	552	521	552	540
66,884	66,884	66,884	66,884	66,884	66,884
552	552	552	552	552	552
353	367	363	391	387	368
56,103	56,103	56,103	56,103	56,103	56,103
506	506	506	506	506	506
359	349	327	357	353	315
53,980	53,980	53,980	53,980	53,980	53,980
391	391	391	391	391	391
227	240	258	271	284	266
57,811	57,811	57,811	57,811	57,811	57,811
506	506	506	506	506	506
458	454	446	442	444	426
90,458	90,458	90,458	90,458	90,458	90,458
483	483	483	483	483	483
496	495	492	439	438	415
72,912	72,912	72,912	72,912	72,912	72,912
598	598	598	598	598	598
592	581	578	580	573	557
77,618	77,618	77,618	77,618	77,618	77,618
506	506	506	506	506	506
380	354	320	305	308	284
64,514	64,514	64,514	64,514	64,514	64,514
552	552	552	552	552	552
408	387	403	470	441	465
59,536	59,536	59,536	59,536	59,536	59,536
483	483	483	483	483	483
-	181	270	259	231	255
64,614	64,614	64,614	64,614	64,614	64,614
506	506	506	506	506	506
428	415	417	408	395	393
61,063	61,063	61,063	61,063	61,063	61,063
460	460	460	460	460	460
392	373	361	349	372	377

Davenport Community School District

School Building Information

Last Ten Fiscal Years

(Unaudited)

School	2017	2016	2015	2014
Monroe (1938)				
Square feet	72,435	72,435	72,435	72,435
Capacity	534	598	598	598
Enrollment	376	474	480	495
Truman (1977)				
Square feet	61,064	61,064	61,064	61,064
Capacity	391	391	391	391
Enrollment	369	369	386	435
Washington (1939)	0			
Square feet	48,388	48,388	48,388	48,388
Capacity	322	322	322	322
Enrollment	265	265	285	315
Wilson (1955)				
Square feet	78,401	78,401	78,401	78,401
Capacity	626	672	672	672
Enrollment	339	513	524	544

(Continued)

2013	2012	2011	2010	2009	2008
72,435	72,435	72,435	72,435	72,435	72,435
598	598	598	598	598	598
488	455	449	419	417	414
61,064	61,064	61,064	61,064	61,064	61,064
391	391	391	391	391	391
380	430	404	405	398	402
48,388	48,388	48,388	48,388	48,388	48,388
322	322	322	322	322	322
357	320	283	284	264	298
78,401	78,401	78,401	78,401	78,401	78,401
672	672	672	672	672	672
542	557	561	541	518	521

Davenport Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	2017	2016	2015	2014
Intermediates:				
Smart (1917)				
Square feet	134,901	134,901	134,901	134,901
Capacity	914	978	978	978
Enrollment	554	518	493	544
Walcott (K-8) (1956)				
Square feet	107,250	107,250	107,250	107,250
Capacity	713	722	722	722
Enrollment	541	392	586	621
Williams (1954)				
Square feet	145,224	145,224	145,224	145,224
Capacity	1,033	977	977	977
Enrollment	709	688	718	748
Wood (1984)				
Square feet	117,743	117,743	105,815	105,815
Capacity	914	977	977	977
Enrollment	554	734	699	737
Young (1917)				
Square feet	108,018	108,018	108,018	108,018
Capacity	1,050	829	829	829
Enrollment	825	327	406	441
Enrollment	250	265	196	
North (1972)				
Square feet	390,763	390,763	390,763	390,763
Capacity	1,494	1,551	1,551	1,551
Enrollment	1,193	1,152	1,075	1,001
West (includes train, rm, & Vest) (1960)				
Square feet	453,811	453,811	453,811	453,811
Capacity	2,129	2,592	2,592	2,592
Enrollment	1,647	1,916	1,818	1,911
Other:				
Child Village at Hoover (1956)				
Square feet	20,002	20,002	20,002	20,002
Capacity	138	138	138	138
Enrollment	121	187	161	200
Child Village at West (2004)				
Square feet	35,400	35,400	35,400	35,400
Capacity	286	286	286	286
Enrollment	241	384	312	248
Davenport Learning Center (Kimberly Center)				
Square feet	79,884	79,884	79,884	79,884
Capacity	*	*	*	*
Enrollment	*	*	*	235

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.

2013	2012	2011	2010	2009	2008
134,901	134,901	134,901	134,901	134,901	134,901
978	978	978	978	978	978
518	532	521	522	520	508
107,250	107,250	107,250	107,250	107,250	107,250
722	722	722	722	722	722
600	598	621	616	601	598
145,224	145,224	133,794	133,794	133,794	133,794
977	977	977	977	977	977
756	770	739	725	724	730
105,815	105,815	105,815	105,815	105,815	105,815
977	977	977	977	977	977
712	700	701	694	659	700
108,018	108,018	108,018	108,018	108,018	108,018
829	829	829	829	829	829
305	271	320	311	317	297
390,763	390,763	390,763	390,763	390,763	390,763
1,551	1,551	1,551	1,551	1,551	1,551
902	986	966	1,002	978	1,039
453,811	453,811	453,811	453,811	453,811	453,811
2,592	2,592	2,592	2,592	2,592	2,592
1,873	1,921	1,871	1,893	2,034	2,028
20,002	20,002	20,002	20,002	20,002	20,002
138	138	138	138	138	138
128	128	128	129	133	131
35,400	35,400	35,400	35,400	35,400	35,400
286	286	286	286	286	286
262	262	261	254	232	199
79,884	79,884	79,884	79,884	79,884	79,884
*	*	*	*	*	*
214	179	288	288	285	405



Compliance Section



Davenport Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY17 4552	\$ -	\$ 1,267,292
National School Lunch Program	10.555	FY17 4553	-	4,967,378
Commodities -DOD (Noncash)	10.555	FY17 4951	-	169,632
Commodities (Noncash)	10.555	FY17 4951	-	421,218
			-	5,558,228
Summer Food Service Program for Children	10.559	FY17 4951	-	171,185
Child Nutrition Cluster Program Total			-	6,996,705
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY17 4671	-	81,983
Child Nutrition Discretionary Grants Limited Availability	10.579	FY17 4011	-	12,343
Fresh Fruit and Vegetable Program	10.582	FY17 4557	-	230,442
Total U.S. Department of Agriculture			-	7,321,473
U.S. Department of Defense,				
Pass-Through Scott County, Iowa:				
Payments to States in Lieu of Real Estate Taxes	12.112	FY17 4812	-	15,333
Environmental Protection Agency,				
Pass-Through Stoneline Puppet Theatre:				
Environmental Education Grants	66.951	FY17 4317	-	2,900
U.S. Department of Education:				
High School Graduation Initiative (Direct)	84.360	FY17 4363	-	25,294
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY17 4501	-	3,947,949
Title I Grants to Local Educational Agencies	84.010	FY17 4506	-	40,517
Title I Grants to Local Educational Agencies	84.010	FY17 4508	-	664,319
			-	4,652,785
Special Education-Grants to States IDEA, Part B	84.027	FY17 4525	-	193,175 (1)
Career and Technical Education-Basic Grants to States	84.048	FY17 4531	-	215,971
School Safety National Activities	84.184	FY17 4647	-	129,493
Education for Homeless Children and Youth	84.196	FY17 4565	-	30,933

(Continued)

Davenport Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Pass-Through Iowa Department of Education (continued):				
Twenty-First Century Community Learning Centers	84.287	FY17 4646	-	930,204
Advanced Placement Program	84.330	FY17 4654	-	7,562
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	FY17 4674	-	160,544
Supporting Effective Instruction State Grants	84.367	FY17 4643	-	948,194
Grants for State Assessments and Related Activities Title VI	84.369	FY17 4648	-	30,368
Pass-Through Mississippi Bend Area Education Agency:				
Special Education - Grants to States IDEA, Part B	84.027	FY17 4521	-	885,634 (1)
English Language Acquisition State Grants	84.365	FY17 4644	-	26,164
Total U.S. Department of Education			-	<u>8,236,321</u>
U.S. Department of Health and Human Services:				
Pass-Through Iowa Department of Education: Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	FY17 4673	-	577,269
Pass-Through Iowa Department of Health and Human Services: Child Care and Development Block Grant	93.575	FY17 4616	-	113,989
Total U.S. Department of Health and Human Services			-	<u>691,258</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 16,267,285</u>

(1) Total CFDA 84.027 \$1,078,809

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, 2017

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, 2017. 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.

Davenport Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017**

	Findings	Status	Corrective Action Plan or Other Explanation
Findings Related to the Financial Statements:			
2016-A	Material audit adjustments to the financial statements and footnote information were identified during the audit process.	Not Corrected.	See response and corrective action plan at 2017-001 through 2017-004.
2016-B	The auditors assisted in the preparation of the draft financial statements for the governmental activities.	Not Corrected.	See response and corrective action plan at 2017-001 through 2017-004.
2016-C	The District's general ledger cash balance and the bank balances have not been fully reconciled.	Not Corrected.	See response and corrective action plan at 2017-001 through 2017-004.
Other Findings Related to Statutory Reporting:			
2016-IA-A	The District over expended the state required unspent authorized budget.	Not Corrected.	See response and corrective action plan at IV-A-17.
2016-IA-G	Variances in certified enrollment for October 2016 were noted.	Not Corrected.	See response and corrective action plan at IV-G-17.
2016-IA-K	The District allocated costs to categorical programs that were not allowed.	Corrected.	
2016-IA-O	The District did not publish a notice of public hearing for two portions of the Central High School projects.	Corrected.	



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Davenport Community School District (the District) as of and for the year ended June 30, 2017, 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 27, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 through 2017-004 that we consider to be material weaknesses.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, 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, 2017 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Response to the Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Bohnsack & Frommelt LLP". The script is cursive and fluid.

Moline, Illinois
November 27, 2017



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

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

Report on Compliance for Each Major Federal Program

We have audited Davenport Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
November 27, 2017

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

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:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education-Grants to States IDEA, Part B
84.367	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

(Continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

Material Weaknesses

2017-001

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

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

Condition: The District continues to have unresolved and unidentified variances in the bank reconciliation process. As of June 30, 2017 and 2016, the unresolved differences were approximately \$241,000 and \$71,000, respectively however, this has fluctuated during the year. Bank reconciliations have not been properly and timely prepared during the fiscal year.

Context: There was an approximate \$241,000 unreconciled variance in the bank reconciliation as of June 30, 2017.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis. District transactions may not be properly posted to the general ledger.

Cause: The District has experienced turnover in the Finance Department. The District has not implemented a bank reconciliation process that addresses pooled cash accounting.

Recommendation: We recommend the District implement bank reconciliation processes that timely identify and address variances. The District should post adjustments identified in the bank reconciliation process monthly to determine any variances that are not yet resolved.

Response and Corrective Action Plan: The District will systematically evaluate the bank reconciliation process to ensure the completeness and accuracy of the records and will perform the reconciliations in a timely manner.

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

2017-002

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

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

Condition: Material adjustments to accounts receivable, revenue, deferred inflows of resources and unearned revenue were required to be posted to the trial balance provided for year-end audit. The adjustments are a result of the District not maintaining and reconciling an accounts receivable subsidiary ledger. Accounts receivable, revenue, and deferred inflows of resources are posted without consideration to what has already been posted and the District's state or federal allocation. As a result, general ledger detail is used to recreate accounts receivable balances at year-end; however, the detailed information provided had unreconciled variances to the accounts receivable balances on the final trial balance.

Context: The statewide sales tax required an adjustment of \$1.2 million to reduce accounts receivable and revenue. The federal and state programs required adjustments of approximately \$2.2 million for an overstatement of unearned revenue and approximately \$650,000 to properly record accounts receivable and deferred inflows of resources.

Effect: District transactions may not be properly posted to the general ledger and material errors are not being timely identified.

Cause: The District has experienced turnover in the Finance Department. The District system does not provide an accounts receivable subsidiary ledger to provide for a reconciliation process.

Recommendation: We recommend the District implement processes to ensure opening and year-end balance sheet accounts are proper. A subsidiary listing of accounts receivable, deferred inflows of resources, and unearned revenue should be prepared on a monthly basis.

Response and Corrective Action Plan: The District will systematically evaluate the process to identify and record accounts receivable, deferred inflows of resources and unearned revenue and determine system report options to provide timely subsidiary ledgers and reconciliations.

2017-003

Finding: The District has insufficient processes to identify and record capital assets and the related retainages payable.

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

Condition: The District did not identify material capital asset transactions and the related retainages payable to ensure proper capitalization of District assets.

Context: The District did not record the approximate \$26 million pool and auditorium renovation in capital assets. The District did not record retainages payable in one fund of approximately \$530,000 and did not properly reverse retainages payable of approximately \$530,000 in another fund.

Effect: District capital asset ledgers do not properly include all District capital assets.

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Cause: The District has experienced turnover in the Finance Department. The District uses a manual system to identify capital asset transactions at year-end rather than maintaining subsidiary ledgers throughout the year.

Recommendation: We recommend the District maintain project ledgers that provide cumulative information for each project as the project progresses including contractor statements, retainages payable and the dates the capital assets were placed in service.

Response and Corrective Action Plan: The District will systematically evaluate current processes to determine how to timely and accurately identify capital assets and the related retainages payable for capitalization.

2017-004

Finding: The District has insufficient processes to identify and record accounts payable and accrued liabilities.

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

Condition: The District did not identify significant accounts payable transactions at year-end. The District did not reconcile accrued payroll benefit liability accounts.

Context: Material adjustments were required to be recorded to the trial balance provided for audit to properly record accounts payable and accrued liabilities.

Effect: District transactions may not be properly posted to the general ledger and material errors are not being timely identified.

Cause: The District did not properly separate accounts payable batch postings by date the goods were received or services were provided to accurately identify year-end accounts payable. Accrued payroll benefit liability accounts were not adjusted to properly reverse the prior year transactions and ensure the ending balances reconcile to the year-end payroll records.

Recommendation: We recommend the District implement processes to ensure opening and year-end balance sheet accounts are proper and to identify accounts payable separately from other transactions at year-end.

Response and Corrective Action Plan: The District will systematically evaluate the process to identify and record accounts payable and accrued liabilities.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Part IV: Other Findings Related to Statutory Reporting

IV-A-17

Certified Budget –

Finding 1: The District exceeded its unspent authorized budget for the year ended June 30, 2017.

Recommendation: The District is currently addressing unspent authorized budget requirements with the Iowa Department of Education and the School Budget Review Committee to resolve the General Fund unspent authorized budget over expenditure issue for the District.

Response and Corrective Action Plan: The District will continue to address resolving the General Fund unspent authorized budget over expenditure.

Conclusion: Response accepted.

Finding 2: The District exceeded the original budget in the support services function prior to amending the budget. The District exceeded the amended budget in the support services function.

Recommendation: The certified budget should have been amended before expenditures were allowed to exceed the budget. The certified budget should have been amended in sufficient amounts.

Response and Corrective Action Plan: Future budgets will be amended in sufficient amounts and prior to the expenditures exceeding the original budget.

Conclusion: Response accepted.

IV-B-17

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-17

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-17

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

IV-E-17

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-F-17

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

(continued)

Davenport Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

IV-G-17

Certified Enrollment –

Finding: There were variances to the October 2016 certified enrollment.

Recommendation: We recommend the District review and verify enrollment data before the October 1st process.

Response and Corrective Action Plan: The District will review enrollment data prior to submission to ensure accuracy of the information certified to the Iowa Department of Education.

Conclusion: Response accepted.

IV-H-17

Supplementary Weighting – No variances regarding the basic enrollment data certified to the Iowa Department of Education were noted.

IV-I-17

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

IV-J-17

Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.

IV-K-17

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

IV-L-17

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, 2017, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Davenport Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Beginning balance	\$ 2,587,606
Revenue / transfers in:	
Statewide sales and services tax revenue	15,129,201
Interest and other	22,810
Transfers in	-
Expenditures/transfers out:	
Transfers out	(3,351,575)
School infrastructure:	
Buildings	(11,247,356)
Ending balance	<u><u>\$ 3,140,686</u></u>

For the year ended June 30, 2017, the District reduced the debt service tax levy by \$3.53 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	\$ 3.53	\$ 15,129,201

Davenport Community School District

**Corrective Action Plan
Year Ended June 30, 2017**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Related to the Financial Statements:				
2017-001	The District has insufficient reconciling and monitoring activities over cash accounts.	See response and corrective action plan at 2017-001	Fiscal Year 2018	Claudia Wood
2017-002	The District has insufficient reconciling activities over accounts receivable and revenue.	See response and corrective action plan at 2017-002	Fiscal Year 2018	Claudia Wood
2017-003	The District has insufficient processes to identify and record capital assets and the related retainages payable.	See response and corrective action plan at 2017-003	Fiscal Year 2018	Claudia Wood
2017-004	The District has insufficient processes to identify and record accounts payable and accrued liabilities.	See response and corrective action plan at 2017-004	Fiscal Year 2018	Claudia Wood
Other Findings Related to Statutory Reporting:				
IV-A-17	The District over expended the state required unspent authorized budget.	See response and corrective action plan at IV-A-17.	Fiscal Year 2018	Board of Education
	The District exceeding the original budget in the support services function prior to amending the budget. The District exceeded the amended budget in the support services function.	See response and corrective action plan at IV-A-17.	Fiscal Year 2018	Claudia Wood
IV-G-17	There were variances in the October 2016 certified enrollment.	See response and corrective action plan at IV-G-17.	Fiscal Year 2018	Claudia Wood