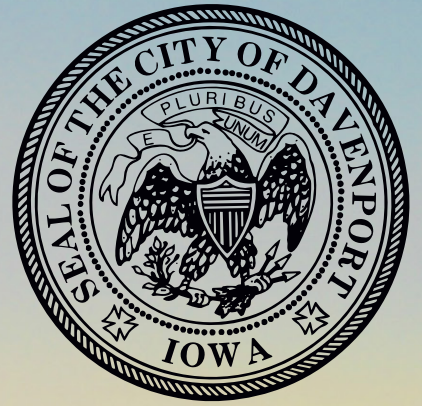


DAVENPORT

# FY 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For Fiscal Year Ended June 30, 2023*



# **CITY OF DAVENPORT, IOWA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:  
Finance Department  
Accounting Division

CITY OF DAVENPORT, IOWA  
Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023

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# INTRODUCTORY SECTION

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December 8, 2023

Honorable Mayor and Members of the City Council and the Citizens of Davenport, Iowa:

State law requires that cities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and that their financial condition and their transactions be examined annually by the Auditor of State or by a certified public accountant. Pursuant to that requirement, the City hereby issues the Annual Comprehensive Financial Report of the City of Davenport for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the City's Single Audit for the fiscal year ended June 30, 2023 provided no instances of material weaknesses in the internal control over compliance and no significant violations of applicable laws, regulations, contracts, and grants. These reports are available in the City's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## Profile of the City

The City of Davenport, the principal city of eastern Iowa and the county seat of Scott County, is located on the Iowa bank of the Mississippi River approximately midway between the cities of Des Moines and Chicago. The City is the third largest city in Iowa. Davenport, named after Colonel George Davenport, was originally settled in 1808, making it one of the oldest cities in the upper Midwest. Incorporated in 1836, Davenport continues as one of the four remaining special charter cities in Iowa. Davenport is the major city of the Quad-City Metropolitan Area, which includes three counties located in two states. The area includes Scott County, Iowa and Rock Island and Henry Counties in Illinois. The major communities, apart from Davenport, include the cities of Bettendorf, Iowa and Rock Island, Moline and East Moline in Illinois. The Davenport-Rock Island-Moline Metropolitan Statistical Area (MSA) had an official 2020 population of 384,324. Davenport had an official 2020 population of 101,724.

The City operates under the Mayor-Council form of government. The mayor and ten council members are elected on a non-partisan basis every two years. Of the ten council members, eight council members are elected by ward. The mayor and two council members are elected at-large. A professional city administrator is appointed by the City Council.

The City provides a full range of services including police and fire protection, solid waste collection, construction and maintenance of streets, sewers, and bridges, sewage collection and treatment, culture and recreation, mass transportation, planning and zoning, and general administrative services.

For financial reporting purposes, all funds, agencies, boards, commissions, trusts, and authorities involved in the provision of these services are included if the City is financially accountable. The GASB has set forth criteria to be considered in determining financial accountability. The City of Davenport does not include any component units within its reporting entity. See Note 1A in the notes to the financial statements for more specific information on reporting entity.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget historically approved by the City Council in March of each year. However, due to modified legislation in 2023, the approval process must now be completed by end of April beginning with the FY 2025 Budget. The State of Iowa requires the passage of an annual budget of total City operating expenditures by major program categories after public hearing. Activities of the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Funds are included in the annual appropriated budget. Project-length financial plans are also adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program level. As a result of this program structure used for the legally-adopted budget, legal compliance (total budget-to-actual appropriations) is demonstrated in one schedule which combines all funds and is in the required supplementary information section of this report (GASB Statement 41). The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end but may be appropriated in the following year's budget if necessary.

## Factors Affecting Financial Condition

The information presented in the financial statements may be better understood when considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Historically, the economic strength of the Quad Cities has been dependent upon the manufacturing of farm and construction equipment. During the early 1980s, with multiple plant closings and layoffs, Davenport's unemployment reached a high of 12%. After reaching this peak in 1983, unemployment rates have declined. This reduction in unemployment is attributed, in part, to the growth in the area of professional and other services. The Davenport-Rock Island-Moline MSA unemployment rate for June 2023 was 4.4%, a 0.5% increase from the year prior. Of the 190,100 persons in the labor force in June 2023, 179,300 were employed. Major employment in the area includes the healthcare, retail, meat packing and food processing, aluminum, and industrial and agricultural equipment sectors, in addition to government, education, and utilities.

Tax base composition is diverse, consisting of 60% residential, 34% commercial, 5% industrial properties, and 1% other. The tax base is not concentrated; the largest taxpayer accounts for only 3.08% of total value, and the remaining nine leading taxpayers account for just 6.71% of taxable value. More detailed information on permits and principal taxpayers can be found in the statistical section of this report.

In 2023, the City continued to experience growth in industrial and commercial sectors. Russell Development has continued with build out of its 95 acres Russell Development Industrial Park with planned investments totaling over \$125 million. Ryder Logistics has leased a 251,000 square foot building, and an additional 300,000 square foot building has also been fully leased. A third 300,000 square foot building is set to begin construction in early 2024. Ranew's Companies has fully leased a 100,000 square foot new building in the Eastern Iowa Industrial Center for their powder coating facility. Iowa American Water recently completed construction of a \$10 million new facility in the Eastern Iowa Industrial Center with plans to construct a new onsite water tower to serve the growing demand. Finally, Amazon officially opened the Davenport distribution center with current employment of 400 full-time employees, and they are expected to grow to well over 1,000 employees by the end of 2024.

Additionally, there are four large multi-family projects that are currently underway or have been recently completed, totaling over \$84M in private investment. These four projects will add 390 new housing units to Downtown Davenport.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as approved and directed by the City Council. For these types of projects, the City enters into economic development agreements with developers. The agreements require the City to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant, or to pay the developers a predetermined dollar amount. The developer also has to meet the terms of the agreement. Tax abatements have long-term benefits including private investment, job creation, and establishing a stronger broader tax base. Since 2013, and due to tax rebates, the City has been able to create (retain) 1,618 jobs, obtain \$624M in private investment, and produce \$60.6M in public investment.

Budget Challenges. Recent years' budget processes have presented challenges imposed by the current local, state, and national economies, including state-shared revenue reductions, state-mandated public safety pension contributions that rise with wages, increasing costs of healthcare, inflation, and rising costs of liability and property insurance. Leading economic indicators in the U.S. have begun to fall due to inflation, slowing labor markets, tighter credit conditions, and rising interest rates.

The General Fund includes most of the City's front-line services, with the exception of most Public Works related activities, and includes: police, fire, parks and recreation, neighborhood services, library, community and economic development, civil rights, human resources, administration, and finance.

The City's General Fund receives approximately 81% of its revenue from property taxes. For FY 2023 and FY 2024, the State of Iowa allows a maximum levy rate of \$8.10 per thousand dollars of assessed value and an additional \$0.27 in an emergency levy. The City has been at the maximum levy rates since 1984 and 1986, respectively. However, in 2023, the State of Iowa adopted HF 718, introducing significant overhauls to the property tax system that has existed since 2013. The updated legislation consolidates a number of property tax levies into one new general fund levy, the Consolidated General Fund Levy (CGF). Depending upon tax base growth in the communities, this change restricts city and county revenue growth. This change will challenge the City with potential revenue reductions as costs continue to rise. The City continues to evaluate the revenue impact of this levy consolidation.

Growth limitations are imposed on the City's property tax base by the state, including the residential property tax rollback. Despite other revenue challenges imposed by the State, including the 1995 phase out of machinery and equipment property taxes and the exemption of gas and electric utilities, the City's taxable property tax base has grown moderately, an average of 2.94% annually over the last ten fiscal years.



Additionally, in 2013, the Iowa Legislature passed Senate File 295, which included a number of components that continue to challenge the ability of Iowa municipalities to present balanced budgets. The largest component included a 10% rollback for all commercial properties and the creation of a new multi-residential property class with a rollback that will be equivalent to the residential rollback. Through fiscal year 2022, the State legislature has fully-funded revenues lost due to the 10% commercial rollback for Iowa municipalities. However, the City has worked over the last several years to eliminate its reliance on these funds for budget stabilization; rather, these funds are typically utilized for one-time expenditures that do not create ongoing operational costs where possible. During the last legislative session, the state legislature passed legislation to begin phasing out these funds. HF 2552 restructures the calculation for property tax and associated claims for all commercial, industrial, and railroad properties using a two-tiered assessment limitation.

Personnel costs represent one of the single largest categories of costs for the City. Employee benefits include funding for health claims, which have increased an average of 4.73% over the last ten years. State-mandated contributions to the state-wide fire and police pension system (MFPRSI) decreased slightly from their 2015 highs, but remain high for historical comparison. Compared to the fiscal year 2013 contribution rate, the fiscal year 2023 rate was roughly \$500,000 higher. To fully fund projected increases in the MFPRSI system, the City Council approved a \$0.96 increase in the trust & agency property tax levy in fiscal year 2013. The levy increase also funds increases in the City's self-funded health insurance costs.

It is important to note that the State provides unlimited property tax levies for employee benefits (trust and agency levy), debt service (debt service levy), and insurance/claims (tort liability levy), whereas the general levy is limited as discussed above. The City also has the ability to collect a utility franchise fee on natural gas and was successful in transitioning the prior river-based gaming operation to a land-based facility in the Northern part of the City with revenues continuing to exceed projections. These non-related property tax revenues are two options that could help continue to diversify revenues and add additional General Fund capacity if it becomes increasingly necessary.

Long-Term Financial Planning. Maintenance and expansion of the City's infrastructure (such as streets, curbs, sidewalks, sewers, bridges, and traffic signals) remains a primary workplan item and goal of the City Council. The City annually adopts a six-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs.

The major source of funds for the program is general obligation bonds, which are primarily financed from an unlimited debt service property tax levy and local sales tax receipts. The City leverages the program commitment with available grants from federal and state governments and private sector partnerships. Debt service payments have been made with a combination of property taxes received from the debt service levy, local option sales tax revenue, and enterprise fund fees dedicated to this purpose. The debt service levy was at \$2.05 in fiscal years 2013, 2014, and 2015, increased to \$2.15 in fiscal years 2016 and 2017, and returned to \$2.05 in fiscal years 2018 through 2023. The brief increase to \$2.15 in fiscal years 2016 and 2017 was offset by a \$0.10 reduction in the trust and agency levy; the overall levy rate of \$16.78 has been maintained since fiscal year 2013.

Some Highlights of the fiscal year 2024 Capital Improvement Program are as follows:

- Street resurfacing, full depth patching & reconstruction | \$9.9 million
- Third & Fourth street two-way conversion and rehabilitation | \$11.5 million
- Transit bus replacement | \$5.7 million
- Utah avenue bridge at Duck Creek | \$1.5 million
- South aircraft apron reconstruction | \$1.2 million
- Sanitary sewer lining, construction and repair | \$7 million

Major Initiatives. Through the American Rescue Plan Act of 2021, the City of Davenport received a final funding allocation in the amount of \$40,896,926. The City worked to obtain community input on priorities for these funds, along with City Council input. With City Council direction, the City developed a spending plan that focuses on the feedback received from key stakeholders and was approved by the City Council on July 28, 2021. Current treasury guidelines require that funds be spent or allocated by December 31, 2024. To deliver this

program in accordance with treasury guidelines, the City has developed a comprehensive approach to ensuring projection completion, ongoing reporting, and providing routine updates to the Mayor, City Council, and the community. At the end of fiscal year 2023, the City has expended \$5,753,497 of the \$40,896,926 allocation with all projects underway.

The below information are highlights of approved projects:

- West Locust Sewer Connectivity | \$14 million
- Fairmount Library Community Center | \$3.6 million
- Neighborhood Stabilization Program | \$2 million
- Youth Assessment Program | \$1 million
- Neighborhood Parks | \$2.5 million

### **Awards and Acknowledgements**

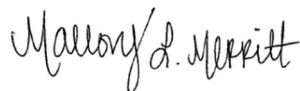
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Davenport, Iowa for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 40th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current report continues to conform to Certificate of Achievement Program requirements, and will be submitted to GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2024 Budget document. This is the 29th consecutive year that the City has received this award. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communication device.

The timely preparation of this report, and its overall accuracy and proficiency, could not have been accomplished without the services, focus, and diligence of the Finance Department and the external auditors. As City leadership, we would like to express our appreciation to all of those who assisted and contributed to its preparation accordingly. We offer a special thank you to the Accounting Division staff for all of their efforts in the preparation of this report. Finally, we would also like to thank the Mayor and City Council for their policy direction, financial prudence, and overall support in planning and directing the financial policies of the City.

Respectfully submitted,



Mallory L. Merritt  
Interim City Administrator/CFO

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Government Finance Officers Association

Certificate of  
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Presented to

**City of Davenport**  
**Iowa**

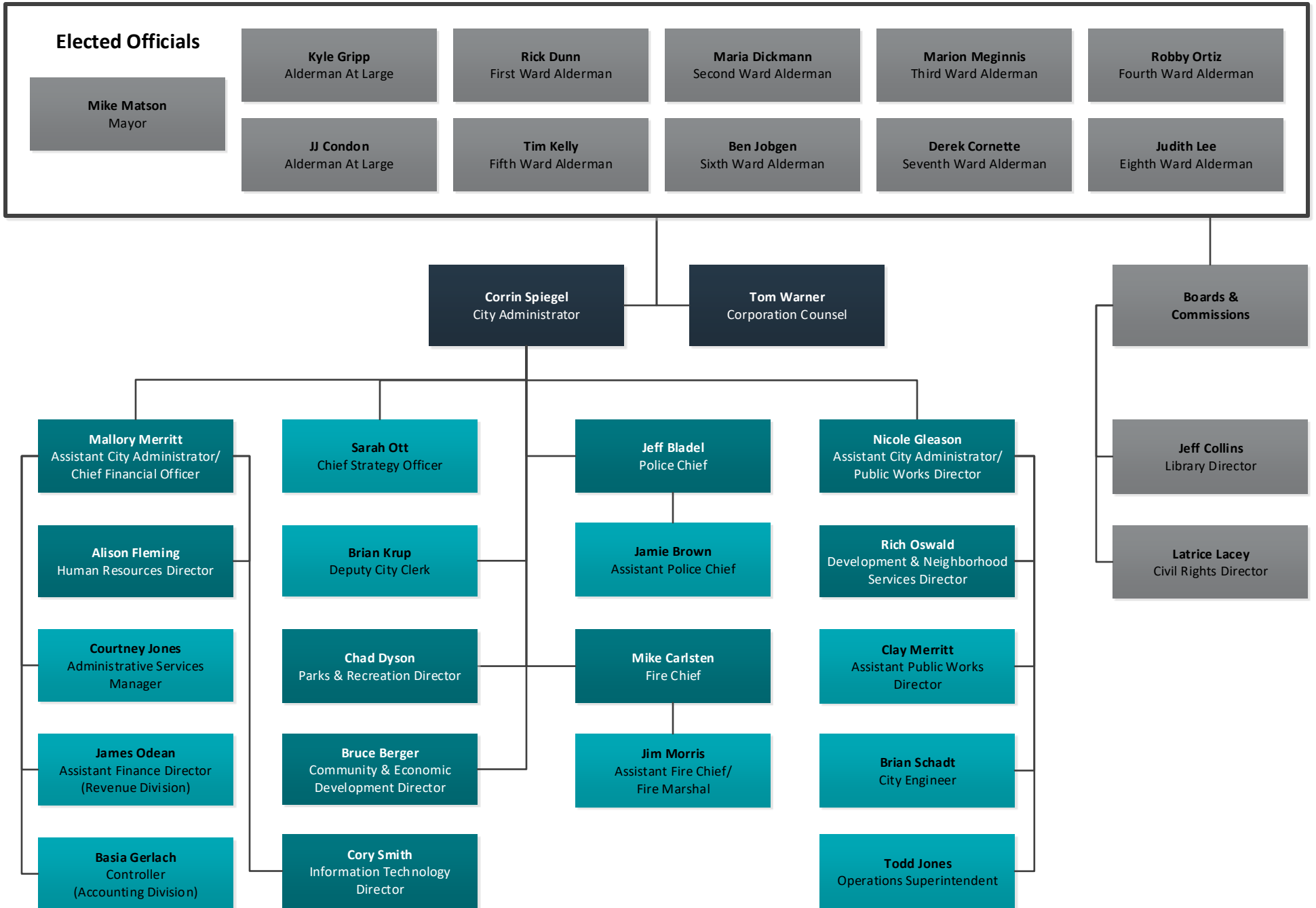
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

# CITIZENS OF DAVENPORT



## Elected Officials

Mayor  
**Mike Matson**

Alderman at Large  
**James Condon**

Alderman at Large  
**Kyle Gripp**

Ward 1  
**Rick Dunn**

Ward 2  
**Maria Dickman**

Alderman  
Ward 3  
**Marion Meginnis**

Ward 4  
**Robby Ortiz**

Ward 5  
**Tim Kelly**

Ward 6  
**Ben Jobgen**

Ward 7  
**Derek Cornette**

Ward 8  
**Judith Lee**

## City Administration

City Administrator  
**Corri Spiegel**

Assistant City Administrator  
**Mallory Merritt, Chief Financial Officer**

Assistant City Administrator  
**Nicole Gleason, Director Public Works**

Chief Strategy Officer  
**Sarah Ott**

City Attorney  
**Tom Warner**

## Department Directors

Civil Rights  
**Latrice Lacey**

Community & Economic Development  
**Bruce Berger**

Development & Neighborhood Services  
**Rich Oswald**

Fire  
**Mike Carlsten, Chief**

Human Resources  
**Alison Fleming**

Information Technology  
**Cory Smith**

Library  
**Jeff Collins**

Parks & Recreation  
**Chad Dyson**

Police  
**Jeffery Bladel, Chief**

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# FINANCIAL SECTION

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## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Davenport, Iowa

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Davenport, Iowa, (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Davenport, Iowa, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining nonmajor fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Dubuque, Iowa  
December 7, 2023

# Management's Discussion and Analysis

As management of the City of Davenport, we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year that ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 6 of this report.

## Financial Highlights

Overall, the City continues to maintain a strong financial position. Main economic indicators are trending positively; however, some pressure areas will continue to be monitored due to other governmental mandates and changing economic conditions. Some highlights of fiscal year 2023 include:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$472,269,355 (net position).
- The City's total net position increased by \$46,981,034 during fiscal year 2023.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$141,091,953, an increase of \$24,391,933 compared with the prior year. Approximately 10.1% of this amount (\$14,275,558) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$28,088,987, or approximately 32.9% of total general fund expenditures.

The above financial highlights are explained in more detail in this document's Government-wide Financial Analysis and Financial Analysis of the City's Funds sections.

## Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a valuable indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents financial information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes, other local taxes, and state and federal grants (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, culture and recreation, and community and economic development. The business-type activities of the City include sewer operations, parking, RiverCenter/Adler Theatre (convention center/theatre), public transit, public housing, golf courses, airport, solid waste collection, clean water utility, transload facility (rail service), and River's Edge (indoor recreational facility).

The government-wide financial statements include only the City of Davenport (known as the primary government).

The government-wide financial statements can be found on pages 28 through 31 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Davenport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, including restrictions on the use of certain monies. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Davenport maintains sixteen (16) individual governmental funds. In the basic financial statements, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) for the General Fund, General Debt Service Fund, Local Option Sales Tax Fund, American Rescue Plan Act (ARPA) Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other eleven (11) non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report (supplemental information).

The City of Davenport adopts an annual appropriated budget, prepared on a modified accrual basis. A budgetary comparison schedule has been provided to demonstrate legal compliance in the required supplementary information section.

The basic governmental fund financial statements can be found on pages 32 through 39 of this report.

**Proprietary Funds.** The City of Davenport maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Davenport's various functions. The City of Davenport uses internal service funds to account for employee health insurance, risk management, and information management services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The City of Davenport maintains eleven (11) enterprise funds. Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. In the basic financial statements, the proprietary fund financial statements provide separate information for the sewer operations and the RiverCenter/Adler Theatre fund, as these are considered major funds of the City of Davenport. Data from the other nine (9) enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report (supplemental information). The three (3) internal service funds are combined into a single, aggregated

presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report (supplemental information).

The basic proprietary fund financial statements can be found on pages 40 through 47 of this report.

**Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Davenport's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one custodial fund. The basic custodial fund financial statements can be found on pages 48 through 49 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 through 91 of this report.

**Supplementary Information.** The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal services funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 110 through 125 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Comparative data from fiscal year 2022 and 2023 are presented below. In Davenport, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$472,269,355, an increase of 11.0%, at the close of the fiscal year ended June 30, 2023.

#### City of Davenport's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 319,171,877	\$ 297,242,277	\$ 79,380,397	\$ 69,722,341	\$ 398,552,274	\$ 366,964,618
Capital assets	344,254,776	327,221,615	239,989,009	242,540,747	584,243,785	569,762,362
Total assets	663,426,653	624,463,892	319,369,406	312,263,088	982,796,059	936,726,980
Total deferred outflows of resources	13,642,906	13,604,251	1,823,330	1,748,310	15,466,236	15,352,561
Liabilities						
Noncurrent liabilities outstanding	214,057,993	178,599,845	89,315,317	85,040,087	303,373,310	263,639,932
Other liabilities	101,772,370	95,766,278	13,528,553	13,107,123	115,300,923	108,873,401
Total liabilities	315,830,363	274,366,123	102,843,870	98,147,210	418,674,233	372,513,333
Total deferred inflows of resources	99,939,858	140,008,397	7,378,849	14,269,490	107,318,707	154,277,887
Net position:						
Net investment in capital assets	210,480,531	192,105,853	161,926,035	162,578,770	372,406,566	354,684,623
Restricted	64,712,221	54,191,139	5,167,986	4,256,990	69,880,207	58,448,129
Unrestricted	(13,893,414)	(22,603,369)	43,875,996	34,758,938	29,982,582	12,155,569
Total net position	\$ 261,299,338	\$ 223,693,623	\$ 210,970,017	\$ 201,594,698	\$ 472,269,355	\$ 425,288,321

By far, the most significant portion of the City of Davenport's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Davenport uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Davenport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Davenport's net position, \$69,880,207 (14.8%) represents resources that are subject to external restrictions on how they may be used. Current assets exceed current liabilities in all three categories, both for the City as a whole, and for its separate governmental and business-type activities, in the amounts of \$221,859,984, \$174,830,541 and \$47,029,443 respectively.

The City of Davenport's total assets increased by \$46,069,079, or 4.9%, from 2022 to \$982,796,059 mainly due to an increase in cash and investment, restricted cash and cash equivalents and capital assets. Deferred outflows of resources increased negligibly by \$113,675 from 2022 to \$15,466,236.

Total liabilities of the City of Davenport increased by \$46,160,900, or 12.4%, from 2022 to \$418,674,233, which is mainly a result of an increase in pension liability of \$39,089,006. Deferred inflows of resources decreased by \$46,959,180 from 2022 to \$107,318,707, largely due to the change in pension-related deferred inflows.

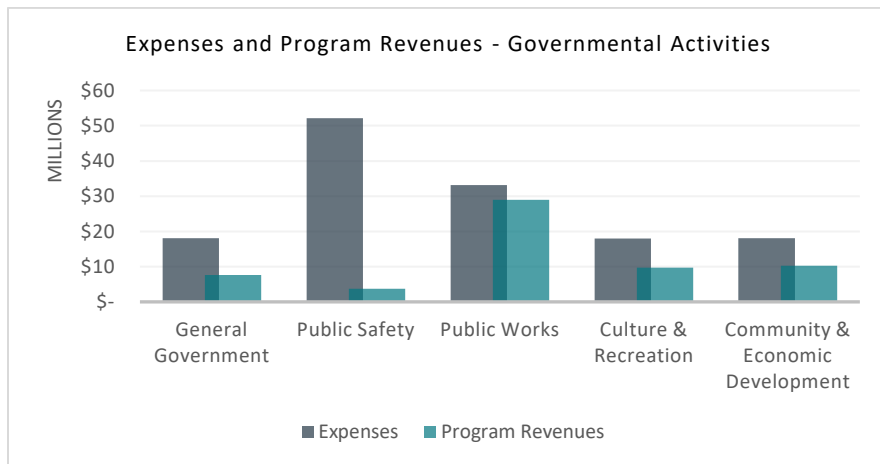
### City of Davenport's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 13,071,583	\$ 12,700,762	\$ 50,394,422	\$ 47,374,825	63,466,005	60,075,587
Operating grants and contributions	39,601,946	30,811,464	3,653,435	4,347,022	43,255,381	35,158,486
Capital grants and contributions	7,617,002	2,760,384	3,508,694	2,574,468	11,125,696	5,334,852
General revenues:						
Property taxes	85,738,633	83,691,397	4,414,746	4,303,719	90,153,379	87,995,116
Other taxes	30,683,484	30,635,452	-	-	30,683,484	30,635,452
Other	6,663,971	2,104,682	2,578,108	5,273,662	9,242,079	7,378,344
<b>Total revenues</b>	<b>183,376,619</b>	<b>162,704,141</b>	<b>64,549,405</b>	<b>63,873,696</b>	<b>247,926,024</b>	<b>226,577,837</b>
<b>Expenses:</b>						
General government	18,031,642	15,029,407	-	-	18,031,642	15,029,407
Public safety	52,100,335	46,688,134	-	-	52,100,335	46,688,134
Public works	33,116,685	30,592,498	-	-	33,116,685	30,592,498
Culture and recreation	17,997,858	17,173,860	-	-	17,997,858	17,173,860
Community and economic development	18,050,316	17,117,694	-	-	18,050,316	17,117,694
Interest on long-term debt	3,420,439	5,126,752	-	-	3,420,439	5,126,752
Sewer operations	-	-	24,602,990	23,040,916	24,602,990	23,040,916
RiverCenter	-	-	7,903,464	6,572,272	7,903,464	6,572,272
Parking system	-	-	1,767,186	1,755,705	1,767,186	1,755,705
Clean water	-	-	3,672,532	3,516,321	3,672,532	3,516,321
Public housing	-	-	147,575	333,475	147,575	333,475
Golf courses	-	-	2,342,701	1,987,731	2,342,701	1,987,731
Airport	-	-	1,402,402	1,331,056	1,402,402	1,331,056
Public transit	-	-	8,471,338	7,568,960	8,471,338	7,568,960
Solid waste	-	-	6,286,645	6,158,570	6,286,645	6,158,570
Transload	-	-	604,415	1,478,273	604,415	1,478,273
River's Edge	-	-	1,026,467	851,689	1,026,467	851,689
<b>Total expenses</b>	<b>142,717,275</b>	<b>131,728,345</b>	<b>58,227,715</b>	<b>54,594,968</b>	<b>200,944,990</b>	<b>186,323,313</b>
Increase (decrease) in net position	40,659,344	30,975,796	6,321,690	9,278,728	46,981,034	40,254,524
Transfers	(3,053,629)	1,424,064	3,053,629	(1,424,064)	-	-
Increase (decrease) in net position	37,605,715	32,399,860	9,375,319	7,854,664	46,981,034	40,254,524
Net position - beginning	223,693,623	191,293,763	201,594,698	193,740,034	425,288,321	385,033,797
Net position - ending	\$ 261,299,338	\$ 223,693,623	\$ 210,970,017	\$ 201,594,698	\$ 472,269,355	\$ 425,288,321



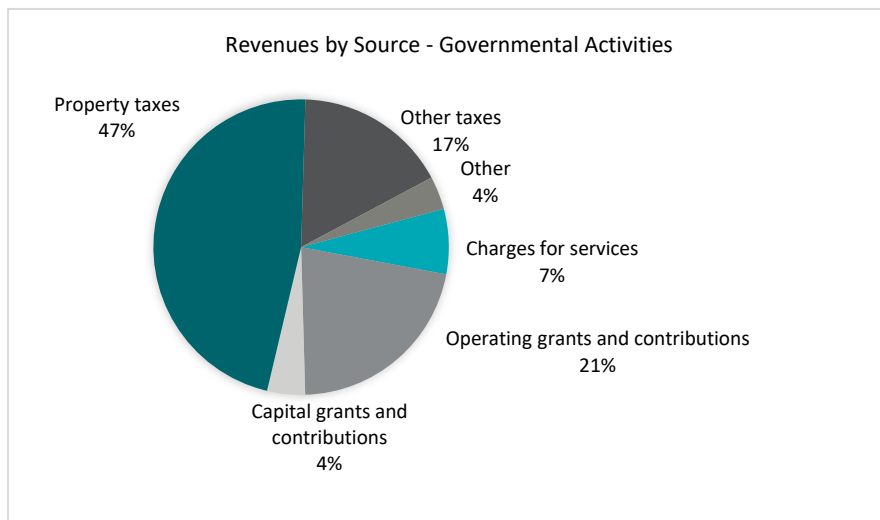
**Governmental activities.** Total governmental activities revenues for the fiscal year were \$183,376,619 compared to \$162,704,141 in 2022. The largest single revenue source for the City was property taxes of \$85,738,633. Property taxes increased by \$2,047,236 from fiscal 2022. This increase is primarily the result of an increase in taxable property values. Other operating grants and contributions for fiscal year 2023 were \$39,601,946 compared to \$30,811,464 for fiscal year 2022. The increase of \$8,790,482 was primarily due to a one-time contribution of \$8,000,025 from Canadian Pacific Railway. Capital grants and contributions for fiscal year 2023 were \$7,617,002 compared to \$2,760,384 for fiscal year 2022. The increase of \$4,856,618 can be largely contributed to grants received for street and road improvements.

Certain revenues generated are specific to governmental program activities. These totaled \$60,290,531. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities. The increase of these revenues of \$14,018,921 is mostly due to an increase in operating grants and contributions in the amount of \$8,790,482 and increase in capital grants and contributions of \$4,856,618 for reasons mentioned above.



The program expenses shown in the table above were \$142,717,275 in fiscal year 2023 as compared to \$131,728,345 in fiscal year 2022. The increase is largely due to the effective pension expense increasing at the government-wide level because of lower returns in the market during the pension assessment year recorded when compared to previous year. Also, fiscal year 2023 had higher capital outlay expenditures.

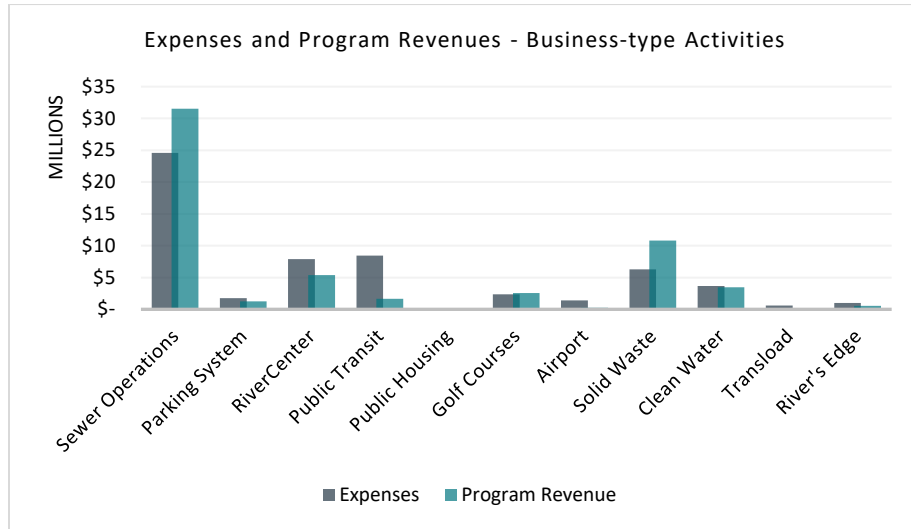
The chart below shows the percentage of the total governmental revenues allocated by each revenue type.



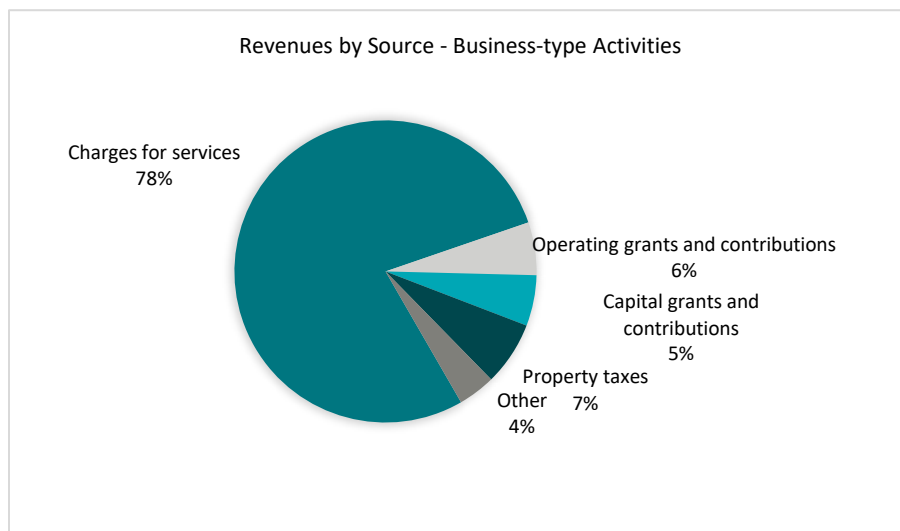
**Business-type activities.** Before transfers, business-type activities increased the City of Davenport's net position by \$6,321,690. This decrease of \$2,957,038 from fiscal year 2022 is due to the sale of the previously city-owned, Heritage High Rise housing facility in fiscal year 2022. The sale of the high-rise generated \$5,929,170 in revenues recorded in fiscal year 2022. Total business-type activities revenue for fiscal year 2023 were \$64,549,405 compared to \$63,873,696 in fiscal year 2022. The moderate increase of \$675,709 can be attributed to increased investment income due to the increasing interest rate environment.

Total business-type activities expenditures for fiscal year 2023 were \$58,227,715 compared to \$54,594,968 in fiscal year 2022. The increase of \$3,632,747 from the prior year is primarily due to increased Sewer Operations, RiverCenter, and Public Transit costs.

The chart below compares the business-type activity expenditures and program revenues.



The chart below shows the breakdown of revenues by source for the business-type activities.



## Financial Analysis of the City's Funds

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

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

In fiscal year 2023, the City of Davenport's governmental funds reported combined ending fund balances of \$141,091,953. Approximately 10.1 percent of this total amount, \$14,275,558, constitutes unassigned fund balance, which is available for spending at the City's discretion. The governmental fund balance increased by \$24,391,933 compared to the prior year. This growth is due to a planned increase which grew the general fund by \$343,099; Local Option Sales Tax fund balance increased by \$3,728,213, and due to increased the Local Option Sales Tax revenues and lowered debt burdens, the fund balance of the debt service fund increased by \$4,854,597.

The American Rescue Plan Act fund had a fund balance of \$1,449,468, and the non-major governmental funds increased by \$731,654 due to an increase in the Road Use Tax fund of \$935,685. The remaining fund balance is non-spendable, consisting of pre-paid and inventory \$1,615,788; restricted by grantors and other legal restrictions, \$107,638,184; committed by the City Council for revolving loans and the riverfront improvement commission, \$2,438,829; and assigned by the Finance Director for future projects, \$15,135,594.

The General Fund is the chief operating fund of the City of Davenport. The General Fund includes funding for many of the City's primary front-line services, including police, fire, parks and recreation, library, community and economic development, neighborhood services, civil rights, human resources, administration, and finance. The General Fund group, as reported, combines a number of individual funds in which each has a specific purpose. These include the General Fund, the City's primary operating fund; the Trust and Agency Fund, which accounts for employee benefits; Hotel/Motel Tax Fund; the Library Special Levy Fund, used to enhance library services; Special Public Safety Fund; and the Disaster Fund. At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$14,345,554, while total fund balance was \$37,228,546. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.8 percent of total General Fund expenditures and 25 percent of General Fund expenditures, excluding the specific purpose funds, while total fund balance represents 43.5 percent of the total expenditures.

The total fund balance of the City of Davenport's General Fund increased by \$343,099 during the current fiscal year, and the unassigned fund balance increased by \$710,120. The State of Iowa allows a maximum levy rate of \$8.10 per thousand dollars of assessed value and an additional \$0.27 in an emergency levy. The City has been at the maximum levy rates since 1984 and 1986, respectively. However, in 2023, the State of Iowa adopted HF 718, introducing significant overhauls to the property tax system that has existed since 2013. The updated legislation consolidates a number of property tax levies into one new general fund levy, the Consolidated General Fund Levy (CGF). Depending upon tax base growth in the communities, this change restricts city and county revenue growth. This change will challenge the City with potential revenue reductions as costs continue to rise. The City continues to evaluate the revenue impact of this levy consolidation.

The General Fund balances discussed above are considered adequate by management. The City's policy on fund balance of the General Fund, excluding the other specific-use funds, is to have unassigned fund balance maintained at 17 to 25 percent of operating requirements, which maximum level represents 90 days of cash flow. Fund balances on June 30 cover the City's cash flow needs before collecting property taxes (in September and March each year) so that cash flow borrowings are unnecessary. Fund balances also provide flexibility (for example, should revenue projections fall short) and can be used in cases of emergency (for example, flooding or storm clean-up).

The General Debt Service Fund has a total fund balance of \$32,139,881, all of which are reserved for the retirement of debt. The State of Iowa allows an unlimited property tax levy for debt service. The net increase in fund balance during the current year in the General Debt Service Fund was \$4,854,597. The City prepares a

rolling six-year capital improvement program. Adequate fund balance and cash levels allow for a stable and predictable levy for taxpayers over the six years of the current program. This approach has also allowed the City to begin engaging in shorter term borrowing for large capital projects, most recently the funding of a new Fire Station 3 without impacting other infrastructure needs across the City.

The Local Option Sales Tax Fund accounts for the proceeds of a local option sales tax and has a fund balance of \$19,138,022. The State of Iowa provides for a one-cent local option sales tax. Davenport voters approved the tax in 1988, and the referendum directed its usage to 60 percent for property tax relief (primarily to replace the debt service levy) and 40 percent for capital improvements. A transfer of up to 60 percent of tax proceeds is made to the General Debt Service Fund or other available levy options, and the remainder is spent on capital expenditures or transferred to the Capital Projects Fund as expenditures occur. The net increase in fund balance during the current year was \$3,728,213 due to an increase in sales tax collected.

The American Rescue Plan Act ("ARPA") accounts for the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act. The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to mitigate COVID-19 impacts in their communities for residents and businesses. The American rescue plan act fund has a fund balance of \$1,449,468. During fiscal year 2022, the City Council adopted a spending plan to allocate these dollars to various strategic community impact projects; all approved projects are underway.

The Capital Projects Fund has a balance of \$32,701,175 due to unspent bond proceeds. The net increase in fund balance in the Capital Projects Fund during the current year was \$13,428,803.

**Proprietary funds.** The City of Davenport's proprietary funds provide the same information found in the government-wide financial statements but in more detail.

### **Legal Compliance Budgetary Highlights**

As explained in the Letter of Transmittal, budgetary legal compliance is demonstrated in one schedule summarizing all funds in the Required Supplementary Information section of this report on pages 92 through 94.

Differences between the original budget and the final amended budget can be summarized as follows:

- The original revenue budget of \$233,728,546 was increased to \$303,502,742, an increase of \$69,774,196. In the intergovernmental category, federal, state, and local grants were carried forward in the budget amendment to reflect on-going construction in progress of capital projects in the amount of \$29,910,092. There were special revenue grant rollovers and new grants amounting to \$40,398,959, including the American Rescue Plan Act funding.
- The total original expenditure budget of \$261,528,837 was increased to \$363,592,829, an increase of \$102,063,992. In the community and economic development category, \$2,250,300 was carried forward for on-going grants and budgeted for new grants. Utilizing the American Rescue Plan Act funding, \$21,436,177 and \$12,190,187 was budgeted for public works and culture and recreation projects, respectively. In the capital outlay category, \$43,865,093 was carried forward in the budget amendment to reflect on-going construction of capital projects that are in progress.

Differences between the final amended budget and actual results of operations can be summarized as follows:

- In the intergovernmental revenue category, federal, state, and local grants in the amount of \$55,354,052 were not accrued or received due to construction projects not completed and special revenue grants not yet spent. The American Rescue Plan Act fund has an unspent balance of \$35,143,429.
- In the charges for services category, there was \$2,397,090 of additional revenues in the sewer fund and \$1,794,639 additional revenues in the RiverCenter fund.
- In the capital outlay category, \$50,044,118 of expenditures were budgeted and not spent, due to construction projects not completed. In the business type category, \$8,266,158 of the difference is due

to bond principal payments being budgeted as an expense, but reported as adjustments to the liability.

### **General Fund Budgetary Highlights**

As discussed above and in the Letter of Transmittal, the General Fund budget and actual revenues, expenditures, and changes in fund balance have been incorporated into the statement of all funds on pages 92 and 93 of this report. Highlights for the General Fund follow.

Differences between the original budget and the final amended budget for the General Fund can be summarized as follows:

- The total original revenue budget of \$85,821,621 was increased to \$87,496,022, an increase of \$1,674,401. In the intergovernmental revenue category, federal grants in the amount of \$818,600, and state grants in the amount of \$67,967, subsequent to original budget adoption are included as both revenues and expenditures. In the fines and forfeits category a \$600,000 increase was adopted for both revenues and expenditures.
- The total original expenditure budget of \$84,668,962 was increased to \$91,548,102, an increase of \$6,879,140. Culture and recreation expenditures were amended to include grants and contributions carried forward of \$814,295 and new grants received of \$541,129 as noted under the revenue discussion.

Differences between the final amended budget and actual results of operations of the General Fund can be summarized as follows:

- The net change in the General Fund balance in fiscal year 2023 was \$343,099, a positive variance from the budgeted change (\$3,708,981) of \$4,052,080.
- Revenue items that came in under budget included parks programs and rentals and the hotel motel tax.
- All expenditure categories came in under budget.
- A special library property tax levy (\$0.27/\$1,000 assessed value) was approved by voters in 2003 to support operations of two new branch libraries. Unexpended taxes of \$1,626,318 were a part of the positive variance and a reservation of General Fund balance at June 30, 2023.

### **Capital Assets and Debt Administration**

**Capital assets.** The City of Davenport's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$584,243,785 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and vehicles, sanitary sewers, bridges, traffic signals, storm sewers, and streets and roads. The City of Davenport's investment in capital assets rose slightly. At June 30, 2023, and June 30, 2022 the depreciable capital assets of the City were 50% and 49%. This indicates that the City is replacing its assets as they are depreciating.

Major capital asset activities completed by the City of Davenport during fiscal year 2023 include the following:

#### Governmental activities

- Street and road work completed by the City | \$12,130,969
- Amazon Road project | \$3,831,727
- Fire Truck | \$1,326,751
- Veteran's Memorial Park phase 2 | \$995,016
- Public Works roof replacement | \$630,370

#### Business-type activities

- Sanitary sewers built by City of Davenport | \$4,612,400
- Storm sewers built by City of Davenport | \$1,116,481
- Ultra Violet Disinfection at WPCP | \$7,775,117
- Solid Waste vehicles | \$623,325
- Three buses | \$1,439,835

Additional information on the City of Davenport's capital assets can be found in Note VI in the notes to the financial statements.

### City of Davenport's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 19,797,865	\$ 19,772,158	\$ 11,265,551	\$ 11,482,373	\$ 31,063,416	\$ 31,254,531
Buildings	135,582,103	133,061,831	122,852,742	125,448,753	258,434,845	258,510,584
Improvements other than buildings	39,429,335	37,891,312	36,729,570	36,107,903	76,158,905	73,999,215
Sanitary sewers	-	-	184,654,721	179,734,608	184,654,721	179,734,608
Equipment and vehicles	55,436,073	53,966,775	66,871,400	57,302,043	122,307,473	111,268,818
Bridges	15,473,707	15,473,707	-	-	15,473,707	15,473,707
Traffic signals	10,363,003	10,346,153	-	-	10,363,003	10,346,153
Storm sewers	-	-	31,536,303	30,707,943	31,536,303	30,707,943
Paving	349,034,209	332,109,690	1,896,631	1,968,836	350,930,840	334,078,526
Seawalls	2,685,289	2,685,289	-	-	2,685,289	2,685,289
Tunnels	54,326	54,326	-	-	54,326	54,326
Financing arrangements	1,039,315	-	56,388	-	1,095,703	-
Right-of-use equipment	-	-	385,956	335,238	385,956	335,238
Const. in progress	18,608,506	7,061,345	5,699,018	11,089,585	24,307,524	18,150,930
Accumulated depreciation	(303,248,955)	(285,200,971)	(221,959,271)	(211,636,535)	(525,208,226)	(496,837,506)
<b>Total</b>	<b>\$ 344,254,776</b>	<b>\$ 327,221,615</b>	<b>\$ 239,989,009</b>	<b>\$ 242,540,747</b>	<b>\$ 584,243,785</b>	<b>\$ 569,762,362</b>

**Long-term debt.** At the end of fiscal year 2023, the City of Davenport had total bonded debt outstanding of \$208,670,000. Of this amount, \$135,430,000 comprises of debt serviced from the general debt service fund from property taxes and 60 percent of the local option sales tax proceeds. The remainder of the City of Davenport's debt represents bonds serviced by specified revenue sources, including the tax increment financing districts debt service fund, the sewer operations enterprise fund, rivercenter enterprise fund, solid waste enterprise fund, clean water enterprise fund, and the airport enterprise fund. The City has issued general obligation bonds backed by its full faith and credit, including the unlimited debt service property tax levy, which are planned to be retired from the above revenue sources rather than revenue bonds because legal debt capacity exists (see below) and the resulting lower interest costs benefit to its citizens and service users. Detailed information on bonded debt abatement by fund is contained in a summary beginning on page 79 of this report.

### City of Davenport's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 154,485,000	\$ 148,685,000	\$54,185,000	\$53,555,000	\$ 208,670,000	\$ 202,240,000

The City of Davenport's total debt increased by \$6,430,000 during the current fiscal year. New debt issuance of \$31,880,000 during the year was more than the debt retired of \$25,450,000. The issuance was to finance the City's capital improvement program including streets, buildings, and sanitary sewers (abated by user fees), solid waste (abated by user fees), and tax increment financing projects (abated by tax increment financing revenue).

The City's debt repayment schedule is aggressive and rapid, with 88.2 percent of outstanding bonded debt scheduled for repayment in 10 years and 100 percent in 15 years. State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The City of Davenport's outstanding general obligation debt is \$208,670,000, and other debt subject to the debt limitation of \$4,235,000, which is significantly less than the City's current debt limitation of \$409,777,672.

The City of Davenport's bond rating was increased to a Aa2 rating by Moody's Investors Service, and the City maintained an AA rating from Standard & Poor's for general obligation debt. Additional information on the City of Davenport's long-term debt can be found in Note X in the notes to the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

The City maintains a strong and stable financial condition, and budgetary monitoring and forecasting is ongoing. If financial pressures occur, the City has flexibility to deploy numerous budgetary strategies to ensure an overall balanced budget. Some of these revenue strategies could include the continued evaluation of the existing levy rates for employee benefits (Trust and Agency) and property and liability insurance and claims (Tort) and consideration of a natural gas franchise utility fee to further diversify revenue. The City has a strong record of implementing expenditure reductions when necessary and routinely introducing efficiencies to balance the General Fund budget.

The City's General Fund receives approximately 81% of its revenue from property taxes. As mentioned earlier in this report, the State of Iowa allows a maximum levy rate of \$8.10 per thousand dollars of assessed value and an additional \$0.27 in an emergency levy. The City has been at the maximum levy rates since 1984 and 1986, respectively. However, in 2023, the State of Iowa adopted HF 718, introducing significant overhauls to the property tax system that has existed since 2013. The updated legislation consolidates a number of property tax levies into one new general fund levy, the Consolidated General Fund Levy (CGF). Depending upon tax base growth in the communities, this change restricts city and county revenue growth. This change will challenge the City with potential revenue reductions as costs continue to rise. The City continues to evaluate the revenue impact of this levy consolidation.

Growth limitations are imposed on the City's property tax base by the state, including the residential property rollback. Despite other revenue challenges imposed by the State, including the 1995 phase-out of machinery and equipment property taxes and the exemption of gas and electric utilities, the City's taxable property tax base has grown moderately, an average of 2.94% annually over the last ten fiscal years. For fiscal year 2023, taxable assessed valuations increased by 3.15% from fiscal year 2022.

In 2013, the Iowa Legislature passed Senate File 295, which included a number of components that continue to challenge the ability of Iowa municipalities to present balanced budgets. The largest components include a 10% rollback for all commercial properties and the creation of a new multi-residential property class with a rollback that will be equivalent to the residential rollback. Through fiscal year 2022, the State legislature fully-funded revenues lost due to the 10% commercial rollback for Iowa municipalities. However, the City has worked over the last several years to eliminate its reliance on these funds for budget stabilization; rather, these funds are typically utilized for one-time expenditures that do not create ongoing operational costs. However, during a recent legislative session, the state legislature passed legislation to begin phasing out these funds. HF 2552 restructures the calculation for property tax and associated claims for all commercial, industrial, and railroad properties using a two-tiered assessment limitation.

As a service-based entity, personnel costs represent one of the single largest categories of costs for the City. Employee benefits include funding for health claims, which have increased an average of 4.73% per year over the last ten years. State-mandated contributions to the state-wide fire and police pension system decreased slightly from the fiscal year 2015 highs, but remain high for historical comparison. Compared to the fiscal year 2013 contribution rate, the fiscal year 2022 rate was \$500,000 higher. In order to fully fund projected increases in the MFPRSI system, the City Council approved a \$0.96 increase in the trust & agency property tax levy in fiscal year 2013. The levy increase also funds increases in the City's self-funded health insurance costs.

Increases in general wages for fiscal year 2023 were; Fire 3.0%, Police did not receive an increase due to receiving two increases in fiscal year 2022, and others received 2%. For fiscal year 2024, Fire and Police will both receive 3.5% increases with Police receiving increases on July 1, 2023 and January 1, 2024, and all others will receive 2.0%. For fiscal year 2025, all employees excluding police and fire will receive 2.0%. Fire will receive a 3.5% wage increase and Police will not receive an increase due to the two increases in the previous fiscal year (FY 2024). To better manage costs, investments in technology continue to be supported, cross-functional support is preferred, methods to reduce health care claims are ongoing, and intergovernmental partnerships are pursued where practicable. Revenue sources continue to be diversified (resulting in the reallocation of personnel costs to other funds) with incremental increases in the sewer fee, clean water fee, solid waste fee, and building permit fees to provide for the services related to each of these functions.

Overall, the City's budget continues to account for the priorities outlined by citizens in the most recent community survey and the policy goals set forth by the City Council.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Davenport's finances to all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Mallory Merritt, CFO/Assistant City Administrator, City of Davenport, 226 West Fourth Street, Davenport, IA 52801.

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CITY OF DAVENPORT

STATEMENT OF NET POSITION  
June 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Current assets:</b>			
Unrestricted current assets:			
Cash and investments	\$ 169,016,276	\$ 39,705,797	\$ 208,722,073
Delinquent property taxes receivable	997,555	51,894	1,049,449
Succeeding year property taxes receivable	86,238,600	4,432,713	90,671,313
Other taxes receivable	3,215,032	-	3,215,032
Accounts receivable, net	2,170,451	13,026,299	15,196,750
Special assessments	1,092,066	-	1,092,066
Loans receivable - net	1,448,967	-	1,448,967
Accrued interest receivable, net	1,738,488	420,880	2,159,368
Leases receivable	2,263,289	290,548	2,553,837
Internal balances	(1,837,126)	1,837,126	-
Due from other governments	8,039,374	439,888	8,479,262
Inventory	1,400,807	301,061	1,701,868
Prepaid items	819,132	51,790	870,922
Total unrestricted current assets	276,602,911	60,557,996	337,160,907
<b>Noncurrent assets:</b>			
Loans receivable - net	13,040,703	-	13,040,703
Restricted cash and cash equivalents	29,528,263	18,822,401	48,350,664
<b>Capital assets:</b>			
Land	19,797,865	11,265,551	31,063,416
Buildings	135,582,103	122,852,742	258,434,845
Improvements other than buildings	39,429,335	36,729,570	76,158,905
Sanitary sewers	-	184,654,721	184,654,721
Equipment and vehicles	55,436,073	66,871,400	122,307,473
Bridges	15,473,707	-	15,473,707
Traffic signals	10,363,003	-	10,363,003
Storm sewers	-	31,536,303	31,536,303
Streets and roads	349,034,209	1,896,631	350,930,840
Seawalls	2,685,289	-	2,685,289
Tunnels	54,326	-	54,326
Financing arrangements	1,039,315	56,388	1,095,703
Right of use assets - equipment	-	385,956	385,956
Construction in progress	18,608,506	5,699,018	24,307,524
Accumulated depreciation/amortization	(303,248,955)	(221,959,271)	(525,208,226)
Total capital assets	344,254,776	239,989,009	584,243,785
Total noncurrent assets	386,823,742	258,811,410	645,635,152
<b>Total assets</b>	\$ 663,426,653	\$ 319,369,406	\$ 982,796,059
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	11,408,141	1,355,276	12,763,417
OPEB related deferred outflows	2,234,765	468,054	2,702,819
<b>Total deferred outflows of resources</b>	13,642,906	1,823,330	15,466,236

(continued)

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>LIABILITIES</b>			
Current liabilities:			
Accrued wages payable	\$ 1,194,721	\$ 293,360	\$ 1,488,081
Accounts payable	13,665,553	1,163,520	14,829,073
Contracts payable	1,243,170	-	1,243,170
Accrued interest payable	483,423	218,847	702,270
Accrued compensated absences	4,456,297	774,887	5,231,184
Claims and judgments	11,312,867	-	11,312,867
Due to other governments	7,606	-	7,606
Unearned revenue - other	43,275,516	901,565	44,177,081
General obligation bonds payable	25,895,000	7,020,000	32,915,000
Lease and other financing arrangements	173,040	121,677	294,717
Note payable	-	1,230,838	1,230,838
<b>Total</b>	<b>101,707,193</b>	<b>11,724,694</b>	<b>113,431,887</b>
Current liabilities payable from restricted assets:			
Accounts payable	34,098	-	34,098
Deposits payable	-	1,094,859	1,094,859
Loan payable	31,079	709,000	740,079
<b>Total current liabilities payable from restricted assets</b>	<b>65,177</b>	<b>1,803,859</b>	<b>1,869,036</b>
<b>Total current liabilities</b>	<b>101,772,370</b>	<b>13,528,553</b>	<b>115,300,923</b>
Noncurrent liabilities:			
Accrued compensated absences	35,937	6,248	42,185
Claims and judgments	3,853,488	-	3,853,488
Other postemployment benefits liability	20,412,229	4,304,308	24,716,537
Net pension liability	51,565,426	5,072,874	56,638,300
Lease and other financing arrangements	367,520	122,572	490,092
Loan payable	62,159	29,224,471	29,286,630
General obligation bonds payable, net	136,669,168	50,584,844	187,254,012
Special assessment with government commitment	1,092,066	-	1,092,066
<b>Total noncurrent liabilities</b>	<b>214,057,993</b>	<b>89,315,317</b>	<b>303,373,310</b>
<b>Total liabilities</b>	<b>315,830,363</b>	<b>102,843,870</b>	<b>418,674,233</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease and other financing arrangements	2,094,608	242,441	2,337,049
Succeeding year property tax	86,238,600	4,432,713	90,671,313
Deferred amount on refunding	1,875,207	744,471	2,619,678
Pension related deferred inflows	4,913,488	948,155	5,861,643
OPEB related deferred inflows	4,817,955	1,011,069	5,829,024
<b>Total deferred inflows of resources</b>	<b>99,939,858</b>	<b>7,378,849</b>	<b>107,318,707</b>
<b>NET POSITION</b>			
Net investment in capital assets	210,480,531	161,926,035	372,406,566
Restricted:			
Local option sales tax	19,107,036	-	19,107,036
Library	1,610,382	-	1,610,382
Police seizure	410,736	-	410,736
Debt retirement	35,059,796	-	35,059,796
Road use tax	5,207,490	-	5,207,490
Community development act	50,981	-	50,981
Section 8	267,622	-	267,622
Municipal improvement districts	1,391,198	-	1,391,198
Youth Sports	56,249	-	56,249
Home investment partnership projects	1,261,651	-	1,261,651
Other grants	228,642	-	228,642
Metro Coalition	60,438	-	60,438
Equipment replacement	-	5,167,986	5,167,986
Unrestricted (deficit)	(13,893,414)	43,875,996	29,982,582
<b>Total net position</b>	<b>\$ 261,299,338</b>	<b>\$ 210,970,017</b>	<b>\$ 472,269,355</b>

**CITY OF DAVENPORT**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Public safety	\$ 52,100,335	\$ 3,125,281	\$ 610,606	\$ 29,403
Public works	33,116,685	4,668,058	16,676,932	7,587,599
Culture and recreation	17,997,858	1,233,268	8,480,614	-
Community and economic development	18,050,316	1,612,827	8,670,841	-
General government	18,031,642	2,432,149	5,162,953	-
Interest on long-term debt	3,420,439	-	-	-
Total governmental activities	<u>142,717,275</u>	<u>13,071,583</u>	<u>39,601,946</u>	<u>7,617,002</u>
Business-type activities:				
Sewer operations	24,602,990	29,852,855	-	1,701,163
RiverCenter	7,903,464	5,386,079	-	212,145
Parking system	1,767,186	1,017,298	-	-
Clean water	3,672,532	3,457,814	-	1,216,868
Public housing	147,575	10,706	92,355	-
Golf courses	2,342,701	2,315,030	-	228,329
Airport	1,402,402	212,759	28,920	21,930
Public transit	8,471,338	425,651	3,532,160	37,000
Solid waste	6,286,645	7,249,083	-	-
Transload	604,415	-	-	-
River's Edge	1,026,467	467,147	-	91,259
Total business-type activities	<u>58,227,715</u>	<u>50,394,422</u>	<u>3,653,435</u>	<u>3,508,694</u>
Total government	<u>\$ 200,944,990</u>	<u>\$ 63,466,005</u>	<u>\$ 43,255,381</u>	<u>\$ 11,125,696</u>

General Revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for public transit
- Local option sales tax
- Hotel/motel tax
- Franchise taxes
- Investment earnings
- Gain on sale of capital assets
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

(continued)

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (48,335,045)	\$ -	\$ (48,335,045)
(4,184,096)	-	(4,184,096)
(8,283,976)	-	(8,283,976)
(7,766,648)	-	(7,766,648)
(10,436,540)	-	(10,436,540)
(3,420,439)	-	(3,420,439)
<u>(82,426,744)</u>	<u>-</u>	<u>(82,426,744)</u>
-	6,951,028	6,951,028
-	(2,305,240)	(2,305,240)
-	(749,888)	(749,888)
-	1,002,150	1,002,150
-	(44,514)	(44,514)
-	200,658	200,658
-	(1,138,793)	(1,138,793)
-	(4,476,527)	(4,476,527)
-	962,438	962,438
-	(604,415)	(604,415)
-	(468,061)	(468,061)
-	(671,164)	(671,164)
<u>(82,426,744)</u>	<u>(671,164)</u>	<u>(83,097,908)</u>
68,478,426	-	68,478,426
17,260,207	-	17,260,207
-	4,414,746	4,414,746
23,392,548	-	23,392,548
3,384,918	-	3,384,918
3,906,018	-	3,906,018
6,506,410	2,013,388	8,519,798
157,561	277,904	435,465
-	286,816	286,816
(3,053,629)	3,053,629	-
<u>120,032,459</u>	<u>10,046,483</u>	<u>130,078,942</u>
37,605,715	9,375,319	46,981,034
<u>223,693,623</u>	<u>201,594,698</u>	<u>425,288,321</u>
\$ <u>261,299,338</u>	\$ <u>210,970,017</u>	\$ <u>472,269,355</u>

CITY OF DAVENPORT

GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023

ASSETS	GENERAL FUND	LOCAL OPTION SALES TAX FUND	GENERAL DEBT SERVICE FUND
Cash and investments	\$ 34,010,943	\$ 18,730,223	\$ 26,420,940
Receivables:			
Property taxes:			
Delinquent	788,778	-	121,111
Succeeding year	67,381,997	-	10,439,451
Other taxes	1,153,001	1,692,898	-
Accounts	1,179,411	11,646	-
Special assessments	-	85,632	1,006,434
Loans, net	-	-	4,140,000
Interest	555,019	-	473,668
Leases	1,824,867	-	-
Interfund receivable	370,375	-	1,015,739
Due from other governments	2,450,464	-	-
Inventory	1,400,807	-	-
Prepays	96,668	30,986	-
Restricted assets-cash and investments	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 111,212,330</b>	<b>\$ 20,551,385</b>	<b>\$ 43,617,343</b>
<b>LIABILITIES</b>			
Wages payable	\$ 966,193	\$ 29,247	\$ -
Accounts payable	2,639,374	78,507	-
Contracts payable	-	-	-
Payable from restricted assets	-	-	-
Interfund payable	24,535	1,216,545	-
Due to other governments	-	-	-
Unearned revenue	66,857	-	-
Matured bonds payable	-	-	20,000
Matured interest payable	-	-	3,381
<b>TOTAL LIABILITIES</b>	<b>3,696,959</b>	<b>1,324,299</b>	<b>23,381</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	1,716,890	-	-
Unavailable revenue - succeeding year property tax	67,381,997	-	10,439,451
Unavailable revenue - intergovernmental, special assessments and loans	1,187,938	89,064	1,014,630
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>70,286,825</b>	<b>89,064</b>	<b>11,454,081</b>
<b>FUND BALANCES</b>			
Nonspendable	1,497,475	30,986	-
Restricted	7,642,084	19,107,036	32,139,881
Committed	-	-	-
Assigned	13,743,433	-	-
Unassigned	14,345,554	-	-
<b>TOTAL FUND BALANCES</b>	<b>37,228,546</b>	<b>19,138,022</b>	<b>32,139,881</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 111,212,330</b>	<b>\$ 20,551,385</b>	<b>\$ 43,617,343</b>

The notes to the financial statements are an integral part of this statement

(continued)

CAPITAL PROJECTS FUND	AMERICAN RESCUE PLAN ACT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 9,492,304	\$ 37,172,772	\$ 17,192,637	\$ 143,019,819
-	-	87,666	997,555
-	-	8,417,152	86,238,600
-	-	369,133	3,215,032
837,324	-	100,749	2,129,130
-	-	-	1,092,066
-	-	10,349,670	14,489,670
-	341,861	122,759	1,493,307
-	-	438,422	2,263,289
368,774	-	-	1,754,888
4,086,754	-	1,502,156	8,039,374
-	-	-	1,400,807
16,220	69,307	1,800	214,981
29,494,165	-	34,098	29,528,263
<u>\$ 44,295,541</u>	<u>\$ 37,583,940</u>	<u>\$ 38,616,242</u>	<u>\$ 295,876,781</u>
\$ -	\$ 7,135	\$ 142,785	\$ 1,145,360
8,767,899	983,908	535,447	13,005,135
1,181,148	-	62,022	1,243,170
-	-	34,098	34,098
-	-	60,696	1,301,776
-	-	7,606	7,606
52,307	35,143,429	8,012,923	43,275,516
-	-	-	20,000
-	-	-	3,381
<u>10,001,354</u>	<u>36,134,472</u>	<u>8,855,577</u>	<u>60,036,042</u>
-	-	377,718	2,094,608
-	-	8,417,152	86,238,600
<u>1,593,012</u>	<u>-</u>	<u>2,530,934</u>	<u>6,415,578</u>
<u>1,593,012</u>	<u>-</u>	<u>11,325,804</u>	<u>94,748,786</u>
16,220	69,307	1,800	1,615,788
32,684,955	-	16,064,228	107,638,184
-	-	2,438,829	2,438,829
-	1,380,161	-	15,123,594
-	-	(69,996)	14,275,558
<u>32,701,175</u>	<u>1,449,468</u>	<u>18,434,861</u>	<u>141,091,953</u>
<u>\$ 44,295,541</u>	<u>\$ 37,583,940</u>	<u>\$ 38,616,242</u>	<u>\$ 295,876,781</u>

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**CITY OF DAVENPORT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

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Total governmental fund balances	\$ 141,091,953
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 in the funds.	341,101,246
Assets not available to pay for current-period expenditures are reported as a deferred inflow of resources in governmental funds.	6,415,578
Internal service funds are used by management to charge the costs of certain services to individual funds. The asset, deferred inflows/outflows of resources and liabilities of the internal service funds are included in governmental activities in the statement of net position.	11,841,294
Internal service funds activities allocated to business-type activities	(1,980,559)
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, as follows:	
Deferred outflows of resources	11,204,201
Deferred inflows of resources	(4,770,813)
	<u>6,433,388</u>
Other post employment benefits related deferred outflows 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	2,149,544
Deferred inflows of resources	(4,628,257)
	<u>(2,478,713)</u>
Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued employee benefits	(4,335,837)
Accrued interest payable	(471,104)
General Obligation bonds payable, special assessments, and loan payable, net	(163,902,326)
Deferred amounts on refunding	(1,875,207)
Other post employment benefits liability	(19,738,305)
Pension liability	(50,802,070)
	<u>(241,124,849)</u>
Net position of governmental activities	<u><u>\$ 261,299,338</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF DAVENPORT****GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****For the Fiscal Year Ended June 30, 2023**

	GENERAL FUND	LOCAL OPTION SALES TAX FUND	GENERAL DEBT SERVICE FUND
REVENUES:			
Taxes	\$ 73,484,058	\$ 23,392,548	\$ 10,379,459
Special assessments	-	-	2,491
Licenses and permits	2,449,905	-	-
Intergovernmental	6,647,604	-	538,938
Charges for services	4,498,792	57,518	-
Use of monies and property	2,787,995	15,495	1,509,149
Fines and forfeits	1,844,143	-	-
Loan repayments	-	-	-
Other	978,389	1,055	136,000
Total Revenues	<u>92,690,886</u>	<u>23,466,616</u>	<u>12,566,037</u>
EXPENDITURES:			
Current:			
Public safety	50,802,350	384,189	-
Public works	4,947,813	2,226,163	-
Culture and recreation	13,609,344	128,342	-
Community and economic development	1,126,245	215,363	-
General government	14,786,983	60,383	3,000
Capital outlay	184,573	25,722	-
Debt service:			
Principal retirement	46,156	6,500	16,995,000
Interest	148	-	4,656,728
Bond issuance costs	-	-	-
Total Expenditures	<u>85,503,612</u>	<u>3,046,662</u>	<u>21,654,728</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,187,274</u>	<u>20,419,954</u>	<u>(9,088,691)</u>
OTHER FINANCING SOURCES (USES):			
Bond issuance	-	-	-
Premium on debt issued	-	-	-
Sale of capital assets	7,010	56,706	-
Transfers in	327,500	-	14,035,529
Transfers out	(7,363,258)	(16,774,169)	(92,241)
Leases, SBITA's & other financing arrangements	184,573	25,722	-
Total net Other Financing Sources (Uses)	<u>(6,844,175)</u>	<u>(16,691,741)</u>	<u>13,943,288</u>
NET CHANGE IN FUND BALANCES	343,099	3,728,213	4,854,597
FUND BALANCES -BEGINNING	<u>36,885,447</u>	<u>15,409,809</u>	<u>27,285,284</u>
FUND BALANCES - ENDING	<u>\$ 37,228,546</u>	<u>\$ 19,138,022</u>	<u>\$ 32,139,881</u>

(continued)

The notes to the financial statements are an integral part of this statement.

CAPITAL PROJECTS FUND	AMERICAN RESCUE PLAN ACT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 8,607,913	\$ 115,863,978
-	-	-	2,491
-	-	176,357	2,626,262
7,617,003	4,443,335	22,554,605	41,801,485
-	-	107,301	4,663,611
-	1,305,567	888,046	6,506,252
-	-	-	1,844,143
-	-	846,332	846,332
8,957,917	-	82,971	10,156,332
<u>16,574,920</u>	<u>5,748,902</u>	<u>33,263,525</u>	<u>184,310,886</u>
-	264,015	241,728	51,692,282
-	1,323,528	11,846,337	20,343,841
-	1,255,979	156,305	15,149,970
-	1,396,816	15,310,349	18,048,773
-	202,997	569,750	15,623,113
40,113,917	-	-	40,324,212
13,951	-	2,141,079	19,202,686
49	-	664,375	5,321,300
125,645	-	-	125,645
<u>40,253,562</u>	<u>4,443,335</u>	<u>30,929,923</u>	<u>185,831,822</u>
<u>(23,678,642)</u>	<u>1,305,567</u>	<u>2,333,602</u>	<u>(1,520,936)</u>
24,905,000	-	-	24,905,000
2,166,033	-	-	2,166,033
-	-	93,845	157,561
10,008,501	-	786,930	25,158,460
-	-	(2,482,723)	(26,712,391)
27,911	-	-	238,206
<u>37,107,445</u>	<u>-</u>	<u>(1,601,948)</u>	<u>25,912,869</u>
13,428,803	1,305,567	731,654	24,391,933
<u>19,272,372</u>	<u>143,901</u>	<u>17,703,207</u>	<u>116,700,020</u>
<u>\$ 32,701,175</u>	<u>\$ 1,449,468</u>	<u>\$ 18,434,861</u>	<u>\$ 141,091,953</u>

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**CITY OF DAVENPORT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2023**

---

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

Net change in fund balances: total governmental funds \$ 24,391,933

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlay exceeded depreciation in the current period.

Capital Expenditures	34,539,701
Depreciation	<u>(20,002,144)</u>
	<u>14,537,557</u>

The following is the detail of various miscellaneous transactions involving capital assets which effect the increase/decrease in assets in the current period.

Donations	438,380
Transfer of capital assets from Enterprise Fund	1,562,663
Proceeds from sale of capital assets	(157,561)
Loss on sale of capital asset	<u>(22,595)</u>
	<u>1,820,887</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,577,620)

The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds interest expenditures are reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.

General obligation bonds issued, premiums and other deferred costs on bonds	
Additions and amortization	(24,595,154)
SBITA Payable	19,121
Repayment of bond principal	19,136,080
Interest on long-term debt	<u>(8,738)</u>
	<u>(5,448,691)</u>

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 governmental funds.

Compensated absences	(72,005)
Other postemployment benefits	(989,322)
Pension (expense)	<u>4,990,645</u>
	3,929,318

Internal services funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with governmental activities. (47,669)

Change in net position of governmental activities \$ 37,605,715

The notes to the financial statements are an integral part of this statement

**CITY OF DAVENPORT**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2023**

ASSETS	BUSINESS-TYPE ACTIVITIES		ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
Current assets:					
Cash and cash equivalents	\$ 21,983,950	\$ 1,198,185	\$ 16,523,662	\$ 39,705,797	\$ 25,996,457
Receivables:					
Property taxes:					
Delinquent	-	-	51,894	51,894	-
Succeeding year	-	-	4,432,713	4,432,713	-
Accounts	8,531,412	148,992	4,345,895	13,026,299	41,321
Interest	275,784	38	145,058	420,880	245,181
Leases	-	16,037	274,511	290,548	-
Due from other governments	439,888	-	-	439,888	-
Inventory	-	32,934	268,127	301,061	-
Prepays	9,224	34,532	8,034	51,790	604,151
Total current assets	<u>31,240,258</u>	<u>1,430,718</u>	<u>26,049,894</u>	<u>58,720,870</u>	<u>26,887,110</u>
Noncurrent assets:					
Restricted cash and cash equivalents	17,155,992	92,652	1,573,757	18,822,401	-
Capital assets:					
Land	849,435	2,625,230	7,790,886	11,265,551	-
Buildings	36,807,100	35,480,241	50,565,401	122,852,742	-
Improvements other than buildings	480,998	88,550	36,160,022	36,729,570	3,433,863
Sanitary sewers	184,654,721	-	-	184,654,721	-
Paving	263,373	84,121	1,549,137	1,896,631	-
Equipment and vehicles	44,046,033	1,401,095	21,424,272	66,871,400	5,009,394
Storm sewers	-	-	31,536,303	31,536,303	-
Subscription-Based IT Arrangements	-	-	56,388	56,388	801,110
Right of use assets - equipment	-	-	385,956	385,956	-
Less accumulated depreciation/amortization	(128,169,927)	(20,326,305)	(73,463,039)	(221,959,271)	(6,090,837)
Construction in progress	4,001,150	196,725	1,501,143	5,699,018	-
Total noncurrent assets	<u>160,088,875</u>	<u>19,642,309</u>	<u>79,080,226</u>	<u>258,811,410</u>	<u>3,153,530</u>
Total assets	<u>191,329,133</u>	<u>21,073,027</u>	<u>105,130,120</u>	<u>317,532,280</u>	<u>30,040,640</u>
<b>DEFERED OUTFLOWS OF RESOURCES</b>					
Pension related deferred outflows	531,105	-	824,171	1,355,276	203,940
OPEB related deferred outflows	199,716	-	268,338	468,054	85,221
Total deferred outflows of resources	<u>730,821</u>	<u>-</u>	<u>1,092,509</u>	<u>1,823,330</u>	<u>289,161</u>

**CITY OF DAVENPORT**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2023**

LIABILITIES	BUSINESS-TYPE ACTIVITIES		ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>Current liabilities:</b>					
Wages payable	103,884	-	189,476	293,360	49,361
Accounts payable	374,596	215,055	573,869	1,163,520	660,418
Accrued interest payable	204,588	1,838	12,421	218,847	7,683
Compensated absences	328,997	-	445,890	774,887	155,147
Claims and judgments	-	-	-	-	11,312,867
Interfund payable	-	-	143,433	143,433	309,679
Lease and other financing arrangements due within one year	-	-	121,677	121,677	95,175
Unearned revenue	-	864,553	37,012	901,565	-
Note payable - current	1,036,000	-	194,838	1,230,838	-
General obligation bonds - current	5,965,000	80,000	975,000	7,020,000	-
<b>Total</b>	<b>8,013,065</b>	<b>1,161,446</b>	<b>2,693,616</b>	<b>11,868,127</b>	<b>12,590,330</b>
<b>Current liabilities payable from restricted assets:</b>					
Deposits payable	1,000,707	92,652	1,500	1,094,859	-
Note payable - current	709,000	-	-	709,000	-
<b>Total current liabilities payable from restricted assets</b>	<b>1,709,707</b>	<b>92,652</b>	<b>1,500</b>	<b>1,803,859</b>	<b>-</b>
<b>Total current liabilities</b>	<b>9,722,772</b>	<b>1,254,098</b>	<b>2,695,116</b>	<b>13,671,986</b>	<b>12,590,330</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	2,653	-	3,595	6,248	1,250
Claims and judgments	-	-	-	-	3,853,488
Other postemployment benefits liability	1,868,809	4,289	2,431,210	4,304,308	673,924
Net pension liability	1,987,955	-	3,084,919	5,072,874	763,356
Lease and other financing arrangements due within more than one year	-	-	122,572	122,572	273,786
Note payable - long term	28,818,923	-	405,548	29,224,471	-
General obligation bonds -long term, net	47,826,472	657,975	2,100,397	50,584,844	-
<b>Total noncurrent liabilities</b>	<b>80,504,812</b>	<b>662,264</b>	<b>8,148,241</b>	<b>89,315,317</b>	<b>5,565,804</b>
<b>Total liabilities</b>	<b>90,227,584</b>	<b>1,916,362</b>	<b>10,843,357</b>	<b>102,987,303</b>	<b>18,156,134</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease and other financing arrangements	-	14,097	228,344	242,441	-
Succeeding year property tax	-	-	4,432,713	4,432,713	-
Deferred amount on refunding	731,911	-	12,560	744,471	-
Pension related deferred inflows	371,563	-	576,592	948,155	142,675
OPEB related deferred inflows	438,676	-	572,393	1,011,069	189,698
<b>Total deferred inflows of resources</b>	<b>1,542,150</b>	<b>14,097</b>	<b>5,822,602</b>	<b>7,378,849</b>	<b>332,373</b>
<b>NET POSITION</b>					
Net investment in capital assets	67,968,220	18,811,682	75,146,133	161,926,035	2,784,688
Restricted for equipment replacement	5,167,986	-	-	5,167,986	-
Unrestricted	27,154,014	330,886	14,410,537	41,895,437	9,056,606
<b>Total net position</b>	<b>\$ 100,290,220</b>	<b>\$ 19,142,568</b>	<b>\$ 89,556,670</b>	<b>\$ 208,989,458</b>	<b>\$ 11,841,294</b>

The notes to the financial statements are an integral part of this statement.

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**CITY OF DAVENPORT  
RECONCILIATION OF ENTERPRISE FUNDS NET POSITION  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

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Total enterprise funds net position \$ 208,989,458

Amounts reported for enterprise activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of certain services to individual funds. Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds. (71,377)

Adjustments to reflect the consolidation of prior years internal service fund activities related to enterprise funds. 2,051,936

Net position of business-type activities \$ 210,970,017

The notes to the financial statements are an integral part of this statement.

**CITY OF DAVENPORT**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 29,843,855	\$ 5,386,079	\$ 15,022,994	\$ 50,252,928	\$ 28,635,611
Fines and forfeits	9,000	-	132,494	141,494	-
Other	52,385	115,121	119,310	286,816	264,437
Total Operating Revenues	<u>29,905,240</u>	<u>5,501,200</u>	<u>15,274,798</u>	<u>50,681,238</u>	<u>28,900,048</u>
<b>OPERATING EXPENSES:</b>					
Employee expenses	6,616,849	-	9,792,758	16,409,607	2,354,355
Supplies and services	8,448,530	6,386,410	10,194,139	25,029,079	27,177,394
Depreciation	7,902,783	1,476,194	5,586,548	14,965,525	650,646
Total Operating Expenses	<u>22,968,162</u>	<u>7,862,604</u>	<u>25,573,445</u>	<u>56,404,211</u>	<u>30,182,395</u>
OPERATING INCOME (LOSS)	<u>6,937,078</u>	<u>(2,361,404)</u>	<u>(10,298,647)</u>	<u>(5,722,973)</u>	<u>(1,282,347)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Taxes	-	-	4,414,746	4,414,746	-
Non-operating grants	(206)	-	3,653,435	3,653,229	-
Use of monies and property	1,313,803	4,877	694,708	2,013,388	936,344
Interest expense	(1,640,135)	(17,241)	(50,152)	(1,707,528)	(8,250)
Gain (loss) on disposition of capital assets	73,247	-	160,264	233,511	-
Total Non-operating Revenues (Expenses)	<u>(253,291)</u>	<u>(12,364)</u>	<u>8,873,001</u>	<u>8,607,346</u>	<u>928,094</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	6,683,787	(2,373,768)	(1,425,646)	2,884,373	(354,253)
Capital contributions	1,701,163	212,145	3,158,049	5,071,357	172,242
Transfers in	-	972,574	591,500	1,564,074	62,965
Transfers out	(62,965)	-	(10,143)	(73,108)	-
Change in net position	<u>8,321,985</u>	<u>(1,189,049)</u>	<u>2,313,760</u>	<u>9,446,696</u>	<u>(119,046)</u>
Total net position - beginning	<u>91,968,235</u>	<u>20,331,617</u>	<u>87,242,910</u>	<u>199,542,762</u>	<u>11,960,340</u>
Total net position - ending	<u>\$ 100,290,220</u>	<u>\$ 19,142,568</u>	<u>\$ 89,556,670</u>	<u>\$ 208,989,458</u>	<u>\$ 11,841,294</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF DAVENPORT  
RECONCILIATION OF THE CHANGE IN NET POSITION OF  
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2023**

---

Net change in net position in enterprise funds \$ 9,446,696

Amounts reported for proprietary activities in the statement of activities  
are different because:

Internal service funds are used by management to charge the costs of various  
activities internally to individual funds. Adjustment to reflect the consolidation  
of internal service fund activities related to enterprise funds.

(71,377)

Change in net position of business-type activities

\$ 9,375,319

The notes to the financial statements are an integral part of this statement.

**CITY OF DAVENPORT**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>				<b>GOVERNMENTAL ACTIVITIES</b>
	<b>SEWER OPERATIONS</b>	<b>RIVERCENTER</b>	<b>TOTAL NON-MAJOR ENTERPRISE FUNDS</b>	<b>TOTAL ENTERPRISE FUNDS</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from users	\$ 29,350,872	\$ 5,435,263	\$ 14,652,486	\$ 49,438,621	\$ -
Cash received from interfund services provided	-	-	-	-	29,012,871
Cash paid to suppliers for goods and services	(8,771,525)	(6,490,980)	(10,231,611)	(25,494,116)	(25,113,126)
Cash paid to employees for services	(7,218,630)	-	(10,820,318)	(18,038,948)	(2,616,054)
Other operating revenue	52,385	115,121	119,310	286,816	264,437
Net Cash Provided by (Used for) Operating Activities	13,413,102	(940,596)	(6,280,133)	6,192,373	1,548,128
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Proceeds (repayments) to other funds	(34,137)	-	133,087	98,950	(59,310)
Grants	17,039	-	5,086,010	5,103,049	-
Property tax	-	-	4,424,634	4,424,634	-
Transfers in	-	972,574	591,500	1,564,074	62,965
Transfers out	(62,965)	-	(10,143)	(73,108)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(80,063)	972,574	10,225,088	11,117,599	3,655
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
General obligation bonds issuance	7,572,603	-	685,000	8,257,603	-
General obligation bond premium	729,550	-	79,450	809,000	-
Proceeds from the sale of capital assets	73,247	-	204,657	277,904	-
Acquisition and construction of capital assets	(5,991,885)	(1)	(1,394,937)	(7,386,823)	(961,139)
Principal paid on long-term debt	(8,173,410)	(81,872)	(1,126,177)	(9,381,459)	-
Interest paid on long-term debt	(1,638,391)	(17,428)	(50,377)	(1,706,196)	(567)
Net Cash (Used for) Capital and Related Financing Activities	(7,428,286)	(99,301)	(1,602,384)	(9,129,971)	(961,706)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and other investment income	1,086,908	4,999	584,187	1,676,094	745,995
Net Cash provided by Investing Activities	1,086,908	4,999	584,187	1,676,094	745,995
Net Increase (Decrease) in Cash and Cash Equivalents	6,991,661	(62,324)	2,926,758	9,856,095	1,336,072
CASH AND CASH EQUIVALENTS-BEGINNING	32,148,281	1,353,161	15,170,661	48,672,103	24,660,385
CASH AND CASH EQUIVALENTS-ENDING	\$ 39,139,942	\$ 1,290,837	\$ 18,097,419	\$ 58,528,198	\$ 25,996,457

The notes to the financial statements are an integral part of this statement.

(continued)

**CITY OF DAVENPORT**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (CONTINUED)  
For the Fiscal Year Ended June 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 6,937,078	\$ (2,361,404)	\$ (10,298,647)	\$ (5,722,973)	\$ (1,282,347)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	7,902,783	1,476,194	5,586,548	14,965,525	650,646
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(702,493)	(1,834)	(529,901)	(1,234,228)	8,299
Decrease in lease receivable		5,648	107,218	112,866	-
Increase in inventory and prepaids	(6,807)	(24,407)	(37,779)	(68,993)	(2,805)
Decrease in pension related deferred outflow	20,149	-	50,759	70,908	16,141
Increase in OPEB related deferred outflows	(63,093)	-	(82,835)	(145,928)	(26,553)
Increase (decrease) in accounts payable/acrued liabilities	(3,862)	(81,757)	(310,057)	(395,676)	1,982,479
Increase in net pension liability	1,916,178	-	2,970,998	4,887,176	734,700
Increase in total OPEB liability	197,656	-	236,227	433,883	83,185
Increase in unearned revenue	-	51,978	37,012	88,990	-
Increase (decrease) in lease related deferred inflows	-	(5,014)	(107,256)	(112,270)	368,961
Decrease in pension related deferred inflows	(2,406,489)	-	(3,832,639)	(6,239,128)	(966,426)
Decrease in OPEB related deferred inflows	(43,133)	-	(59,522)	(102,655)	(18,152)
Decrease (decrease) in deferred amount on refunding	(334,865)	-	(10,259)	(345,124)	-
Total Adjustments	6,476,024	1,420,808	4,018,514	11,915,346	2,830,475
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 13,413,102	\$ (940,596)	\$ (6,280,133)	\$ 6,192,373	\$ 1,548,128
<b>SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Acquisition of capital assets through capital contributions	\$ 1,701,163	\$ 212,145	\$ 3,158,049	\$ 5,071,357	\$ 172,242
Contribution of capital assets by municipality	(113,805)	(212,145)	(1,470,337)	(1,796,287)	(172,242)
Contribution of capital assets by subdividers	(307,713)	-	(254,075)	(561,788)	-
Contribution of capital assets by state and federal governments	(996,888)	-	(1,396,637)	(2,393,525)	-
Contribution of capital assets by other	(282,757)	-	(37,000)	(319,757)	-

**CITY OF DAVENPORT**

**STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
JUNE 30, 2023**

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	<u>SEIZURE FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 850,566</u>
<b>TOTAL ASSETS</b>	<u>\$ 850,566</u>
<b>TOTAL RESTRICTED NET POSITION</b>	<u><u>\$ 850,566</u></u>

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**CITY OF DAVENPORT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**CUSTODIAL FUND**

**For the Fiscal Year Ended June 30, 2023**

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	<u>SEIZURE FUND</u>
ADDITIONS:	
Funds seized	\$ 304,557
Total additions	<u>304,557</u>
DEDUCTIONS:	
Agency remittances:	
To other funds	274,223
To other governments	211,789
Trusts paid out	26,971
Total deductions	<u>512,983</u>
Change in net position	(208,426)
Net position beginning of year	<u>1,058,992</u>
Net position end of year	<u><u>\$ 850,566</u></u>

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**CITY OF DAVENPORT, IOWA**  
Notes to the Financial Statements  
June 30, 2023

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**I. Summary of significant accounting policies**

These financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America (U.S. 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. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body required by financial reporting standards for governmental units, are included herewith.

**A. Reporting entity**

The City of Davenport, Iowa, was incorporated in 1836 and is one of the few remaining special charter cities in Iowa. The General Assembly of Iowa in 1851 adopted a special charter of the City and with subsequent amendments adopted by the General Assembly in 1853, 1855 and 1857, the charter has remained unchanged to this date. Subsequent changes to the laws of the State of Iowa affecting cities under special charter have been made from time to time and are now codified in Chapter 420, Code of Iowa. The form of City government is Mayor-Council, utilizing a professional City Administrator. The City of Davenport provides a wide variety of public services through eleven professionally staffed departments and the office of the City Administrator, including public safety (police and fire), streets, sewers and bridges, garbage and refuse collection, sewage treatment, culture-recreation, mass transportation, public improvements, planning and zoning, and general administrative services.

The City of Davenport has also 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 City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the City.

The City of Davenport does not have any component units required to be reported within the City's reporting entity.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements, other than interfund services provided and used. Any direct expenses have not been eliminated and interfund services provided and used are shown as program revenue (for example, charges for services in the sewer fund by all other funds). *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of net position presents the City's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**C. Fund accounting**

The accounts of the City are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures or expenses, as appropriate. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as non-major governmental and proprietary funds. The City has the following funds:

**1. Governmental fund types**

Governmental fund types are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in *proprietary funds*) are accounted for through governmental funds. The following comprise the City's major governmental funds:

- a. *General Fund*. The General Fund is the chief operating fund of the City. It is used to account for all financial resources except those required legally or by sound financial management to be accounted for in another fund.
- b. *Local Option Sales Tax Fund*. The Local Option Sales Tax Fund is a special revenue fund, which accounts for revenue received from a 1% sales tax, to be used for property tax relief and public improvements.
- c. *General Debt Service Fund*. The General Debt Service Fund is a debt service fund which accounts for the accumulation of resources for and the payment of principal and interest on general obligation long-term debt from governmental resources and principal and interest on special assessment debt with governmental commitment from special assessment levies. The City levies an annual property tax to finance the debt service requirements not abated by special assessments. The fund balance is restricted.
- d. *Capital Projects Fund*. The Capital Projects Fund is used to account for the resources used for the acquisition and construction of major capital facilities, except those financed by Proprietary Funds.
- e. *American Rescue Plan Act Fund*. The American Rescue Plan Act ("ARPA") Fund is a special revenue fund used to manage the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act. The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses.

**2. Proprietary fund types**

Proprietary fund types are used to account for the City's ongoing organizations and activities, which are similar to those often found in the private sector.

- a. *Enterprise funds* are used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services, which are supported primarily by user charges. The following comprise the City's major enterprise funds:
  - i. *Sewer Operations Fund*. Accounts for revenue and expenses of the system responsible for collecting and treating the wastewater of the Cities of Davenport, Bettendorf, Riverdale, and Panorama Park. Davenport accumulates the costs of operations, construction, and equipment replacement, and bills the other cities monthly for their portion of such costs based on an actual usage percentage calculated annually.
  - ii. *RiverCenter Fund*. Accounts for rental income and expenses associated with the operation of a 57,000 square foot conference, convention and trade show facility. This

fund qualifies to be a nonmajor fund but the City has elected to report it as a major fund for public interest purposes.

- b. *Internal Service Funds.* Internal service funds are used to finance and account for, employee insurance, risk management, and information management services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

### **3. Fiduciary fund types**

Fiduciary fund types are used to report assets held in a trust or custodial capacity for others which cannot be used to support the City's own programs. The following is the City's fiduciary fund type:

- a. *Custodial Funds.* Custodial funds are used to hold assets that will benefit another individual, organization or government entity. These resources are not owned by the City and cannot be used to support any of its programs. The City holds these assets until it is determined how and where these resources should be appropriated/redistributed. These funds are not included in the government-wide statements because the assets are not owned by the City.

### **D. Measurement focus and basis of accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements, and the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefit (OPEB) obligations, pensions and claims and judgments, are recorded only when payment is due.

Property tax when levied, local option sales tax, intergovernmental revenues and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Licenses and permits, community development loan repayments, fines and forfeits, charges for services (other than utility), and miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of monies and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. The principal operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses and include interest earnings and interest payments.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Cash and pooled cash investments**

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. Cash resources have been pooled in order to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Fund cash deficits, which represent current loans between funds, have been reported as interfund loans receivable/payable.

**F. Investments**

Investments are reported at fair value which is the price that would be received in an orderly transaction between market participants at the measurement date. Securities traded on the national exchange are valued at the last reported sales price.

Investments in the Iowa Public Agency Investment Trust are stated at amortized cost, based on the criteria set forth in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

**G. Statement of cash flows**

For the purpose of the statement of cash flows, the City considers all liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash equivalents.

**H. Property tax receivable**

Property taxes, including tax increment financing, in governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2023 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is treated as a deferred inflow in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied and budgeted.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year, with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2022.

The City is permitted by the Code of Iowa to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, \$.91 per \$1,000 of assessed valuation for a mass transportation program and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, trust and agency accounts for pension and related employee benefits funds, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2023 was \$16.78 per \$1,000 of assessed valuation.

**I. Loans receivable**

Loans receivable, net of allowance, consist partially of \$10,349,670 low and no-interest loans. The City receives federal funds from the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant, which allows the City to provide loans at below-market-rates to eligible corporations and individuals to finance urban and community development. Loans are

carried at the amount of unpaid principal. Management has recorded an allowance for estimated uncollectible amounts of \$2,781,628 based on historic information and review of outstanding amounts.

On November 2, 2009, The City of Davenport issued \$10,125,000 General Obligation Communication Building Bonds, Series 2009C on behalf of the Scott Emergency Communications Center (SECC). The original issue was refinanced with the General Obligation Refunding Bonds, Series 2017B on March 21, 2017. The bonds were issued for the purpose of building a new communication and emergency operations center. The SECC has issued a note payable to the City with terms for repayment identical to the bonds. As of June 30, 2023, the amount outstanding is \$4,140,000 and makes up the remaining amount of loans receivable.

**J. Special assessments receivable**

Special assessments are levied against certain property owners benefited by various street projects. Special assessments receivable consists of assessments due over the next ten years in relation to these projects.

**K. Accounts receivable**

Accounts receivable result primarily from services provided to citizens and are presented net of an allowance for uncollectibles of approximately \$150,000.

**L. Restricted assets**

If the use of monies received is limited by contract provisions, they are reported as restricted assets. Also, liabilities which are payable from restricted assets are reported as such. The following assets are reported as restricted at June 30, 2023: unexpended general obligation bond proceeds and other monies restricted to capital outlay of \$11,988,006 and deposits and equipment replacements of \$5,167,986 in the Sewer Enterprise Fund, \$1,572,257 of unexpended bond proceeds in the Solid Waste Enterprise Fund; security deposits of \$1,500 in the Golf Courses Fund, catering deposits of \$92,652 in the RiverCenter Fund, and loan escrow payments of \$34,098 in the Community Development Act Special Revenue Fund. In governmental activities, there is also \$29,494,165 of unexpended general obligation proceeds restricted to capital outlay.

**M. Capital assets**

Capital assets, including land, buildings, improvements, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. In the governmental funds, capital assets (capital outlay) is reported as expenditures and no depreciation is recognized. Generally, capital assets purchased in excess of \$5,000 are capitalized if they have an expected useful life of one year or greater. Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value on the date donated.

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Improvements	10-20
Machinery, equipment, and vehicles	3-15
Storm sewers	30
Sanitary sewers	40
Tunnels	20-40
Seawalls	30-50
Streets and roads	10-30
Traffic signals	20-40
Bridges	25-50

The City's collection of works of art, 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 a City policy that requires proceeds from sale of these items to be used to acquire other collection items.

**N. Deferred outflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net asset 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 and OPEB expense and pension contributions from the employer after the measurement date but before the end of the employer's reporting period in the government-wide statements.

**O. Unearned revenues**

Unearned revenues represent grants and similar items received, but for which the City has not met all eligibility requirements imposed by the provider and exchange transactions for which revenue has not yet been earned. Unearned revenues in the proprietary funds represent ticket sale revenue for events that have not yet occurred.

**P. Deferred inflows of resources**

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net asset that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property taxes, special assessments, loans and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements and proprietary funds financial statements, the property tax revenues remain under the modified accrual basis of accounting. The property tax revenues will become revenue in the year they are levied and budgeted for. The City's government-wide statements and proprietary funds financial statements also include a deferred amount on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. There are also deferred inflows, which are the unamortized portion of the difference between expected and actual experience, the net difference between projected and actual earnings on investments, change in assumptions, and the change in proportion and difference between the City's contributions and proportionate share of contributions all related to pensions and OPEB. In addition, deferred inflows related to leases where the City is the lessor is reported. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) over the term of the lease.

**Q. Leases**

**1. Lessee**

As of June 30, 2023, the City was a lessee for a few leases of equipment. The City recognizes lease liabilities and intangible right-to-use lease assets (lease asset) in the fund financials for Proprietary Funds and government-wide financial statements for Governmental Funds. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more for equipment leases.

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

Key estimates and judgements related to leases include how the City determines (a) the discount rate it uses to discount the expected lease payments to present value, (b) lease term, and (c) lease payments.

- a. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- b. The lease term includes the noncancelable period of the lease.
- c. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

## **2. Lessor**

As of June 30, 2023, the City was a lessor for several noncancelable building/office space lease agreements, land/lot lease agreements, and cell tower lease agreements. The present value of the leases is aggregated on a fund basis. All funds record lessee receivables on the fund level Statement of Net Position (Balance Sheet for the governmental funds), and are rolled into the government-wide Statement of Net Position.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Thereafter, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Thereafter, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (a) the discount rate it uses to discount the expected lease receipts to present value, (b) lease term, and (c) lease receipts.

- a. If specified, the City uses the interest rate identified in the contract as the discount rate. If no interest rate is specified, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- b. The lease term includes the noncancelable period of the lease.
- c. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a lease remeasurement and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## **R. Subscription-based information technology arrangements (SBITA)**

As of June 30, 2023, the City has entered into a contract that conveys control of the right-to-use information technology software. The City has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The City recognized IT subscription liabilities with an initial, individual value of \$15,000, or more.

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

commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the City determines (a) the discount rate it uses to discount the expected payments to present value, (b) term and (c) payments.

- a. The City uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- b. The subscription term includes the noncancelable period of the subscription.
- c. Payments included in the measurement of the liability are composed of fixed payments.

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

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

#### **S. Interfund transactions**

Interfund transactions that would be treated as revenue and expenditures or expenses if they involved organizations external to the City are similarly treated when involving other funds of the City. Major transactions that fall into this category include payments to the Sewer Fund for fees and payments to the Internal Service Funds for costs of the City's insurance programs and data processing system.

Transfers from funds receiving revenue to funds through which the resources are to be expended and operating loss subsidies are classified as transfers. Major transactions that fall into this category include transfers from the Local Option Sales Tax Fund to the General Debt Service Fund. The Capital Projects Fund received transfers from the Local Option Sales Tax Fund, the Road Use Tax Fund and the General Fund for projects that were built in the Capital Projects Fund but funded from the other funds. The General Debt Service Fund subsidized the Parking Fund and the RiverCenter. There was a transfer from the Sewer Fund to the Risk Fund for the monies collected for the Sewer Back Up program. The General Fund subsidizes the operating loss of the RiverCenter Enterprise Fund and other operating deficits, as needed.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "interfund payables/receivables." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### **T. Compensated absences**

City employees earn vacation and sick leave based upon union contracts or City policy on an annual basis and are credited with vacation and sick leave hours each payroll period. Vacation leave is fully vested when earned. In general, except for Police and Fire personnel, 75% of accumulated sick leave in excess of 720 hours earned prior to July 1, 1987, is vested using the employees' hourly rate at July 1, 1987. For Police and Fire personnel hired before July 1, 1988, 75% of accumulated sick leave earned in excess of 720 hours is vested using the employees' hourly rate at the time of termination. Employees are offered the option of accumulating overtime hours to be taken as compensatory time off rather than being paid for them on a current basis; any amounts unused at time of termination are also paid.

For government-wide financial statements and proprietary fund types, these accumulations are recorded as expenses and liabilities in the fiscal year earned. For governmental fund types, a liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



**U. Net position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for the Sewer Operations and Solid Waste were \$10,122,643 and \$1,572,257, respectively. Unspent debt proceeds for the Capital Projects Fund were \$29,494,165.
- Net position is reported as *restricted* when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$19,107,036 for local option sales tax; \$1,610,382 for library; \$35,059,796 for debt service; \$5,207,490 for road use tax and \$1,391,198 for municipal improvement districts.
- Net position is reported as *unrestricted* when it does not meet the definition of the two preceding categories. Deficits will require future funding. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

**V. Pensions**

For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. 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.

**W. Total OPEB liability**

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

**X. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal and interest payments are reported as debt service expenditures.

**Y. Prepaids**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded using the consumption method as prepaid items in both government-wide and fund financial statements.

**Z. Inventory**

Inventories are valued at cost using the first-in, first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**AA. Estimates**

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

**BB. Implementation of GASB Statement No. 96**

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for a SBITA by governments. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The impact to the City resulted in the reporting of subscription liability and outflow of resources related to a SBITA.

**II. Contingencies**

**A. Litigation**

The City is a defendant in various lawsuits. Liability insurance covers many of the lawsuits for personal injury, property damage and civil rights violations pending against the City. The City records liabilities resulting from claims and legal actions only when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position.

The City of Davenport and certain current and former employees have been named as defendants in six lawsuits that have been filed due to a partial collapse of a building located at 324 Main Street on May 28, 2023. The City understands that the plaintiffs' attorneys have indicated that additional individuals will likely file claims. The City denies it is liable, and the claims are being vigorously defended. The City will continue to monitor the impact of these lawsuits on its financial position and make adjustments as needed.

**B. Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although City management and counsel expect such amounts, if any, to be immaterial.

### III. **Deposits and investments**

#### **A. Deposits**

Chapter 12C of the Code of Iowa requires that all City funds be deposited into an approved depository and either insured or collateralized. At year-end, the carrying amount of the City's deposits were \$174,615,524 and the bank balances were \$175,394,681. As of June 30, 2023, the City's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

#### **B. Investments**

The City is authorized by 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 Iowa institutions approved by the City Council; prime eligible bankers acceptances, certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and state and local securities.

*Interest rate risk.* The City's investment policy limits the investment of operating funds in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the City. The City's investments in U.S. Agency Obligations fall within this policy.

The City had investments in the Iowa Public Agency Investment Trust (IPAIT) with maturity of 1 day, which are valued at amortized cost of \$10,005,288.

*Credit risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is discussed in the City's investment policy. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits their investment in obligations of the United States government, its agencies and instrumentalities, IPAIT, prime bankers' acceptances, commercial paper or other short-term corporate debt to be rated within the two highest classifications as established by at least one of the standard rating services.

*Concentration of credit risk.* The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the City's policy limits them from investing in prime bankers' acceptances, commercial paper or other short-term corporate debt, of more than 10 percent of the investment portfolio or perfected repurchase agreements, open-end management investment company or Iowa Public Agency Investment Trust of more than 25 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer. The Policy does not limit obligations of the United States government, its agencies or instrumentalities. In addition, no more than 5 percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. More than 5 percent of the City's investments are invested in Federal Credit Banks Funding Corporation (FFCB).

*Custodial credit risk.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The City's investments were not insured but were held by a custodian in the name of the City. The City does not have a formal deposit policy for custodial credit risk.

**C. Fair value measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. *Level 1* inputs are quoted prices in active markets for identical assets; *Level 2* inputs are inputs- other than quoted prices included within Level 1- that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in markets that are not active; and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals; (2) implied volatilities and (3) credit spreads. *Level 3* inputs are significant unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

U.S. agency obligations classified in Level 2 of the fair value hierarchy are valued by obtaining market information from various dealers and inter-dealer brokers or using a matrix pricing technique. Matrix pricing is used to value securities based on obtaining relevant trade data and benchmark quotes and spreads.

The City had the following investments and maturities as of June 30, 2023:

Investment Type	Investment Maturities (in Years)		Fair Market Value
	Less Than 1 Year	1-5 Years	
U.S. Government Securities	\$ 4,991,407	\$ -	\$ 4,991,407
U.S. Agency Obligations	68,311,084	-	68,311,084
Totals	<u>\$ 73,302,491</u>	<u>\$ -</u>	<u>\$ 73,302,491</u>

The City had the following recurring fair value measurement as of June 30, 2023:

Investments by Fair Value Level	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Market Value Total	S&P Rating
U.S. Government Securities	\$ -	\$ 4,991,407	\$ -	\$ 4,991,407	AA+
U.S. Agency Obligations	-	68,311,084	-	68,311,084	AA+
Totals	<u>\$ -</u>	<u>\$ 73,302,491</u>	<u>\$ -</u>	<u>\$ 73,302,491</u>	

A reconciliation of cash and investments as shown on the financial statements of the City follows:

Depository accounts	\$ 174,615,524
Investments at amortized cost	10,005,288
Investments at fair value	<u>73,302,491</u>
	<u>\$ 257,923,303</u>
Cash and investments	\$ 208,722,073
Restricted cash and cash equivalents	48,350,664
Cash and investments, custodial funds	<u>850,566</u>
	<u>\$ 257,923,303</u>

**IV. Fund transfer reconciliation**

The following is a schedule of transfers in and out as included in the financial statements of the City.

	<u>Transfer in (fund):</u>							<u>Total Transfers</u>
	General Fund	General Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	RiverCenter Fund	Non-major Proprietary Funds	Risk Mgmt Internal Service Fund	
<b>Transfer out (fund):</b>								
General	\$ -	\$ -	\$ 5,714,861	\$ 176,564	\$ 880,333	\$ 591,500	\$ -	\$ 7,363,258
Local Option Sales Tax	-	14,035,529	2,663,640	75,000	-	-	-	16,774,169
General Debt Service	-	-	-	-	92,241	-	-	92,241
Sewer	-	-	-	-	-	-	62,965	62,965
Other Non-major Proprietary Funds	-	-	-	10,143	-	-	-	10,143
Other Non-major Governmental	327,500	-	1,630,000	525,223	-	-	-	2,482,723
<b>Total transfer</b>	<b>\$ 327,500</b>	<b>\$ 14,035,529</b>	<b>\$ 10,008,501</b>	<b>\$ 786,930</b>	<b>\$ 972,574</b>	<b>\$ 591,500</b>	<b>\$ 62,965</b>	<b>\$ 26,785,499</b>

The Local Option Sales Tax Fund collects the tax and transfers 60% to the General Debt Service Fund to provide property tax relief, as voted by referendum. Transfers are made to the Capital Projects Fund for projects funded by the Local Option Sales Tax Fund, the General Fund and the Road Use Tax Fund. The General Fund makes an operating subsidy to the RiverCenter Fund. Various other operating subsidies are made with transfers.

**V. Interfund receivables and payables**

At June 30, 2023, interfund receivables and payables are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Information Technology Internal Service Fund	\$ 309,679
	Non-major Governmental Funds	60,696
General Debt Service	Local Option Sales Tax	1,015,739
Capital Projects	General Fund	24,535
	Local Option Sales Tax	200,806
	Non-major Enterprise Funds	143,433
		<u>\$ 1,754,888</u>

The interfund balance between the General Fund and the Information Technology Internal Service Fund is due to the fact the internal service fund has prepaid numerous licensing and maintenance agreements and has used up cash. The interfund balance between the General Debt Service Fund and the Local Option Sales Tax Fund is due to timing – the final Local Option Sales Tax receipt happened after year end and the cash wasn't yet transferred. The interfund balances in the Capital Projects Fund is also due to timing – the expenses are in accounts payable that the other funds were responsible for and the cash wasn't transferred.

**VI. Changes in capital assets**

The following is a summary of changes in capital assets for governmental activities capital assets for the year ended June 30, 2023:

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 19,772,158	\$ 165,004	\$ (139,297)	\$ 19,797,865
Construction in progress	7,061,345	19,227,646	(7,680,485)	18,608,506
Total capital assets, not being depreciated	<u>26,833,503</u>	<u>19,392,650</u>	<u>(7,819,782)</u>	<u>38,406,371</u>
Capital assets, being depreciated				
Buildings	133,061,831	2,578,018	(57,746)	135,582,103
Improvements other than buildings	37,891,312	1,704,081	(166,058)	39,429,335
Equipment and vehicles	53,966,775	3,891,161	(2,421,863)	55,436,073
Bridges	15,473,707	-	-	15,473,707
Traffic signals	10,346,153	16,850	-	10,363,003
Streets and roads	332,109,690	16,924,519	-	349,034,209
Seawalls	2,685,289	-	-	2,685,289
Tunnels	54,326	-	-	54,326
Financing arrangements	-	1,039,315	-	1,039,315
Total capital assets, being depreciated	<u>585,589,083</u>	<u>26,153,944</u>	<u>(2,645,667)</u>	<u>609,097,360</u>
Less accumulated depreciation for:				
Buildings	57,916,558	3,461,559	(35,035)	61,343,082
Improvements other than buildings	24,187,143	1,685,902	(154,698)	25,718,347
Equipment and vehicles	40,522,088	3,578,944	(2,415,073)	41,685,959
Bridges	5,201,344	388,809	-	5,590,153
Traffic signals	7,699,451	210,773	-	7,910,224
Streets and roads	148,672,307	10,911,235	-	159,583,542
Seawalls	959,302	84,323	-	1,043,625
Tunnels	42,778	2,720	-	45,498
Financing arrangements	-	328,525	-	328,525
Total accumulated depreciation	<u>285,200,971</u>	<u>20,652,790</u>	<u>(2,604,806)</u>	<u>303,248,955</u>
Total capital assets, being depreciated, net	<u>300,388,112</u>	<u>5,501,154</u>	<u>(40,861)</u>	<u>305,848,405</u>
Total governmental activities capital assets	<u>\$ 327,221,615</u>	<u>\$ 24,893,804</u>	<u>\$ (7,860,643)</u>	<u>\$ 344,254,776</u>

The following is a summary of changes in capital assets for business-type activities capital assets for the year ended June 30, 2023:

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 11,482,373	\$ -	\$ (216,822)	\$ 11,265,551
Construction in progress	<u>11,089,585</u>	<u>3,859,407</u>	<u>(9,249,974)</u>	<u>5,699,018</u>
Total capital assets, not being depreciated	<u>22,571,958</u>	<u>3,859,407</u>	<u>(9,466,796)</u>	<u>16,964,569</u>
Capital assets, being depreciated				
Buildings	125,448,753	104,076	(2,700,087)	122,852,742
Improvements other than buildings	36,107,903	723,051	(101,384)	36,729,570
Equipment and vehicles	57,302,043	11,444,022	(1,874,665)	66,871,400
Sanitary sewer	179,734,608	4,920,113	-	184,654,721
Storm sewer	30,707,943	828,360	-	31,536,303
Streets and roads	1,968,836	-	(72,205)	1,896,631
Financing arrangements	-	56,388	-	56,388
Right-of-use equipment assets	<u>335,238</u>	<u>50,718</u>	<u>-</u>	<u>385,956</u>
Total capital assets, being depreciated	<u>431,605,324</u>	<u>18,126,728</u>	<u>(4,748,341)</u>	<u>444,983,711</u>
Less accumulated depreciation for:				
Buildings	73,753,955	3,693,162	(2,700,087)	74,747,030
Improvements other than buildings	14,120,241	1,472,419	(59,479)	15,533,181
Equipment and vehicles	34,897,092	3,605,315	(1,847,144)	36,655,263
Sanitary sewer	70,616,797	5,077,381	-	75,694,178
Storm sewer	17,545,396	938,969	-	18,484,365
Streets and roads	611,625	75,534	(36,078)	651,081
Financing arrangements	-	8,876	-	8,876
Right-of-use equipment assets	<u>91,429</u>	<u>93,868</u>	<u>-</u>	<u>185,297</u>
Total accumulated depreciation	<u>211,636,535</u>	<u>14,965,524</u>	<u>(4,642,788)</u>	<u>221,959,271</u>
Total capital assets, being depreciated, net	<u>219,968,789</u>	<u>3,161,204</u>	<u>(105,553)</u>	<u>223,024,440</u>
Total business-type activities capital assets	<u>\$ 242,540,747</u>	<u>\$ 7,020,611</u>	<u>\$ (9,572,349)</u>	<u>\$ 239,989,009</u>

Depreciation expense was charged to the functions of the primary government as follows:

<u>Governmental Activities</u>	
General government	\$ 702,434
Community & economic development	41,048
Public works	12,826,535
Public safety	2,704,748
Culture & recreation	3,727,379
Internal service assets are charged to the various functions based on their usage of the assets	<u>650,646</u>
Total depreciation expense - governmental activities	<u>\$ 20,652,790</u>

<u>Business-type Activities</u>	
Parking systems	\$ 829,031
Sewer operations	7,902,783
RiverCenter	1,476,194
Public transit	984,242
Public housing	802
Golf courses	230,188
Airport	1,037,112
Solid Waste	519,386
Clean Water Utility	1,235,589
Rivers Edge	149,939
Transload	<u>600,258</u>
Total depreciation expense - business-type activities	<u>\$ 14,965,524</u>

The City has active construction projects as of June 30, 2023. The projects include street construction and improvements, sanitary sewer and water pollution control plant improvements, parks, city wide beautification, and public buildings. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Streets and improvements	\$ 20,132,240	\$ 8,439,626
Sanitary sewer/WPCP	5,526,654	4,077,398
Parks	724,173	491,763
Public buildings	10,300,432	6,138,311
City wide beautification	<u>457,976</u>	<u>473,321</u>
Total	<u>\$ 37,141,475</u>	<u>\$19,620,419</u>

The streets and improvements are being financed with state and federal grants along with general obligation bonds, local option sales tax, and road use tax. The sanitary sewers and water pollution control plant improvements are being funded by general obligation bonds being serviced by the Sewer Operations Fund.



The City had outstanding purchase orders (excluding construction contracts disclosed above) at June 30, 2023 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 217,201
Local Option Sales Tax	71,127
Capital Projects Fund	3,369,375
American Rescue Plan Act	125,591
Other Governmental Funds	279,957
Internal Service Funds	175,998
Sewer Operations Fund	115,856
RiverCenter Fund	8,762
Other Proprietary Funds	<u>131,719</u>
	<u>\$ 4,495,586</u>

## VII. Leases

### A. Lease payable (City as lessee)

Starting March 1, 2020, the City entered into a five-year is lease agreement for the right-to-use 140 DR2A AFI golf cars. The City is required to pay \$14,700 every May, June, July, August, September, and October, of each year of the agreement. The lease has an interest rate of 4.60%. An initial lease liability was recorded in the amount of \$299,677 during fiscal year 2022. As of June 30, 2023, the value of the lease liability was \$142,017. The equipment has a 4-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$136,217 and had accumulated amortization of \$163,460.

The City is leasing 20 YDRA golf cars for five years, starting March 1, 2020. The City is required to pay \$1,750 every May, June, July, August, September, and October of each year of the agreement. The lease has an interest rate of 4.80%. An initial lease liability was recorded in the amount of \$35,561 during fiscal year 2022. As of June 30, 2023, the value of the lease liability was \$16,882. The equipment has a 4-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$16,164 and had accumulated amortization of \$19,397.

The City is leasing three (3) UMAXI pickers for five years, starting May 1, 2023. The City is required to pay \$1,115 every May, June, July, August, September, and October of each year of the agreement. The lease has an interest rate of 2.31%. An initial lease liability was recorded in the amount of \$31,812 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$29,641. The equipment has a 4-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$30,634 and had accumulated amortization of \$1,178.

The City is leasing two (2) utility vehicles for five years, starting March 1, 2023. The City is required to pay \$676 every May, June, July, August, September, and October of each year of the agreement. The lease has an interest rate of 3.00%. An initial lease liability was recorded in the amount of \$18,906 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$17,695. The equipment has a 4-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$17,645 and had accumulated amortization of \$1,261.

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 103,365	\$ 5,720	\$ 109,085
2025	75,120	1,169	76,289
2026	10,178	550	10,728
2027	10,443	285	10,728
2028	7,128	24	7,152
Total	<u>\$ 206,234</u>	<u>\$ 7,748</u>	<u>\$ 213,982</u>

## **B. Lease receivable (City as lessor)**

### **General fund**

The City has entered into several cell tower lease agreements providing lessees attachment locations upon city-owned communication towers for the purpose of cellular telecommunications functions. Generally, each communication tower has more than one lease agreement pertaining to the right-to-use attachment locations, with individual yet like terms and conditions. The City recognized \$177,218 in lease revenue and \$56,610 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments for these leases is \$1,822,672. In addition, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflows of resources was \$1,715,172.

During the fiscal year, a third party exercised the second of three one-year renewal options pertaining to leased space within the Roosevelt Community Center. The City is reasonably certain the lessee will exercise the third renewal option. The City recognized \$20,613 in lease revenue and \$458 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$2,195. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflows of resources was \$1,718.

### **Transit fund**

In 2019, the City entered into a three-year noncancelable lease with automatic renewal for two (2) successive year periods with a third party that sells advertising for placement on city buses and bus shelters. During the current fiscal year, the third party is responsible for the greater agreed minimum annual guarantee of \$48,000 and 50% gross advertising sales. The City recognized \$42,292 in lease revenue and \$2,404 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$58,950. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of deferred inflow of resources was \$45,817.

### **Airport fund**

In 2021, the City entered into four four-year agricultural lease agreements with third parties for the purpose of farming four sections land, totaling 299.2 acres, surrounding the Davenport Municipal Airport. Each agreement requires an annual payment on or before December 15th of each year covered by the agreements and consists of like terms and conditions. The annual cash payment shall be recalculated on or around November 15, 2023 by taking the average of two industrially accepted agricultural rental rate surveys multiplied by the total number of undisturbed tillable leased acres. Land disturbed by airport construction projects shall remain at the constant rate of \$204.50 per acre for the entire length of this agreement. The City recognized \$66,033 in lease revenue and \$6,848 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$198,113. In addition, the City has deferred inflows of resources associated with these leases that will be recognized as revenue of the lease terms. As of June 30, 2023, the balance of the deferred inflows of resources was \$165,081.

### **RiverCenter fund**

In 2016, the City entered into a ten-year lease agreement for space located within the Adler Theatre. The lease receivable was reduced by the \$70,651 at the inception of the lease, resulting in a \$588 credit each month, due to improvements made by lessee. The City recognized \$4,338 in lease revenue and \$540 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$16,037. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$14,097.

**Golf fund**

In 2023, the City leased 420 square feet, including a storage room, at the Red Hawk Golf & Learning Center, to a third party for a monthly payment of \$750. The lease is for one year with one (1), one-year renewal option. The City is reasonably certain the renewal option will be exercised. The City recognized \$8,662 in lease revenue and \$141 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$17,448. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$17,446.

**Riverfront Improvement fund**

The City has entered into five individual lease agreements over the years with third parties for the purpose of operating businesses within the Freight House. Each lease has like terms and conditions. The City recognized \$97,257 in lease revenue and \$4,579 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$117,238. In addition, the City has a deferred inflow of resources associated with the four remaining leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$71,969.

The City has three individual lease agreements with third parties for the purpose of operating businesses within the Union Station. Each lease has like terms and conditions. The City recognized \$74,578 in lease revenue and \$3,820 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$98,580. In addition, the City has a deferred inflow of resources associated with the seven leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$87,582.

In 2014, the City entered into the last of five ten-year renewal terms with a third party pertaining to land located in the outer Southeast section of the City. The City recognized \$9,218 in lease revenue and \$455 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$11,395. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$11,622.

During the current fiscal year, the City entered into a second lease agreement with a third party for additional vacant land to be used to park vehicles. The two individual agreements have like terms and conditions. The City recognized \$17,860 in lease revenue and \$603 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$11,449. In addition, the City has a deferred inflow of resources associated with the two leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$10,788.

The City has entered into three individual land lease agreements for riverfront property with third parties. Each lease has like terms and conditions. The City recognized \$19,878 in lease revenue and \$975 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$44,522. In addition, the City has a deferred inflow of resources that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$47,165.

During the current fiscal year, the City entered into an assignment and assumption agreement with a third party to assume a lease agreement the City entered into in 2014 for 20 years, with another third party. The City recognized \$10,157 in lease revenue and \$3,984 in interest revenue during the current fiscal year. As of June 30, 2023, the City's receivable for lease payments was \$155,238. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$148,592.

## **VIII. Subscription-based information technology arrangements**

### **General fund**

On 06/01/2023, the City entered into a 60 month subscription for the use of IONWAVE TECHNOLOGIES. An initial subscription liability was recorded in the amount of \$115,897. As of 06/30/2023, the value of the subscription liability is \$91,647. The City is required to make annual fixed payments of \$24,250. The subscription has an interest rate of 2.3100%. The value of the right to use asset as of 06/30/2023 of \$115,897 with accumulated amortization of \$1,932 is included with Software on the Subscription Class activities table found below.

On 09/28/2022, the City entered into a 36 month subscription for the use of PEAK AGENDA MANAGEMENT. An initial subscription liability was recorded in the amount of \$34,089. As of 06/30/2023, the value of the subscription liability is \$23,580. The City is required to make annual fixed payments of \$11,770. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$34,089 with accumulated amortization of \$8,593 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, the City entered into a 36 month subscription for the use of VECTOR TARGETSOLUTIONS. An initial subscription liability was recorded in the amount of \$34,587. As of 06/30/2023, the value of the subscription liability is \$23,190. The City is required to make annual fixed payments of \$11,457. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$34,587 with accumulated amortization of \$11,529 is included with Software on the Subscription Class activities table found below.

### **Risk Management fund**

On 07/01/2022, the City entered into a 23 month subscription for the use of LEXISNEXIS. An initial subscription liability was recorded in the amount of \$15,342. As of 06/30/2023, the value of the subscription liability is \$7,456. The City is required to make monthly fixed payments of \$659. The subscription has an interest rate of 0.3530%. The value of the right to use asset as of 06/30/2023 of \$15,342 with accumulated amortization of \$8,005 is included with Software on the Subscription Class activities table found below.

### **Information Technology fund**

On 09/28/2022, the City entered into a 36 month subscription for the use of BOARDS AND COMISSION. An initial subscription liability was recorded in the amount of \$26,030. As of 06/30/2023, the value of the subscription liability is \$17,427. The City is required to make annual fixed payments of \$9,000. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$26,030 with accumulated amortization of \$6,562 is included with Software on the Subscription Class activities table found below.

On 08/01/2022, the City entered into a 60 month subscription for the use of CARTEGRAPH. An initial subscription liability was recorded in the amount of \$428,778. As of 06/30/2023, the value of the subscription liability is \$344,078. The City is required to make annual fixed payments of \$84,700. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2023 of \$428,778 with accumulated amortization of \$78,609 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, the City entered into a 21 month subscription for the use of INSIGHT-PUBLIC SECTOR. An initial subscription liability was recorded in the amount of \$330,960. As of 06/30/2023, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$189,406. The subscription has an interest rate of 0.3530%. The value of the right to use asset as of 06/30/2023 of \$330,960 with accumulated amortization of \$189,120 is included with Software on the Subscription Class activities table found below.

### **Capital Projects fund**

On 07/01/2022, the City entered into a 21 month subscription for the use of COLLECTIONHQ. An initial subscription liability was recorded in the amount of \$27,911. As of 06/30/2023, the value of the subscription

liability is \$13,960. The City is required to make annual fixed payments of \$14,000. The subscription has an interest rate of 0.2830%. The value of the right to use asset as of 06/30/2023 of \$27,911 with accumulated amortization of \$15,603 is included with Software on the Subscription Class activities table found below.

**Parking fund**

On 01/11/2023, the City entered into a 36 month subscription for the use of T2 SYSTEMS INC. An initial subscription liability was recorded in the amount of \$56,388. As of 06/30/2023, the value of the subscription liability is \$38,014. The City is required to make annual fixed payments of \$18,373. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 of \$56,388 with accumulated amortization of \$8,876 is included with Software on the Subscription Class activities table found below.

**Local Option Sales Tax fund**

On 01/01/2023, the City entered into a 17 month subscription for the use of LEFTA SYSTEMS. An initial subscription liability was recorded in the amount of \$25,722. As of 06/30/2023, the value of the subscription liability is \$19,222. The City is required to make annual fixed payments of \$19,500. The subscription has an interest rate of 2.8940%. The value of the right to use asset as of 06/30/2023 of \$25,722 with accumulated amortization of \$8,574 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset, as of fiscal year-end:

**Principal and Interest Requirements to Maturity**

Fiscal Year	Business-type Activities			Governmental Activities		
	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2024	\$ 18,282	\$ 1,010	\$ 19,292	\$ 173,040	\$ 11,991	\$ 185,031
2025	19,732	524	20,256	139,260	8,896	148,156
2026	-	-	-	111,430	5,374	116,804
2027	-	-	-	116,830	2,751	119,581
Totals	\$ 38,014	\$ 1,534	\$ 39,548	\$ 540,560	\$ 29,012	\$ 569,572

**IX. Employee retirement systems**

The City contributes to two employee retirement systems, the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). IPERS is administered by the State of Iowa. MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI. Amounts reported by the City as of and for the year ended June 30, 2023 are as follows:

	IPERS	MFPRSI	Total
Deferred outflows of resources	\$ 4,279,305	\$ 8,484,112	\$ 12,763,417
Deferred inflows of resources	(2,993,820)	(2,867,823)	(5,861,643)
Net pension liability	(16,017,669)	(40,620,631)	(56,638,300)
Pension income (expense)	378,500	(3,080,256)	(2,701,756)

The City also makes contributions to specific employee groups' Section 457 deferred compensation plans as described in Section C following.

**A. Iowa Public Employees Retirement System**

**Plan description**

IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple

employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

### **Pension benefits**

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

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

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

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

### **Disability and death benefits**

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

### **Contributions**

Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and actuarial amortization method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the actuarial amortization method adopted by the Investment Board.

In fiscal year 2023, pursuant to the required rate, regular members contributed 6.29 percent of pay and the City contributed 9.44 percent for a total rate of 15.73 percent.

The City's total contributions to IPERS for the year ended June 30, 2023 were \$3,376,145.

**Net pension liabilities, pension expense, and deferred inflows and outflows of resources related to pensions**

At June 30, 2023, the City reported a liability of \$16,017,669 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's collective proportion was 0.423956 percent which was an increase of 0.591174 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense (income) of \$(378,500). At June 30, 2023, the City 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	\$ 710,061	\$ (219,406)
Change of assumptions	13,591	(382)
Net difference between projected and actual earnings on pension plan investments	-	(1,714,641)
Changes in proportion and differences between contributions and proportionate share of contributions	<u>179,508</u>	<u>(1,059,391)</u>
Total deferred amounts to be recognized in pension expense in future periods	903,160	(2,993,820)
City contributions subsequent to the measurement date	<u>3,376,145</u>	-
Total	<u>\$ 4,279,305</u>	<u>\$ (2,993,820)</u>

The \$3,376,145 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all IPERS members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30	Total
2024	\$ (1,739,195)
2025	(1,446,720)
2026	(2,315,535)
2027	3,408,237
2028	<u>2,553</u>
	<u>\$ (2,090,660)</u>

There were no non-employer contributing entities at IPERS.

**Actuarial assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation <i>(effective June 30, 2017)</i>	2.6% per annum
Rates of salary increase <i>(effective June 30, 2017)</i>	3.25% to 16.25%, average, including inflation. Rates vary by membership group
Long-term investment rate of return <i>(effective June 30, 2017)</i>	7.00%, compounded annually, net of investment expense, including inflation
Wage growth <i>(effective June 30, 2017)</i>	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Domestic equity	22.00%	3.57%
International equity	17.50%	4.79%
Global smart beta equity	6.00%	4.16%
Core-plus fixed income	20.00%	1.66%
Public credit	4.00%	3.77%
Cash	1.00%	0.77%
Private equity	13.00%	7.57%
Private real estate	8.50%	3.55%
Private credit	8.00%	3.63%
Total	<u>100.00%</u>	

**Discount rate**

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City 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 City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability (asset):	\$ 29,842,868	\$ 16,017,669	\$ 3,833,894

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS website at [www.ipers.org](http://www.ipers.org).

**Payables to the pension plan**

At June 30, 2023, the City reported no payables to the defined benefit pension plan.

**B. Municipal Fire and Police Retirement System of Iowa (MFPRSI)**

**Plan description**

MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at [www.mfprsi.org](http://www.mfprsi.org).

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa 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**

Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3-, 4-, or 5-year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the

member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

**Disability and death benefits**

Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40 percent of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

**Contributions**

Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.4% of earnable compensation for the year ended June 30, 2023.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 23.90% for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023 were \$5,812,884.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the GASB Statement No. 67, *Financial Reporting for Pension Plans*.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2023.

**Net pension liabilities, pension expense, and deferred inflows and outflows of resources related to pensions**

At June 30, 2023, the City reported a liability of \$40,620,631 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's

proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2022, the City's proportion was 7.233399% which was a decrease of 0.324022% from its proportions measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$3,080,256. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,522,447	\$ (52,233)
Change of assumptions	113,946	-
Net difference between projected and actual earnings on pension plan investments	-	(481,284)
Changes in proportion and differences between City contributions and the City's proportionate share of contributions	34,835	(2,334,306)
Total deferred amounts to be recognized in pension expense in future periods	<u>2,671,228</u>	<u>(2,867,823)</u>
City contributions subsequent to the measurement date	5,812,884	-
Total	<u>\$ 8,484,112</u>	<u>\$ (2,867,823)</u>

The \$5,812,884 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all MFPRSI members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30	Total
2024	\$ (440,754)
2025	(1,403,679)
2026	(3,454,494)
2027	5,118,383
2028	(16,055)
	<u>\$ (196,599)</u>

#### Actuarial assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00 percent
Salary increase	3.75 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020. There were no significant changes of benefit terms.

Mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only)

rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

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 of return (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	3.50%
Broad U.S. Equity	6.70%
Global Equity	6.80%
Broad Non-US Equity	7.00%
Managed Futures	5.10%
Emerging Market	7.20%
Real Estate - Core	6.40%
Opportunistic Real Estate	11.00%
Global Infrastructure	6.80%
Private Credit	8.60%
Private Equity	12.00%

#### 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 contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. 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 plan members. 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 City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent lower (6.50 percent) or 1-percent higher (8.5 percent) than the current rate.

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
City's proportionate share of the net pension liability (asset):	73,515,774	40,620,631	13,366,561

#### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at [www.mfprsi.org](http://www.mfprsi.org).

#### Payables to the pension plan

At June 30, 2023, the City of Davenport had no payables to the defined benefit pension plan.

### C. 457 deferred compensation contributions

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The Section 457 plan, named the City of Davenport Section 457B Deferred Compensation Plan and Trust, is available to all City full time employees and permits them to defer a portion of their salary until future years. Employees are vested immediately and the deferred

compensation is available to employees at termination, retirement, death, unforeseeable emergency or attainment of age 70 ½.

In accordance with federal legislation (the Small Business and Wage Protection Act of 1996), the City has established trust arrangements for all of the assets in the plan, to ensure those assets are protected and used exclusively for plan participants and beneficiaries. As a result of these arrangements, the deferred compensation plan is not reported in the City's financial statements.

The City of Davenport contributes 2% to 6.5% matches to Police and Fire, Teamsters, Non-bargaining Management and department directors' 457 deferred compensation plans. The match rates are established through contract negotiations and the budget. The City's contributions for the years ended June 30, 2023, 2022 and 2021 were \$2,589,251, \$2,541,801, and \$2,460,498 respectively.

## X. Long-term liabilities

The following is a summary of changes in long-term liabilities, including premiums, for the year ended June 30, 2023 (numbers shown in thousands):

	Balance			Balance		Due Within
	June 30, 2022	Additions	Retirements	June 30, 2023	One Year	
<b>Governmental Activities</b>						
Bonds payable						
General obligation bonds	\$ 147,595	\$ 24,869	\$ (19,071)	\$ 153,393	\$ 25,915	
Special assessment debt	1,090	36	(34)	1,092	-	
Premium on issuance	9,488	2,166	(2,483)	9,171	-	
Total bonds payable	158,173	27,071	(21,588)	163,656	25,915	
Compensated absences	4,440	7,478	(7,426)	4,492	4,456	
OPEB payable	18,224	2,188	-	20,412	-	
Net pension liability	17,364	34,201	-	51,565	-	
Lease and other financing arrangements	-	1,039	(499)	540	173	
Notes and loans from direct borrowings and direct placements	124	-	(31)	93	31	
	<u>\$ 198,325</u>	<u>\$ 71,977</u>	<u>\$ (29,544)</u>	<u>\$ 240,758</u>	<u>\$ 30,575</u>	
<b>Business-type Activities</b>						
Bonds payable						
General obligation bonds	\$ 53,555	\$ 6,975	\$ (6,345)	\$ 54,185	\$ 7,020	
Premium on issuance	3,332	809	(721)	3,420	-	
Total bonds payable	56,887	7,784	(7,066)	57,605	7,020	
Compensated absences	839	1,180	(1,238)	781	775	
OPEB payable	3,870	434	-	4,304	-	
Net pension liability	186	4,887	-	5,073	-	
Lease and other financing arrangements	248	107	(111)	244	122	
Notes from direct borrowings and direct placements	32,197	906	(1,939)	31,164	1,940	
	<u>\$ 94,227</u>	<u>\$ 15,298</u>	<u>\$ (10,354)</u>	<u>\$ 99,171</u>	<u>\$ 9,857</u>	

The City is obligated for the special assessment debt with governmental commitment debt service payments.

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end \$156,397 of internal service funds compensated absences, \$673,924 of other postemployment benefits, and \$763,356 of net pension liability are included in the above amounts. The governmental activities' compensated absences, other postemployment benefits, and net pension liability are generally liquidated by the fund incurring the

expense. The City's general fund includes a trust and agency fund that is used to levy taxes to pay for and liquidate compensated absences and other postemployment benefits.

General obligation bonds payable at June 30, 2023, is comprised of the following individual issues:

	Outstanding Balance June 30, 2023 <i>(in thousands of dollars)</i>
<b>A.</b> Matured bonds not presented for payment.	\$ 20
<b>B.</b> \$17,715,000 2015 General Obligation Streets, Sewers, Buildings, Parks, Solid Waste, Tax Increment Financing, and Equipment serial bonds due in annual installments of \$1,025,000 to \$1,400,000 through June 1, 2030; interest at 3.0 to 5.0 percent (\$3,790,000, \$930,000, and \$825,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund, Solid Waste Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively).	8,180
<b>C.</b> \$42,450,000 2016A General Obligation Streets, Sewers, Buildings, Parks, Solid Waste, Tax Increment Financing, and Equipment serial bonds due in annual installments of \$1,465,000 to \$3,485,000 through June 1, 2031; interest at 2.0 to 5.0 percent (\$9,855,000, \$220,000, \$1,170,000 and \$15,855,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund, Solid Waste Enterprise Fund, RiverCenter Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively).	25,205
<b>D.</b> \$6,085,000 2016B General Obligation Crossover Refunding of \$1,465,000 of 2008 D Taxable General Obligation Bonds maturing June 1, 2018 through 2024 and \$4,340,000 of 2009B Taxable General Obligation Bonds maturing June 1, 2018 through 2024 due in annual installments of \$130,000 to \$935,000 through June 1, 2028; interest at 2.0 to 3.7 percent (\$6,085,000 in principal and interest thereon is being serviced by the Tax Increment Financing Districts Debt Service Fund).	1,935
<b>E.</b> \$7,140,000 2016C General Obligation Crossover Refunding of \$7,485,000 of 2009 A General Obligation Bonds maturing June 1, 2018 through 2024 due in annual installments of \$875,000 to \$1,145,000 through June 1, 2024; interest at 2.0 to 5.0 percent (\$145,000 in principal and interest thereon is being serviced by the Sewer Enterprise Fund).	1,145
<b>F.</b> \$20,825,000 2017A General Obligation Streets, Sewers, Buildings, Parks, Solid Waste, Tax Increment Financing, and Equipment serial bonds due in annual installments of \$1,060,000 to \$1,640,000 through June 1, 2032; interest at 3.125 to 5.0 percent (\$6,250,000, \$230,000, \$1,135,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund, Solid Waste Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively).	13,100
<b>G.</b> \$7,345,000 2017B General Obligation Refunding of \$7,380,000 of 2009C General Obligation Communication Building bonds maturing June 1, 2018 through 2029 due in annual installments of \$455,000 to \$760,000; interest at 2.0 to 3.0 percent.	4,140
<b>H.</b> \$13,685,000 2017C General Obligation Crossover Refunding of \$14,705,000 of 2010 D General Obligation Bonds maturing June 1, 2019 through 2025 due in annual installments of \$1,795,000 to \$2,175,000; interest at 2.0 to 5.0 percent (\$3,355,000, \$320,000, \$220,000 and \$200,000 in principal and interest thereon is being serviced by the Sewer Enterprise Fund, Clean Water Enterprise Fund, Airport Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively).	4,270

	Outstanding Balance June 30, 2023 <i>(in thousands of dollars)</i>
<p><b>I.</b> \$31,620,000 2018A General Obligation Streets, Sewers, Buildings, Tax Increment Financing, Equipment and Refunding serial bonds due in annual installments of \$1,360,000 to \$3,185,000 through June 1, 2032; interest at 3.0 to 5.0 percent (\$1,885,000, \$7,470,000, \$1,450,000 and \$195,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund, Sewer Enterprise Fund, Parking Fund and Municipal Self Supporting Tax District Fund, respectively). Included was a current refunding of \$7,390,000 with an average coupon rate of 5% to refund \$8,170,000 of its General Obligation Bonds dated 01/05/2010 with an average coupon rate of 5.0%.</p>	17,205
<p><b>J.</b> \$8,275,000 2018B General Obligation Economic Development, Infrastructure and Refunding serial bonds due in annual installments of \$410,000 to \$830,000 through June 1, 2032; interest at 3.0 to 3.55 percent (\$7,025,000 and \$1,250,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund and Parking Fund, respectively). Included was a current refunding of \$1,250,000 with an average coupon rate of 3% to refund \$1,250,000 of its General Obligation Bonds dated 03/22/2010 with an average coupon rate of 4.22%.</p>	5,060
<p><b>K.</b> \$21,590,000 2019 General Obligation Streets, Sewers, Buildings, Parks, Solid Waste and Equipment serial bonds due in annual installments of \$1,085,000 to \$1,745,000 through June 1, 2034; interest at 3.0 to 5.0 percent (\$6,365,000 and \$790,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Solid Waste Enterprise fund, respectively.)</p>	16,305
<p><b>L.</b> \$40,290,000 2020A Private Placement General Obligation Streets, Sewers, Buildings, Parks, Solid Waste and Equipment serial bonds due in annual installments of \$1,310,000 to \$4,780,000 through June 1, 2035; interest at 2.04 percent (\$4,025,000 and \$775,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Solid Waste Enterprise Fund, respectively.) Included was a current refunding of \$13,555,000 with an average coupon rate of 2.04% to refund \$13,495,000 of its General Obligation Bonds dated 03/07/2012 with an average coupon rate of 4.0%. The City refunded these bonds to reduce its total debt service payments over the next 11 years by \$1,152,880 and obtain a net economic gain (difference between the present values of the debt service payments on the old and new) of \$1,056,478. Also included was a current refunding of \$6,305,000 with an average coupon rate of 2.04% to refund \$6,275,000 of its General Obligation Bonds dated 05/07/2012 with an average coupon rate of 3.0%.</p>	26,625
<p><b>M.</b> \$21,675,000 2020B General Obligation Streets, Sewers, Buildings, Parks, Solid Waste and Equipment serial bonds due in annual installments of \$1,100,000 to \$2,820,000 through June 1, 2036; interest at 2.0 to 5.0 percent (\$2,925,000 and \$810,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Solid Waste Enterprise fund, respectively.)</p>	17,745
<p><b>N.</b> \$8,175,000 2021A General Obligation Refunding of \$9,905,000 of 2013A General Obligation Corporate and Refunding bonds maturing June 1, 2022 through 2032 due in annual installments of \$500,000 to \$955,000; interest at 1.0 to 5.0 percent. The refunding was undertaken to reduce total debt service payments. The results of the transaction is a reduction of \$1,236,786 in future debt service payments for an economic gain of \$1,177,097.</p>	6,435

	Outstanding Balance June 30, 2023 <i>(in thousands of dollars)</i>
<b>O.</b> \$24,655,000 2022A General Obligation Streets, Sewers, Buildings, Parks, Solid Waste and Equipment serial bonds due in annual installments of \$1,375,000 to \$5,030,000 through June 1, 2037; interest at 2.0 to 5.0 percent (\$6,640,000 and \$835,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Solid Waste Enterprise fund, respectively.)	20,710
<b>P.</b> \$9,795,000 2022A General Obligation Refunding of \$11,275,000 of 2014A General Obligation Corporate and Refunding bonds maturing June 1, 2023 through 2029 due in annual installments of \$1,430,000 to \$1,810,000; interest at 3.0 to 5.0 percent. The refunding was undertaken to reduce total debt service payments. The results of the transaction is a reduction of \$794,706 in future debt service payments for an economic gain of \$791,148.	8,710
<b>Q.</b> \$31,880,000 2023 General Obligation Streets, Sewers, Buildings, Parks, Solid Waste and Equipment serial bonds due in annual installments of \$1,290,000 to \$9,565,000 through June 1, 2038; interest at 4.0 to 5.0 percent (\$6,290,000 and \$685,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Solid Waste Enterprise fund, respectively.)	31,880
Total general obligation bonds and special assessment debt	208,670
General obligation bonds serviced by enterprise funds	(54,185)
General obligation bonds and special assessment debt reported in governmental activities	\$ 154,485

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The City of Davenport's Capital Improvement Program has been funded in part from general obligation bonds which are intended to be abated by user fees, special assessment collections, municipal improvement district taxes, and levee rents. The debt to be abated by user fees is accounted for in the Enterprise Funds in the amount of \$54,185,000. Debt abated by special assessment collections is accounted for in the governmental activities as Special Assessment Debt with Governmental Commitment in the amount of \$1,092,066. The general credit of the City is obligated only to the extent that user fees, special assessment collections or liens foreclosed against properties involved in the special assessment projects, municipal improvement district taxes, and levee rents are insufficient to retire outstanding bonds.

In order to limit the liability of taxpayers, the State Constitution of Iowa imposes a limit on the amount of debt local governments may incur. The City of Davenport's debt limitation is five (5) percent of its gross assessed valuation. This limitation applies to general obligation indebtedness and Tax Increment Financing agreements entered in to rebate taxes paid over time. At June 30, 2023, the statutory limit for the City was \$409,777,672 providing a debt margin of \$196,872,672.

The City has entered into an agreement (note payable) with the Iowa Finance Authority to borrow ten million dollars in the form of the proceeds of the Iowa Finance Authority Taxable Sewer Revenue Build America Bonds Series 2010. The City draws funds from the Iowa Finance Authority as needed for construction of the Westside Diversion Sewer Tunnel project. The note bears interest at 3% with interest payments payable semiannually commencing December 1, 2010. Principal repayment is annually each June 1 commencing June 1, 2012. As of June 30, 2021, the City had drawn all of the loan. The note is payable solely from the net revenues of the sewer utility. Annual principal and interest payments on the note are expected to require less than 20% of net revenue of the Sewer Operations Fund. The note requires several covenants including maintaining net revenues of the sewer operating of at least 110% of the amount of principal and interest due in revenue bonds in the same year and the completion and issuance of the City's annual audit within 180 days of year end. The note is expected to be paid as follows:

Year ending June 30	Principal	Interest
2024	\$ 296,000	\$ 124,180
2025	306,000	119,000
2026	316,000	113,645
2027	326,000	108,115
2028	337,000	102,410
2029-2033	1,856,000	419,667
2034-2038	2,176,000	246,417
2039-2041	1,483,000	52,448
Total	\$ 7,096,000	\$ 1,285,882

The City has entered into a second agreement (note payable) with the Iowa Finance Authority to borrow \$7,085,000 in the form of the proceeds of the Iowa Finance Authority Taxable Sewer Revenue Bond Series 2013. This was refunded with Series 2015 refunding bond, decreasing the interest rate to .75%. The original amount of the loan was \$7,085,000 and the City used \$5,286,107 on the Westside Diversion Tunnel project. The City then amended this loan to add \$495,000 for a sponsored project. The note bears interest at .75% with interest payments semi-annually, commencing June 1, 2016. Principal repayment is annually each June 1 commencing June 1, 2019. As of June 30, 2021, the City had drawn all of the loan. The note is payable

solely from the net revenues of the Sewer Operations Fund and has the same covenants as the other Iowa Finance Authority notes. The note is expected to be paid as follows:

Year ending June 30	Principal	Interest
2024	\$ 286,000	\$ 24,758
2025	288,000	22,612
2026	291,000	20,453
2027	294,000	18,270
2028	297,000	16,065
2029-2033	1,530,000	46,462
2034	315,000	2,363
Total	<u>\$ 3,301,000</u>	<u>\$ 150,983</u>

The City has entered into a third agreement (note payable) with the Iowa Finance Authority to borrow \$7,438,000 in the form of the proceeds of an Iowa Finance Authority revenue bond. The City draws funds from the Iowa Finance Authority as needed for the plant optimization project at the Water Pollution Control Plant. The note bears interest at 1.75% with interest payments payable semiannually. Principal repayment is annually each June 1, commencing June 1, 2019. As of June 30, 2023, the City had drawn \$6,989,833 of which \$2,306,000 in principal payments have been made resulting in a note payable balance of \$4,683,833. The note is payable solely from the net revenues of the Sewer Operations Fund and has the same covenants as the other Iowa Finance Authority notes. The below schedule is based on an estimated draw schedule. During the construction phase the City is required to follow the amortization schedule provided below:

Year ending June 30	Principal	Interest
2024	\$ 356,000	\$ 91,560
2025	364,000	85,330
2026	371,000	78,960
2027	378,000	72,468
2028	386,000	65,852
2029-2033	2,048,000	225,225
2034-2035	780,832	38,920
Total	<u>\$ 4,683,832</u>	<u>\$ 658,315</u>

The City has entered into a fourth agreement (note payable) with the Iowa Finance Authority to borrow \$10,387,000 in the form of the proceeds of an Iowa Finance Authority revenue bond. The City draws funds from the Iowa Finance Authority as needed for the 1930's interceptor flow diversion project. The note bears interest at 1.75% with interest payments payable semiannually. Principal repayment is annually each June 1, commencing June 1, 2021. As of June 30, 2023, the City had drawn \$9,684,326 of which \$1,325,376 in principal payments have been made resulting in a note payable balance of \$9,124,065. The note is payable solely from the net revenues of the Sewer Operations Fund and has the same covenants as the other Iowa Finance Authority notes. The below schedule is based on an estimated draw schedule. During the construction phase the City is required to follow the amortization schedule provided below:

Year ending June 30	Principal	Interest
2024	\$ 497,000	\$ 68,272
2025	501,000	64,860
2026	506,000	61,103
2027	511,000	57,307
2028	516,000	53,475
2029-2033	2,660,000	208,530
2034-2038	2,796,000	106,747
2039-2040	645,964	13,050
Total	<u>\$ 8,632,964</u>	<u>\$ 633,344</u>

The City has entered into a fifth agreement (note payable) with the Iowa Finance Authority to borrow \$8,249,000 in the form of the proceeds of an Iowa Finance Authority revenue bond. The City draws funds from the Iowa Finance Authority as needed for the ultraviolet disinfection project and gray water system addition project. The note bears interest at 1.75% with interest payments payable semiannually. Principal repayment is annually each June 1, commencing June 1, 2022. As of June 30, 2023, the City had drawn \$7,045,026 of which \$686,000 in principal payments have been made resulting in a note payable balance of \$6,359,026. The note is payable solely from the net revenues of the Sewer Operations Fund and has the same covenants as the other Iowa Finance Authority notes. The below schedule is based on an estimated draw schedule. During the construction phase the City is required to follow the amortization schedule provided below:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 353,000	\$ 132,353
2025	360,000	126,175
2026	367,000	119,875
2027	375,000	113,452
2028	382,000	106,890
2029-2033	2,030,000	431,375
2034-2038	2,241,000	246,505
2039	251,026	25,462
<b>Total</b>	<b>\$ 6,359,026</b>	<b>\$ 1,302,087</b>

The City shall at all times prescribe, fix, and maintain and collect rates, fees and other charges for their services and facilities furnished by the system that are fully sufficient at all times which will (a) equal at least 110% of the debt service requirement of all bonds and parity obligations then outstanding for the year of computation; (b) enable the City to make all required payments. For the current year, principal and interest paid and total customer net revenues (operating revenues, plus interest earnings, plus depreciation expense) were \$2,261,571 and \$16,101,279, respectively.

The City has entered into an agreement with the Iowa Department of Transportation to borrow \$310,791 from the Railroad Revolving Loan Program. The City drew the funds from the Iowa Department of Transportation for construction of a new rail spur line to serve the Eastern Iowa Industrial Center. The loan bears interest at 3% with principal and interest payments payable semiannually originally commencing in June 2013. However, the loan agreement was reworked due to a change in the completion date of the project and terms of the loan. The loan is subject to an acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due in the event any payment is not made when due or upon the occurrence of any event of default under the terms of the agreement. The City made the first payment in June 2018. The payment schedule is:

<u>Year ending June 30</u>	<u>Principal</u>
2024	\$ 31,079
2025	31,079
2026	31,079
<b>Total</b>	<b>\$ 93,237</b>

The City has entered an agreement with the Scott County Solid Waste Commission (SCWC) to implement single stream recycling within Scott County. The SCWC entered into a written agreement with the Closed Loop Fund, LP to purchase recycling carts at zero percent interest over a 10-year period. The City took possession of 71.7% of the carts and the associated debt. The City is responsible for 120 monthly payments of \$16,282. The City has agreed to forgo all profits generated by the sale of recyclables delivered to the SCWS

until the loan is paid in full. The City's share of the sale of recyclables reduces the monthly payment of the City. The loan is expected to be paid as follows:

Year ending June 30	Principal
2024	\$ 194,838
2025	194,838
2026	194,838
2027	15,873
	<u>\$ 600,387</u>

The annual requirements including interest (in thousands of dollars), to service bonds payable are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	General Obligation Bonds and Special Assessments		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 25,895	\$ 5,592	\$ 7,020	\$ 1,991
2025	15,690	4,412	6,930	1,689
2026	12,925	3,845	6,350	1,432
2027	13,455	3,342	4,965	1,192
2028	13,990	2,825	4,820	983
2029-2033	54,255	7,289	17,705	2,587
2034-2038	18,255	1,293	6,395	489
	<u>154,465</u>	<u>28,598</u>	<u>54,185</u>	<u>10,363</u>
Matured	20	2	-	-
Totals	<u>\$ 154,485</u>	<u>\$ 28,600</u>	<u>\$ 54,185</u>	<u>\$ 10,363</u>

Since 1976, the City has authorized the issuance of \$269,190,000 of industrial development revenue bonds under the provision of Chapter 419 of the Code of Iowa.

## XI. Risk management

The City is self-insured for the following types of risk exposures:

- Health Benefits.* The City has established an Employee Insurance Fund for insurance benefits provided to City employees and covered dependents, which is included in the Internal Service Fund type. Health benefits were self-insured up to a specific annual stop loss amount of \$190,000 per member, and an aggregate annual stop loss amount of approximately \$15,000,000 for 2023. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount. All claims handling procedures are performed by an independent claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims lag report provided by the third-party administrator. No settlements exceeded insurance coverage for the past three fiscal years. There were no significant reductions in insurance coverage during the past year. Based on experience, the claims payable balance of \$894,176 as of June 30, 2023 is considered current and due within one year.
- General and Auto Liability, Property, and Workers' Compensation.* The City has established a Risk Management Fund for self-insurance related to general and automobile liability, property, and workers' compensation claims which is included in the Internal Service Fund type. Self-insurance was in effect up to individual stop loss amounts per occurrence of \$500,000 for general and auto liability, \$100,000 for property and \$2,000,000 for workers' compensation for 2023. Coverage from private insurers is maintained for losses in excess of the individual stop loss

amounts. Workers' Compensation claims are managed by IPMG Property, a third-party administrator, and liability claims are managed by the Risk Management division of the Human Resources Department. A private attorney specializing in workers' compensation law is retained to defend workers' compensation claims filed with the state Workers' Compensation Commissioner by claimants. Incurred but not reported claims have been accrued as a liability based upon an independent actuarial study. No settlements exceeded insurance coverage for the past three fiscal years. There were no significant reductions in insurance coverage during the past year. Based on experience, \$10,418,691 of the claims payable as of June 30, 2023 is considered current and due within one year.

Changes in reported liabilities for the fiscal years ended June 30, 2022 and 2023 are summarized as follows:

	Employee Insurance Fund	Risk Management Fund	Total
Liabilities at June 30, 2021	\$ 1,255,365	\$ 12,333,470	\$ 13,588,835
Claims and changes in estimates during fiscal year 2022	16,459,023	2,642,432	19,101,455
Claim payments	<u>(16,765,759)</u>	<u>(2,676,499)</u>	<u>(19,442,258)</u>
Liabilities at June 30, 2022	948,629	12,299,403	13,248,032
Claims and changes in estimates during fiscal year 2023	16,556,974	4,988,524	21,545,498
Claim payments	<u>(16,611,427)</u>	<u>(3,015,748)</u>	<u>(19,627,175)</u>
Liabilities at June 30, 2023	<u>\$ 894,176</u>	<u>\$ 14,272,179</u>	<u>\$ 15,166,355</u>

## **XII. Other postemployment benefits (OPEB)**

### **Plan description**

The City sponsors a single-employer health care plan that provides a continuation option to retirees to purchase health benefits under the City's group health plan. The plan is administered by the City and the City has the authority to establish or amend the plan provisions or contribution requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The plan does not issue a stand-alone financial report.

### **Benefits provided**

As required under Iowa Code Chapter 509A.13, the City provides postemployment health benefits. Employees who have attained age 55 and have fifteen or more years of service with the City, or qualify for normal retirement as defined by IPERS, or qualify for normal retirement as defined by MFPRSI or are granted retiree status pursuant to a separation agreement with the City are eligible for retiree benefits. Eligible retirees and their dependents may purchase medical, prescription drug and dental insurance through the City's self-insured plan.

### **Contributions**

The current funding policy of the City is to pay health claims as they occur. The City does not explicitly subsidize retiree health care coverage. Retirees pay 100% of the group rate calculated on the expected costs based on the entire group of active, COBRA participants and retirees. Retirees receiving benefits contributed \$748,067 through their required contribution of \$1,070 per month for single health coverage, \$1,709 per month for single plus one health coverage and \$2,388 per month for family coverage.

The source of payment is the fund that pays the benefits for the current employees; either the General Fund or a proprietary fund. Other postemployment liabilities attributed to governmental activities are generally liquidated by the Employee Health Insurance Internal Service Fund.

**Employees covered by benefit terms**

At June 30, 2023, the following employees were covered by the benefit terms:

Active participants	752
Retired participants	<u>45</u>
	<u><u>797</u></u>

**Changes in the total OPEB liability**

	Total OPEB Liability
Balance as of July 1, 2022	\$ 22,094,025
Changes for the year:	
Service cost	1,645,601
Interest	798,023
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,113,638
Contributions and payments made	<u>(934,750)</u>
Net changes	<u>2,622,512</u>
Balance as of June 30, 2023	<u>\$ 24,716,537</u>

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	\$ 26,537,068	\$ 24,716,537	\$ 22,986,779

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3.25 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.25 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (5.5% decreasing to 3.25%)	Current Discount Rate (6.5% decreasing to 4.25%)	1% Increase (7.5% decreasing to 5.25%)
Total OPEB Liability	\$ 21,942,909	\$ 24,716,537	\$ 27,977,796

**OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB**

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,213,105. At June 30, 2023, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ 2,702,819	\$ 2,011,590
Difference between expected and actual experience	<u>-</u>	<u>3,817,434</u>
Total	<u>\$ 2,702,819</u>	<u>\$ 5,829,024</u>

Amounts reported as the deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Year Ending June 30	Deferred Inflows of Resources
2023	\$ (295,769)
2024	(295,769)
2025	(295,769)
2026	(295,769)
2027	(295,769)
Thereafter	<u>(1,647,360)</u>
	<u>\$ (3,126,205)</u>

The actuarial cost method used in this valuation is the entry age normal actuarial cost method. Under this method, a normal cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00% to 15.61%
Discount rate	3.86%
Health care cost trend rates	6.25% for 2023 decreasing 0.25%-0.50% per year to an ultimate rate of 4.0%
Mortality rates	PubG-2010 projected to 2021 using scale MP2021 for general PubS-2010 projected to 2021 using scale MP2021 for Police and Fire

The discount rate was based on the 20-year municipal bond rate.

### XIII. **Fund balance**

Fund balances, presented in the governmental fund financial statements, represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. The Statement requires that the fund balances be classified into categories based upon the type of constraints imposed on the use of funds. The City evaluated each of its funds at June 30, 2023 and classified fund balances into the following five categories:

- *Nonspendable*. Items that cannot be spent because they are not in spendable form, such as prepaid items.
- *Restricted*. Items that are restricted by external parties such as creditors or imposed by grants, laws or enabling legislation. The City has legal restrictions on amounts collected by property tax levies, on forfeiture/seizure collections and on unspent bond proceeds. The City has restrictions by grantors for the balance of program income.
- *Committed*. Items that have been committed by formal action by the entity's "highest level of decision-making authority", which are City Council resolutions. The commitment of fund balances took place on May 18, 2011. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

- *Assigned.* Items the Chief Financial Officer assigns as specific projects or purposes have been identified, as the City's fund balance policy states. This power was granted by the City Council on May 18, 2011.
- *Unassigned.* Any balances that have no restrictions on them. 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.

The City of Davenport spends restricted fund balance first, followed by committed, assigned and unassigned fund balance.

The City's policy on fund balance of the general fund, excluding the other specific-use funds, is that the unassigned fund balance will be maintained at 17 to 25 percent of the operating requirements. The current fund balance is within policy guidelines.

Fund Balances	Major					Non major		Total Governmental Funds
	General	Special Revenue Local Option Sales		Capital Projects	Special Revenue ARPA	Special Revenue	Debt Service	
		Tax	Debt Service					
Nonspendable:								
Prepays	\$ 96,668	\$ 30,986	\$ -	\$ 16,220	\$ 69,307	\$ 1,800	\$ -	\$ 214,981
Inventory	1,400,807	-	-	-	-	-	-	1,400,807
	<u>1,497,475</u>	<u>30,986</u>	<u>-</u>	<u>16,220</u>	<u>69,307</u>	<u>1,800</u>	<u>-</u>	<u>1,615,788</u>
Restricted for:								
Debt Service	-	-	32,139,881	-	-	-	7,539,957	39,679,838
Capital Projects	-	-	-	32,684,955	-	-	-	32,684,955
Police Non-recurring	410,736	-	-	-	-	-	-	410,736
Library	1,610,382	-	-	-	-	-	-	1,610,382
Employee Benefits	5,620,966	-	-	-	-	-	-	5,620,966
Community Development Block Grant projects	-	-	-	-	-	50,981	-	50,981
HUD Section 8 rents	-	-	-	-	-	267,622	-	267,622
Municipal Improvement projects	-	-	-	-	-	1,391,198	-	1,391,198
Youth Sports	-	-	-	-	-	56,249	-	56,249
Home Investment Partnership	-	-	-	-	-	1,261,651	-	1,261,651
Other grants	-	-	-	-	-	228,642	-	228,642
Metro Coalition	-	-	-	-	-	60,438	-	60,438
Local Option Sales Tax	-	19,107,036	-	-	-	-	-	19,107,036
Road Use Tax projects	-	-	-	-	-	5,207,490	-	5,207,490
	<u>7,642,084</u>	<u>19,107,036</u>	<u>32,139,881</u>	<u>32,684,955</u>	<u>-</u>	<u>8,524,271</u>	<u>7,539,957</u>	<u>107,638,184</u>
Committed for:								
Riverfront Improvement projects	-	-	-	-	-	311,249	-	311,249
Revolving Loans	-	-	-	-	-	2,127,580	-	2,127,580
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,438,829</u>	<u>-</u>	<u>2,438,829</u>
Assigned for:								
Library projects	144,762	-	-	-	-	-	-	144,762
Public Safety projects	6,158,260	-	-	-	-	-	-	6,158,260
Parks projects	31,032	-	-	-	-	-	-	31,032
Public Works projects	1,583,841	-	-	-	-	-	-	1,583,841
City Hall projects	59,271	-	-	-	-	-	-	59,271
River Center projects	3,688,820	-	-	-	-	-	-	3,688,820
American Rescue Plan Act (ARPA)	-	-	-	-	1,380,161	-	-	1,380,161
Next year budgeted deficits	2,077,447	-	-	-	-	-	-	2,077,447
	<u>13,743,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,380,161</u>	<u>-</u>	<u>-</u>	<u>15,123,594</u>
Unassigned	14,345,554	-	-	-	-	(69,996)	-	14,275,558
<b>Total fund balances</b>	<u>\$37,228,546</u>	<u>\$ 19,138,022</u>	<u>\$32,139,881</u>	<u>\$ 32,701,175</u>	<u>\$1,449,468</u>	<u>\$ 10,894,904</u>	<u>\$ 7,539,957</u>	<u>\$ 141,091,953</u>



**XIV. Tax abatement disclosure**

GASB Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that result 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 otherwise 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.

**A. City tax abatements**

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements. For the year ended June 30, 2023, the City abated \$4,647,293 of property tax under the urban renewal and economic development projects.

The City has entered into an Economic Development agreement with local hotels and the agreement was approved by City Council. Under the agreement the City agreed to refund a portion of its share of the hotel/motel tax collected by the hotel's owner. The hotel/motel tax abatement shall be for Hotel Taxes collected starting with the substantial completion of the Economic Development Project. For the year ended June 30, 2023, the City did not abate any hotel/motel taxes under the Economic Development agreement.

The City provides sales tax abatements for urban renewal projects as provided for in Chapter 423B of the Code of Iowa. To support economic development the City agreed to rebate a percentage of the 1% sales tax generated by new retail business established in the City. This incentive is consistent with the City's sales tax rebate ordinance adopted June 22, 2011. The amount rebated each year will be dependent upon the actual sales generated by qualified businesses. The obligations of the City under this Agreement are conditioned upon the faithful performance by the Company of all the terms and conditions of the agreement. For the year ended June 30, 2023, the City abated approximately of \$192,453 in local option sales tax.

The City was not subject to any tax abatement agreements entered into by other governmental entities.

**XV. Individual fund disclosures**

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2023:

<u>Fund Type</u>	<u>Individual Fund</u>	<u>Deficit Fund Balances</u>	<u>Deficit Net Position</u>
Proprietary	Internal Service, Risk	\$ -	\$ 3,733,667

The individual fund balance deficits will be eliminated by future taxes, intergovernmental revenue and fees for services.

**XVI. Conduit debt obligations**

In FY 2018, The Lutheran Home for the Aged Association utilized the City of Davenport as its conduit in the issuance and sale of \$2,800,000 Health Care Facility Revenue Bonds, Series 2016, to construct a twenty-six (26) room addition for the care of persons with chronic confusion or a dementing illness. The said revenue bonds are exempt from Federal Income Tax by utilizing the City of Davenport as its conduit through which the bonds may be legally issued. At June 30, 2023, the bonds had an aggregate outstanding principal amount payable of \$2,366,000.

**CITY OF DAVENPORT**

**GOVERNMENTAL AND PROPRIETARY FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Required Supplementary Information**

**For the Fiscal Year Ended June 30, 2023**

	<u>GOVERNMENTAL FUNDS ACTUAL</u>	<u>PROPRIETARY FUNDS ACTUAL</u>	<u>TOTAL ACTUAL - GAAP BASIS</u>
REVENUES:			
Taxes	\$ 115,863,978	\$ 4,414,746	\$ 120,278,724
Special assessments	2,491	-	2,491
Licenses and permits	2,626,262	-	2,626,262
Intergovernmental	41,801,485	3,653,229	45,454,714
Charges for services	4,663,611	78,888,539	83,552,150
Use of monies and property	6,506,252	2,949,732	9,455,984
Fines and forfeits	1,844,143	405,931	2,250,074
Loan repayments	846,332	-	846,332
Other	10,156,332	520,327	10,676,659
Total Revenues	<u>184,310,886</u>	<u>90,832,504</u>	<u>275,143,390</u>
EXPENDITURES:			
Current:			
Public safety	51,692,282	-	51,692,282
Public works	20,343,841	-	20,343,841
Culture and recreation	15,149,970	-	15,149,970
Community and economic development	18,048,773	-	18,048,773
General government	15,623,113	-	15,623,113
Capital outlay	40,324,212	-	40,324,212
Debt service:			
Principal retirement	19,202,686	-	19,202,686
Interest	5,321,300	-	5,321,300
Bond issuance costs	125,645	-	125,645
Business type activities	-	72,686,213	72,686,213
	<u>185,831,822</u>	<u>72,686,213</u>	<u>258,518,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,520,936)</u>	<u>18,146,291</u>	<u>16,625,355</u>
OTHER FINANCING SOURCES (USES), NET	<u>25,912,869</u>	<u>1,553,931</u>	<u>27,466,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	24,391,933	19,700,222	44,092,155
BALANCES BEGINNING OF YEAR, as restated	<u>116,700,020</u>	<u>146,971,988</u>	<u>263,672,008</u>
BALANCES END OF YEAR	<u>\$ 141,091,953</u>	<u>\$ 166,672,210</u>	<u>\$ 307,764,163</u>

See note to Required Supplementary Information

RECLASSIFICATIONS	ACTUAL - BUDGETARY BASIS	BUDGETED AMOUNTS		FINAL TO ACTUAL - BUDGETARY BASIS VARIANCE
		ORIGINAL	FINAL	
\$ -	\$ 120,278,724	\$ 113,906,541	\$ 113,763,569	\$ 6,515,155
-	2,491	27,500	27,500	(25,009)
-	2,626,262	2,054,100	2,054,100	572,162
-	45,454,714	32,213,325	100,808,766	(55,354,052)
-	83,552,150	75,891,257	76,226,338	7,325,812
-	9,455,984	1,904,610	2,204,610	7,251,374
-	2,250,074	1,375,500	1,975,500	274,574
-	846,332	636,000	1,012,688	(166,356)
-	10,676,659	5,719,713	5,429,671	5,246,988
-	<u>275,143,390</u>	<u>233,728,546</u>	<u>303,502,742</u>	<u>(28,359,352)</u>
17,958	51,710,240	51,217,849	55,611,520	3,901,280
-	20,343,841	19,088,221	41,176,339	20,832,498
-	15,149,970	14,749,562	28,298,199	13,148,229
-	18,048,773	17,769,231	26,929,093	8,880,320
34,846	15,657,959	13,714,058	17,906,082	2,248,123
139,645	40,463,857	43,865,093	90,507,975	50,044,118
(66,607)	19,136,079	25,805,000	19,136,080	1
(197)	5,321,103	7,189,797	5,321,104	1
(125,645)	-	-	-	-
-	<u>72,686,213</u>	<u>68,130,026</u>	<u>78,706,437</u>	<u>6,020,224</u>
-	<u>258,518,035</u>	<u>261,528,837</u>	<u>363,592,829</u>	<u>105,074,794</u>
-	<u>16,625,355</u>	<u>(27,800,291)</u>	<u>(60,090,087)</u>	<u>76,715,442</u>
-	<u>27,466,800</u>	<u>33,239,550</u>	<u>35,069,550</u>	<u>(7,602,750)</u>
-	44,092,155	5,439,259	(25,020,537)	69,112,692
-	<u>263,672,008</u>	<u>233,455,610</u>	<u>263,672,008</u>	<u>-</u>
\$ -	<u>\$ 307,764,163</u>	<u>\$ 238,894,869</u>	<u>\$ 238,651,471</u>	<u>\$ 69,112,692</u>

**CITY OF DAVENPORT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-BUDGETARY REPORTING  
JUNE 30, 2023**

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In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing for all funds. The City's governmental fund types are budgeted on a modified accrual basis of accounting in conformance with the accounting principles generally accepted in the United States of America (GAAP). Proprietary fund types are budgeted on full accrual basis, except bond proceeds, which are budgeted on a modified accrual basis, and depreciation, incurred but not reported insurance claims, loss on disposal, joint venture adjustment and capital contributions which are not budgeted. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Budget amendments are reflected in the final budgeted amounts.

Formal and legal budgetary control is based upon 8 major classes of expenditures known as functions, not by fund or fund type. These 8 functions are: public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function expenditures required to be budgeted include expenditures for General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Internal Service and Enterprise Funds. Although the budget document presents function expenditures by fund, the legal level of control is at the aggregated function level, not by fund. During the year a budget amendment increased budgeted expenditures by \$102,063,992. The budget amendment is reflected in the final budgeted amounts.

	<u>Budgetary Basis</u>	<u>Adjustments</u>	<u>Adjusted Basis</u>
Revenues	\$ 275,143,390	\$ -	\$ 275,143,390
Expenditures/expenses	<u>258,518,035</u>	<u>15,616,171</u>	<u>274,134,206</u>
Net	16,625,355	(15,616,171)	1,009,184
Other financing sources, net	27,466,800	5,243,599	32,710,399
Beginning fund balance/net position	<u>263,672,008</u>	<u>64,531,114</u>	<u>328,203,122</u>
Ending fund balance/net position	<u><u>\$ 307,764,163</u></u>	<u><u>\$ 54,158,542</u></u>	<u><u>\$ 361,922,705</u></u>

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**CITY OF DAVENPORT**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

(In Thousands)

**Required Supplementary Information**

**For the Fiscal Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>
Total OPEB Liability:		
Service cost	\$ 1,646	\$ 2,099
Benefit changes	-	-
Difference between expected and actual experience	-	(3,910)
Interest	798	498
Changes in assumptions or other inputs	1,114	(2,133)
Contributions and payments made	(935)	(764)
<b>Net Change in total OPEB liability</b>	<u>\$ 2,623</u>	<u>\$ (4,210)</u>
Total Liability, beginning	<u>22,094</u>	<u>26,304</u>
Total OPEB Liability, ending	<u><u>\$ 24,717</u></u>	<u><u>\$ 22,094</u></u>
Covered-employee payroll	54,705	53,379
Total OPEB liability as percentage of covered-employee payroll	45.18%	41.39%

Note to schedule:

Changes to benefit terms: There were no changes to benefit terms.

The following are discount rates used in each period.

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

2017	3.57%
2018	3.87%
2019	3.50%
2020	2.45%
2021	1.92%
2022	3.69%
2023	3.86%

GASB statement No. 75 requires ten years of information to be present in this table.

However, until a full 10-years trend is compiled, the City will present information for those years for which information is available.

	2021	2020	2019	2018
\$	1,922	\$ 1,845	\$ 1,530	\$ 1,489
	-	(415)	-	-
	-	(764)	-	-
	571	775	783	741
	1,105	786	495	(426)
	(1,185)	(966)	(840)	(704)
\$	<u>2,413</u>	<u>\$ 1,261</u>	<u>\$ 1,968</u>	<u>\$ 1,100</u>
	23,891	22,630	20,662	19,562
\$	<u><u>26,304</u></u>	<u><u>\$ 23,891</u></u>	<u><u>\$ 22,630</u></u>	<u><u>\$ 20,662</u></u>
	52,609	52,191	50,222	48,624
	50.00%	45.78%	45.06%	42.49%

**CITY OF DAVENPORT**

**SCHEDULE OF CITY CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

(In Thousands)

**Required Supplementary  
Information**

**For the Fiscal Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$ 3,376	\$ 3,244	\$ 3,164	\$ 3,124
Contributions in relation to the statutorily required contributions	<u>(3,376)</u>	<u>(3,244)</u>	<u>(3,164)</u>	<u>(3,124)</u>
Contribution deficiency (excess)	-	-	-	-
City's covered payroll	\$ 35,764	\$ 34,369	\$ 33,515	\$ 33,098
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See note to Required Supplementary Information - IPERS pension liability



	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	3,142	\$ 2,854	\$ 2,759	\$ 2,706	\$ 2,679	\$ 2,667
	<u>(3,142)</u>	<u>(2,854)</u>	<u>(2,759)</u>	<u>(2,706)</u>	<u>(2,679)</u>	<u>(2,667)</u>
	-	-	-	-	-	-
\$	33,289	\$ 31,957	\$ 30,891	\$ 30,307	\$ 29,996	\$ 29,880
	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

**CITY OF DAVENPORT**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

(In Thousands)

**Required Supplementary Information**

**For the Fiscal Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net pension liability	0.4239560%	-0.1672181%	0.4143146%	0.4378222%
City's proportionate share of the net pension liability	\$ 16,018	\$ 577	\$ 29,105	\$ 25,353
City's covered payroll	\$ 34,369	\$ 33,515	\$ 33,098	\$ 33,289
City's proportionate share of the net pension liability as a percentage of its covered payroll	46.61%	1.72%	87.94%	76.16%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%

See note to Required Supplementary Information - IPERS pension liability

Note: GASB statement No. 68 requires ten years of information to be present in this table. However, until a full 10-years trend is compiled, the City will present information for those years for which information is available.

\*\* The Plan has three groups; regular, sheriff and protection. In total, the Plan reported a net pension

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.4248875%	0.4126429%	0.4200566%	0.437825%	0.456666%
\$ 26,888	\$ 27,487	\$ 26,435	\$ 21,631	\$ 18,111
\$ 31,957	\$ 30,891	\$ 30,307	\$ 29,996	\$ 29,880
84.14%	88.98%	87.22%	72.11%	60.61%
83.62%	81.23%	81.82%	85.19%	87.61%

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## **CITY OF DAVENPORT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-IPERS PENSION LIABILITY JUNE 30, 2023**

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#### **Changes of benefit terms:**

There are no significant changes in benefit terms.

#### **Changes of assumptions:**

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

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

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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 (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**CITY OF DAVENPORT**

**SCHEDULE OF CITY CONTRIBUTIONS  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA  
LAST 10 FISCAL YEARS**

(In Thousands)

**Required Supplementary Information**

**For the Fiscal Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$ 5,813	\$ 6,384	\$ 6,259	\$ 6,046
Contributions in relation to the statutorily required contributions	<u>(5,813)</u>	<u>(6,384)</u>	<u>(6,259)</u>	<u>(6,046)</u>
Contribution deficiency (excess)	-	-	-	-
City's covered payroll	24,322	24,384	\$ 24,731	\$ 24,768
Contributions as a percentage of covered payroll	23.90%	26.18%	25.31%	24.41%

See note to Required Supplementary Information - MFPRSI pension liability.

	2019	2018	2017	2016	2015	2014
\$	6,143	\$ 5,807	\$ 5,747	\$ 6,090	\$ 6,445	\$ 6,292
	(6,143)	(5,807)	(5,747)	(6,090)	(6,445)	(6,292)
	-	-	-	-	-	-
\$	23,607	\$ 22,612	\$ 22,170	\$ 21,930	\$ 21,194	\$ 20,891
	26.02%	25.68%	25.92%	27.77%	30.41%	30.12%

**CITY OF DAVENPORT**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA**

(In Thousands)

**Required Supplementary Information**

**For the Fiscal Year Ended June 30, 2023**

	2023	2022	2021	2020
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
City's proportion of the net pension liability	7.2333990%	7.5574210%	7.7319680%	7.7798140%
City's proportionate share of the net pension liability	\$ 40,621	\$ 16,972	\$ 61,670	\$ 51,030
City's covered payroll	\$ 24,384	\$ 24,731	\$ 24,768	\$ 23,607
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.59%	68.63%	248.99%	216.16%
Plan fiduciary net position as a percentage of the total pension liability	84.62%	93.62%	76.47%	79.94%

See note to Required Supplementary Information - MFPRSI pension liability.

Note: GASB statement No. 68 requires ten years of information to be present in this table. However, until a full 10-years trend is compiled, the City will present information for those years for which information is available.



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
7.7520910%	7.8139830%	8.1133690%	8.0960530%	8.2312780%
\$ 46,156	\$ 45,827	\$ 50,730	\$ 47,007	\$ 38,534
\$ 22,612	\$ 22,170	\$ 21,930	\$ 21,194	\$ 20,891
204.12%	206.71%	231.33%	221.79%	184.45%
81.07%	80.60%	78.20%	83.04%	86.27%

**CITY OF DAVENPORT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION- MFPRSI  
PENSION LIABILITY  
JUNE 30, 2023**

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**Changes of benefit terms:**

There were no significant changes of benefit terms.

**Changes of assumptions:**

The 2018 valuation changed postretirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

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# **COMBINING STATEMENTS AND SCHEDULES**

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## **Non-Major Governmental Funds**

Road Use Tax Fund – Accounts for the revenue received from the State of Iowa Road Use Tax Fund, which is collected from motor vehicle registration, fuel tax and use tax, and related expenditures, which must relate to the construction, maintenance and supervision of public streets.

Community Development Act Fund – Accounts for expenditures relating to neighborhood improvements benefitting low to moderate income persons and economic development activities, which are reimbursed by the Federal Government under the Community Development Block Grant Program.

HUD Section 8 Fund – Accounts for expenditures to landlords under a federally funded rent subsidy program.

Riverfront Improvement Fund – Accounts for the expenditure of rents received for the use of the Mississippi Riverfront property. (Formerly Levee Improvement Commission Fund.)

Municipal Improvement Districts Fund – Accounts for revenue generated by Self-supported Municipal Improvement Districts.

Revolving Loans Fund – Accounts for various Community and Economic Development revolving loans.

Home Investment Partnership Fund – Accounts for expenditures related to the rehabilitation or new construction of Rental units, and the rehabilitation of first-time homebuyer owner/occupied residential units.

Miscellaneous Grants Fund – Accounts for the expenditures of U.S. Department of Housing and Urban Development cooperative agreement awarded for the purpose of educating and promoting fair housing practices, a Neighborhood Stabilization grant, lead based paint removal and education, a supplemental Community Development Block Grant from the Iowa Department of Economic Development and a Staffing for Adequate Fire and Emergency Response Grant.

Youth Sports Fund – Accounts for revenues and expenditures related to sports programs for youth, formerly operated as Dad's Club.

Metropolitan Coalition Fund – Accounts for revenues and expenses generated through the partnership created to advocate for and promote the similar needs and interests of Iowa's ten largest cities.

Tax Increment Financing (TIF) Districts Debt Service Fund – Accounts for the accumulation of resources for and the payment of principal and interest on general obligation debt representing the financing source for the City's various tax increment financing districts. Property tax revenue generated on increased assessed valuation within the TIF Districts are the resources accounted for in this fund.

**CITY OF DAVENPORT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

<b>ASSETS</b>	<b>ROAD USE TAX</b>	<b>COMMUNITY DEVELOPMENT ACT</b>	<b>HUD SECTION 8</b>	<b>RIVERFRONT IMPROVEMENT FUND</b>	<b>MUNICIPAL IMPROVEMENT DISTRICTS</b>
Cash and investments	\$ 4,277,520	\$ -	\$ 279,249	\$ 267,615	\$ 1,605,564
Receivables:					
Property taxes:					
Delinquent	-	-	-	-	19,376
Succeeding year	-	-	-	-	1,063,953
Other taxes	-	-	-	-	-
Accounts	86,133	-	382	14,234	-
Loans, net	-	2,285,167	-	-	-
Interest	-	1,382	610	5,649	12,416
Leases	-	-	-	438,422	-
Due from other governments	1,143,223	235,760	-	-	-
Prepays	500	-	-	1,300	-
Restricted assets-cash and investments	-	34,098	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,507,376</b>	<b>\$ 2,556,407</b>	<b>\$ 280,241</b>	<b>\$ 727,220</b>	<b>\$ 2,701,309</b>
<b>LIABILITIES</b>					
Wages payable	\$ 118,894	\$ 7,923	\$ 7,084	\$ 881	\$ -
Accounts payable	128,787	89,356	2,825	8,914	241,541
Contracts payable	-	22,908	-	-	-
Payable from restricted assets	-	34,098	-	-	-
Interfund payable	-	60,696	-	-	-
Due to other governments	-	5,278	2,328	-	-
Unearned revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>247,681</b>	<b>220,259</b>	<b>12,237</b>	<b>9,795</b>	<b>241,541</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease related	-	-	-	377,718	-
Unavailable revenue - succeeding year property tax	-	-	-	-	1,063,953
Unavailable revenue - loans	51,705	2,285,167	382	27,158	4,617
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>51,705</b>	<b>2,285,167</b>	<b>382</b>	<b>404,876</b>	<b>1,068,570</b>
<b>FUND BALANCES</b>					
Nonspendable	500	-	-	1,300	-
Restricted	5,207,490	50,981	267,622	-	1,391,198
Committed	-	-	-	311,249	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>5,207,990</b>	<b>50,981</b>	<b>267,622</b>	<b>312,549</b>	<b>1,391,198</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 5,507,376</b>	<b>\$ 2,556,407</b>	<b>\$ 280,241</b>	<b>\$ 727,220</b>	<b>\$ 2,701,309</b>

REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	METROPOLITAN COALITION	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 2,106,215	\$ 1,339,407	\$ 146,756	\$ 58,448	\$ 67,232	\$ 7,044,631	\$ 17,192,637
-	-	-	-	-	68,290	87,666
-	-	-	-	-	7,353,199	8,417,152
-	-	-	-	-	369,133	369,133
-	-	-	-	-	-	100,749
653,034	7,318,576	92,893	-	-	-	10,349,670
22,897	-	-	-	356	79,449	122,759
-	-	-	-	-	-	438,422
-	7,174	115,999	-	-	-	1,502,156
-	-	-	-	-	-	1,800
-	-	-	-	-	-	34,098
<u>\$ 2,782,146</u>	<u>\$ 8,665,157</u>	<u>\$ 355,648</u>	<u>\$ 58,448</u>	<u>\$ 67,588</u>	<u>\$ 14,914,702</u>	<u>\$ 38,616,242</u>
\$ -	\$ 1,318	\$ 4,486	\$ 2,199	\$ -	\$ -	\$ 142,785
1,532	44,498	10,844	-	7,150	-	535,447
-	39,114	-	-	-	-	62,022
-	-	-	-	-	-	34,098
-	-	-	-	-	-	60,696
-	-	-	-	-	-	7,606
653,034	7,318,576	41,313	-	-	-	8,012,923
<u>654,566</u>	<u>7,403,506</u>	<u>56,643</u>	<u>2,199</u>	<u>7,150</u>	<u>-</u>	<u>8,855,577</u>
-	-	-	-	-	-	377,718
-	-	-	-	-	7,353,199	8,417,152
-	-	140,359	-	-	21,546	2,530,934
-	-	<u>140,359</u>	-	-	<u>7,374,745</u>	<u>11,325,804</u>
-	-	-	-	-	-	1,800
-	1,261,651	228,642	56,249	60,438	7,539,957	16,064,228
2,127,580	-	-	-	-	-	2,438,829
-	-	(69,996)	-	-	-	(69,996)
<u>2,127,580</u>	<u>1,261,651</u>	<u>158,646</u>	<u>56,249</u>	<u>60,438</u>	<u>7,539,957</u>	<u>18,434,861</u>
<u>\$ 2,782,146</u>	<u>\$ 8,665,157</u>	<u>\$ 355,648</u>	<u>\$ 58,448</u>	<u>\$ 67,588</u>	<u>\$ 14,914,702</u>	<u>\$ 38,616,242</u>

**CITY OF DAVENPORT**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2023**

	ROAD USE TAX	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	RIVERFRONT IMPROVEMENT FUND	MUNICIPAL IMPROVEMENT DISTRICTS
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,367,334
Licenses and permits	176,357	-	-	-	-
Intergovernmental	14,065,182	3,110,796	4,555,376	-	143,718
Charges for services	-	-	-	-	-
Use of monies and property	-	32,723	-	301,738	47,418
Loan repayments	-	274,486	-	-	-
Other	46,638	-	7,101	29,232	-
Total Revenues	<u>14,288,177</u>	<u>3,418,005</u>	<u>4,562,477</u>	<u>330,970</u>	<u>1,558,470</u>
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Public works	11,846,337	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	4,275,815	4,648,404	-	1,134,841
General government	-	-	-	337,497	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>11,846,337</u>	<u>4,275,815</u>	<u>4,648,404</u>	<u>337,497</u>	<u>1,134,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,441,840</u>	<u>(857,810)</u>	<u>(85,927)</u>	<u>(6,527)</u>	<u>423,629</u>
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	93,845	-	-	-	-
Transfers in	-	525,223	10,143	75,000	-
Transfers out	<u>(1,600,000)</u>	<u>-</u>	<u>-</u>	<u>(82,500)</u>	<u>-</u>
Total net Other Financing Sources (Uses)	<u>(1,506,155)</u>	<u>525,223</u>	<u>10,143</u>	<u>(7,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	935,685	(332,587)	(75,784)	(14,027)	423,629
FUND BALANCES -BEGINNING	<u>4,272,305</u>	<u>383,568</u>	<u>343,406</u>	<u>326,576</u>	<u>967,569</u>
FUND BALANCES - ENDING	<u>\$ 5,207,990</u>	<u>\$ 50,981</u>	<u>\$ 267,622</u>	<u>\$ 312,549</u>	<u>\$ 1,391,198</u>

(continued)

REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	METROPOLITAN COALITION	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,240,579	\$ 8,607,913
-	-	-	-	-	-	176,357
-	49,562	405,495	-	131,977	92,499	22,554,605
-	-	-	107,301	-	-	107,301
91,489	104,713	2,897	-	1,361	305,707	888,046
5,882	562,625	3,339	-	-	-	846,332
-	-	-	-	-	-	82,971
<u>97,371</u>	<u>716,900</u>	<u>411,731</u>	<u>107,301</u>	<u>133,338</u>	<u>7,638,785</u>	<u>33,263,525</u>
-	-	241,728	-	-	-	241,728
-	-	-	-	-	-	11,846,337
-	-	-	156,305	-	-	156,305
45,268	418,878	139,850	-	-	4,647,293	15,310,349
-	-	159,353	-	72,900	-	569,750
-	-	-	-	-	2,141,079	2,141,079
-	-	-	-	-	664,375	664,375
<u>45,268</u>	<u>418,878</u>	<u>540,931</u>	<u>156,305</u>	<u>72,900</u>	<u>7,452,747</u>	<u>30,929,923</u>
<u>52,103</u>	<u>298,022</u>	<u>(129,200)</u>	<u>(49,004)</u>	<u>60,438</u>	<u>186,038</u>	<u>2,333,602</u>
-	-	-	-	-	-	93,845
-	-	100,771	75,793	-	-	786,930
<u>(525,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(275,000)</u>	<u>(2,482,723)</u>
<u>(525,223)</u>	<u>-</u>	<u>100,771</u>	<u>75,793</u>	<u>-</u>	<u>(275,000)</u>	<u>(1,601,948)</u>
(473,120)	298,022	(28,429)	26,789	60,438	(88,962)	731,654
<u>2,600,700</u>	<u>963,629</u>	<u>187,075</u>	<u>29,460</u>	<u>-</u>	<u>7,628,919</u>	<u>17,703,207</u>
<u>\$ 2,127,580</u>	<u>\$ 1,261,651</u>	<u>\$ 158,646</u>	<u>\$ 56,249</u>	<u>\$ 60,438</u>	<u>\$ 7,539,957</u>	<u>\$ 18,434,861</u>



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## **Non-Major Enterprise Funds**

Parking System Fund – Accounts for revenue and expenses associated with the City's parking system, which provides both on-street and off-street parking.

Clean Water Fund – Accounts for revenue and expenses related to the operation and maintenance of the storm water collection system including inspections, mapping, drainage maintenance, street sweeping and other activities related to clean water activities.

Public Housing Fund – Accounts for revenue and expenses associated with the Heritage High-Rise housing facility for the elderly, handicapped and disabled (the Heritage High-Rise was sold in FY 2022) and for the Public Housing units for the low-income families. A Federal Housing and Urban Development (HUD) subsidy provides support for the Heritage High-Rise.

Golf Courses Fund – Accounts for revenue and expenses associated with operation of the City's three golf courses, Duck Creek, Emeis, and Red Hawk.

Airport Fund – Accounts for revenue and expenses associated with operation of the Davenport Airport, a reliever airport for the Quad City Airport. Rental income is obtained from the leasing of surrounding farmland, as well as hangar spaces at the airport.

Public Transit Fund – Accounts for revenue and expenses associated with the City's fixed route transit system, demand response transit and the ground transportation terminal, known as the TransitCenter. Revenue is generated mainly from a transit property tax, federal and state operating and capital grants, user fees, and miscellaneous rentals at the TransitCenter.

Solid Waste Fund – Accounts for revenue and expenses associated with the City's collection of solid waste, bulky waste, yard waste and curbside recycling programs.

Transload Fund – Accounts for revenue and expenses associated with operating a transload facility that offers a way for users to realize the benefit of rail freight without onsite rail access.

River's Edge Fund – Accounts for revenue and expenses associated with operating an indoor sports facility that offers both an indoor ice rink and soccer field.

**CITY OF DAVENPORT**

**NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023**

ASSETS	BUSINESS-TYPE ACTIVITIES -			
	PARKING SYSTEM	CLEAN WATER	PUBLIC HOUSING	GOLF COURSES
<b>Current assets:</b>				
Cash and cash equivalents	\$ 124,808	\$ 2,888,311	\$ 5,366,606	\$ 225,307
Receivables:				
Property taxes:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	30,838	1,074,274	3,295	9,779
Interest	-	24,494	45,698	530
Leases	-	-	-	17,448
Inventory	-	-	-	-
Prepays	2,796	450	-	-
Total current assets	<u>158,442</u>	<u>3,987,529</u>	<u>5,415,599</u>	<u>253,064</u>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	-	-	-	1,500
Capital assets:				
Land	3,466,798	204,051	-	1,263,102
Buildings	26,615,470	-	-	978,574
Improvements other than buildings	206,544	1,444,262	-	2,917,144
Paving	1,531,296	-	-	10,953
Equipment and vehicles	576,631	1,082,733	-	1,493,791
Storm sewers	-	31,536,303	-	-
Subscription-Based IT Arrangements	56,388	-	-	-
Right of use assets - equipment	-	-	-	385,956
Less accumulated depreciation/amortization	(16,878,743)	(19,668,154)	-	(4,400,171)
Construction in progress	29,263	1,327,077	-	-
Total noncurrent assets	<u>15,603,647</u>	<u>15,926,272</u>	<u>-</u>	<u>2,650,849</u>
Total assets	<u>15,762,089</u>	<u>19,913,801</u>	<u>5,415,599</u>	<u>2,903,913</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	25,626	130,638	4,718	88,099
OPEB related deferred outflows	7,936	50,206	1,561	17,165
Total deferred outflows of resources	<u>33,562</u>	<u>180,844</u>	<u>6,279</u>	<u>105,264</u>

(continued)

**- ENTERPRISE FUNDS**

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ 42,465	\$ 4,861,361	\$ 2,604,196	\$ 401,015	\$ 9,593	\$ 16,523,662
-	51,894	-	-	-	51,894
-	4,432,713	-	-	-	4,432,713
6,071	2,570	3,040,791	-	178,277	4,345,895
3,565	41,892	25,386	3,493	-	145,058
198,113	58,950	-	-	-	274,511
-	268,127	-	-	-	268,127
-	4,050	-	-	738	8,034
250,214	9,721,557	5,670,373	404,508	188,608	26,049,894
-	-	1,572,257	-	-	1,573,757
749,356	1,599,288	-	508,291	-	7,790,886
2,614,587	6,501,407	24,888	11,946,185	1,884,290	50,565,401
22,148,804	473,515	-	8,082,070	887,683	36,160,022
-	6,888	-	-	-	1,549,137
202,907	10,125,440	7,374,426	-	568,344	21,424,272
-	-	-	-	-	31,536,303
-	-	-	-	-	56,388
-	-	-	-	-	385,956
(11,646,289)	(10,434,019)	(4,497,191)	(4,369,285)	(1,569,187)	(73,463,039)
99,078	37,000	-	-	8,725	1,501,143
14,168,443	8,309,519	4,474,380	16,167,261	1,779,855	79,080,226
14,418,657	18,031,076	10,144,753	16,571,769	1,968,463	105,130,120
10,285	313,904	224,264	-	26,637	824,171
3,993	93,122	90,475	-	3,880	268,338
14,278	407,026	314,739	-	30,517	1,092,509

**CITY OF DAVENPORT**

**NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES -</b>			
	PARKING SYSTEM	CLEAN WATER	PUBLIC HOUSING	GOLF COURSES
<b>LIABILITIES</b>				
Current liabilities:				
Wages payable	5,674	32,430	-	25,528
Accounts payable	46,254	49,702	222	56,861
Accrued interest payable	474	911	-	680
Compensated absences	11,530	90,573	-	41,419
Interfund payable	230	143,203	-	-
Lease and other financing arrangements due within one year	18,283	-	-	103,394
Unearned revenue	-	-	-	37,012
Note payable - current	-	-	-	-
General obligation bonds - current	-	160,000	-	-
Total	82,445	476,819	222	264,894
Current liabilities payable from restricted assets:				
Deposits payable	-	-	-	1,500
Total current liabilities payable from restricted assets	-	-	-	1,500
Total current liabilities	82,445	476,819	222	266,394
Noncurrent liabilities:				
Compensated absences	93	730	-	334
Other postemployment benefits liability	90,716	385,760	17,729	183,341
Net pension liability	95,918	488,986	17,662	329,757
Lease and other financing arrangements due within more than one year	19,732	-	-	102,840
Note payable - long term	-	-	-	-
General obligation bonds -long term, net	-	283,144	-	-
Total noncurrent liabilities	206,459	1,158,620	35,391	616,272
Total liabilities	288,904	1,635,439	35,613	882,666
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Lease and other financing arrangements	-	-	-	17,446
Succeeding year property tax	-	-	-	-
Deferred amount on refunding	-	10,383	-	-
Pension related deferred inflows	17,927	91,395	3,301	61,635
OPEB related deferred inflows	22,356	103,718	6,674	36,290
Total deferred inflows of resources	40,283	205,496	9,975	115,371
<b>NET POSITION</b>				
Net investment in capital assets	15,565,632	15,472,745	-	2,443,115
Unrestricted	(99,168)	2,780,965	5,376,290	(431,975)
Total net position	\$ 15,466,464	\$ 18,253,710	\$ 5,376,290	\$ 2,011,140

(continued)

**- ENTERPRISE FUNDS**

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
1,963	70,383	48,612	-	4,886	189,476
26,843	230,590	157,054	-	6,343	573,869
250	-	10,106	-	-	12,421
2,023	130,873	154,077	-	15,395	445,890
-	-	-	-	-	143,433
-	-	-	-	-	121,677
-	-	-	-	-	37,012
-	-	194,838	-	-	194,838
35,000	-	780,000	-	-	975,000
66,079	431,846	1,344,687	-	26,624	2,693,616
-	-	-	-	-	1,500
-	-	-	-	-	1,500
66,079	431,846	1,344,687	-	26,624	2,695,116
16	1,055	1,243	-	124	3,595
25,294	837,798	834,186	-	56,386	2,431,210
38,498	1,174,960	839,434	-	99,704	3,084,919
-	-	-	-	-	122,572
-	-	405,548	-	-	405,548
42,386	-	1,774,867	-	-	2,100,397
106,194	2,013,813	3,855,278	-	156,214	8,148,241
172,273	2,445,659	5,199,965	-	182,838	10,843,357
165,081	45,817	-	-	-	228,344
-	4,432,713	-	-	-	4,432,713
2,177	-	-	-	-	12,560
7,195	219,608	156,896	-	18,635	576,592
9,252	194,839	189,237	-	10,027	572,393
183,705	4,892,977	346,133	-	28,662	5,822,602
14,088,880	8,309,519	1,319,126	16,167,261	1,779,855	75,146,133
(11,923)	2,789,947	3,594,268	404,508	7,625	14,410,537
\$ 14,076,957	\$ 11,099,466	\$ 4,913,394	\$ 16,571,769	\$ 1,787,480	\$ 89,556,670

**CITY OF DAVENPORT****NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE</b>			
	<b>PARKING SYSTEM</b>	<b>CLEAN WATER</b>	<b>PUBLIC HOUSING</b>	<b>GOLF COURSES</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 884,804	\$ 3,457,814	\$ 10,706	\$ 2,315,030
Fines and forfeits	132,494	-	-	-
Other	49,954	5,336	-	22,341
Total Operating Revenues	<u>1,067,252</u>	<u>3,463,150</u>	<u>10,706</u>	<u>2,337,371</u>
<b>OPERATING EXPENSES:</b>				
Employee expenses	292,001	1,657,397	1,781	997,365
Supplies and services	634,723	778,849	144,795	1,091,576
Depreciation	829,031	1,235,589	802	230,188
Total Operating Expenses	<u>1,755,755</u>	<u>3,671,835</u>	<u>147,378</u>	<u>2,319,129</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(688,503)</u>	<u>(208,685)</u>	<u>(136,672)</u>	<u>18,242</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Taxes	-	-	-	-
Non-operating grants	-	-	92,355	-
Use of monies and property	6,681	94,174	174,520	8,889
Interest expense	-	(5,717)	-	(9,128)
Gain (loss) on disposition of capital assets	-	-	169,175	12,016
Total Non-operating Revenues (Expenses)	<u>6,681</u>	<u>88,457</u>	<u>436,050</u>	<u>11,777</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(681,822)</u>	<u>(120,228)</u>	<u>299,378</u>	<u>30,019</u>
Capital contributions	-	1,490,882	-	228,329
Transfers in	-	-	-	-
Transfers out	-	-	(10,143)	-
Change in net position	<u>(681,822)</u>	<u>1,370,654</u>	<u>289,235</u>	<u>258,348</u>
Total net position - beginning	<u>16,148,286</u>	<u>16,883,056</u>	<u>5,087,055</u>	<u>1,752,792</u>
Total net position - ending	<u>\$ 15,466,464</u>	<u>\$ 18,253,710</u>	<u>\$ 5,376,290</u>	<u>\$ 2,011,140</u>

**ACTIVITIES - ENTERPRISE FUNDS**

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ 212,759	\$ 425,651	\$ 7,249,083	\$ -	\$ 467,147	\$ 15,022,994
-	-	-	-	-	132,494
38,212	45	-	-	3,422	119,310
<u>250,971</u>	<u>425,696</u>	<u>7,249,083</u>	<u>-</u>	<u>470,569</u>	<u>15,274,798</u>
111,851	3,604,577	2,838,525	-	289,261	9,792,758
247,609	3,831,772	2,899,649	4,157	561,009	10,194,139
1,037,113	984,242	519,386	600,258	149,939	5,586,548
<u>1,396,573</u>	<u>8,420,591</u>	<u>6,257,560</u>	<u>604,415</u>	<u>1,000,209</u>	<u>25,573,445</u>
<u>(1,145,602)</u>	<u>(7,994,895)</u>	<u>991,523</u>	<u>(604,415)</u>	<u>(529,640)</u>	<u>(10,298,647)</u>
-	4,414,746	-	-	-	4,414,746
28,920	3,532,160	-	-	-	3,653,435
91,522	171,001	134,584	13,337	-	694,708
(2,038)	-	(33,269)	-	-	(50,152)
23,466	(44,393)	-	-	-	160,264
<u>141,870</u>	<u>8,073,514</u>	<u>101,315</u>	<u>13,337</u>	<u>-</u>	<u>8,873,001</u>
(1,003,732)	78,619	1,092,838	(591,078)	(529,640)	(1,425,646)
99,078	1,248,501	-	-	91,259	3,158,049
-	-	-	-	591,500	591,500
-	-	-	-	-	(10,143)
<u>(904,654)</u>	<u>1,327,120</u>	<u>1,092,838</u>	<u>(591,078)</u>	<u>153,119</u>	<u>2,313,760</u>
<u>14,981,611</u>	<u>9,772,346</u>	<u>3,820,556</u>	<u>17,162,847</u>	<u>1,634,361</u>	<u>87,242,910</u>
<u>\$ 14,076,957</u>	<u>\$ 11,099,466</u>	<u>\$ 4,913,394</u>	<u>\$ 16,571,769</u>	<u>\$ 1,787,480</u>	<u>\$ 89,556,670</u>



**CITY OF DAVENPORT**

**NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES -</b>			
	<b>PARKING SYSTEM</b>	<b>CLEANWATER</b>	<b>PUBLIC HOUSING</b>	<b>GOLF COURSES</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from users	\$ 1,099,558	\$ 3,255,054	\$ 5,645	\$ 2,316,325
Cash paid to suppliers for goods and services	(666,907)	(814,051)	(147,054)	(1,072,432)
Cash paid to employees for services	(356,917)	(1,751,838)	(60,905)	(1,070,039)
Other operating revenue	49,954	5,336	-	22,341
Net Cash Provided by (Used for) Operating Activities	<u>125,688</u>	<u>694,501</u>	<u>(202,314)</u>	<u>196,195</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Proceeds to other funds	230	132,857	-	-
Grants	-	-	92,355	-
Property tax	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,143)	-
Net Cash Provided by Non-Capital Financing Activities	<u>230</u>	<u>132,857</u>	<u>82,212</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
General obligation bonds issuance	-	-	-	-
General obligation bond premium	-	-	-	-
Proceeds from the sale of capital assets	-	-	169,175	12,016
Acquisition and construction of capital assets	(85,652)	(392,886)	252,951	(50,720)
Principal paid on long-term debt	-	(158,399)	-	-
Interest paid on long-term debt	474	(6,104)	-	(9,360)
Net Cash (Used for) Capital and Related Financing Activities	<u>(85,178)</u>	<u>(557,389)</u>	<u>422,126</u>	<u>(48,064)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and other investment income	6,681	74,714	142,758	8,540
Net Cash provided by Investing Activities	<u>6,681</u>	<u>74,714</u>	<u>142,758</u>	<u>8,540</u>
Net Increase (Decrease) in Cash and Cash Equivalents	47,421	344,683	444,782	156,671
CASH AND CASH EQUIVALENTS-BEGINNING	<u>77,387</u>	<u>2,543,628</u>	<u>4,921,824</u>	<u>70,136</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 124,808</u>	<u>\$ 2,888,311</u>	<u>\$ 5,366,606</u>	<u>\$ 226,807</u>

The notes to the financial statements are an integral part of this statement.

(continued)

**- ENTERPRISE FUNDS**

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD FACILITY	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ 237,802	\$ 434,041	\$ 7,013,991	\$ -	\$ 290,070	\$ 14,652,486
(226,834)	(3,827,272)	(2,914,200)	(5,615)	(557,246)	(10,231,611)
(125,381)	(4,010,163)	(3,119,776)	-	(325,299)	(10,820,318)
38,212	45	-	-	3,422	119,310
<u>(76,201)</u>	<u>(7,403,349)</u>	<u>980,015</u>	<u>(5,615)</u>	<u>(589,053)</u>	<u>(6,280,133)</u>
-	-	-	-	-	133,087
28,920	4,964,735	-	-	-	5,086,010
-	4,424,634	-	-	-	4,424,634
-	-	-	-	591,500	591,500
-	-	-	-	-	(10,143)
<u>28,920</u>	<u>9,389,369</u>	<u>-</u>	<u>-</u>	<u>591,500</u>	<u>10,225,088</u>
-	-	685,000	-	-	685,000
-	-	79,450	-	-	79,450
23,466	-	-	-	-	204,657
-	(495,305)	(623,325)	-	-	(1,394,937)
(32,337)	(16,320)	(919,121)	-	-	(1,126,177)
(2,163)	-	(33,224)	-	-	(50,377)
<u>(11,034)</u>	<u>(511,625)</u>	<u>(811,220)</u>	<u>-</u>	<u>-</u>	<u>(1,602,384)</u>
<u>92,649</u>	<u>134,341</u>	<u>114,660</u>	<u>9,844</u>	<u>-</u>	<u>584,187</u>
<u>92,649</u>	<u>134,341</u>	<u>114,660</u>	<u>9,844</u>	<u>-</u>	<u>584,187</u>
34,334	1,608,736	283,455	4,229	2,447	2,926,758
8,131	3,252,625	3,892,998	396,786	7,146	15,170,661
<u>\$ 42,465</u>	<u>\$ 4,861,361</u>	<u>\$ 4,176,453</u>	<u>\$ 401,015</u>	<u>\$ 9,593</u>	<u>\$ 18,097,419</u>

**CITY OF DAVENPORT**

**NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES -</b>			
	<b>PARKING SYSTEM</b>	<b>CLEANWATER</b>	<b>PUBLIC HOUSING</b>	<b>GOLF COURSES</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (688,503)	\$ (208,685)	\$ (136,672)	\$ 18,242
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	829,031	1,235,589	802	230,188
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	44,245	(202,760)	5,014	5,563
Decrease (increase) in lease receivable	-	-	-	(9,323)
Decrease (increase) in inventory and prepaids	(2,463)	(200)	-	-
Decrease (increase) in pension related deferred outflow	8,395	(2,190)	5,135	(3,992)
Decrease (increase) in OPEB related deferred outflows	(2,672)	(15,973)	2,130	(5,463)
Increase (decrease) in accounts payable/accrued liabilities	(44,870)	(58,610)	(17,359)	(14,037)
Increase in net pension liability	91,488	472,261	16,379	318,806
Increase (decrease) in total OPEB liability	8,372	50,041	(29,953)	17,115
Increase in unearned revenue	-	-	-	37,012
Increase (decrease) in lease related deferred inflows	38,015	-	-	(31,957)
Decrease in pension related deferred inflows	(153,523)	(555,922)	(46,354)	(362,224)
Decrease in OPEB related deferred inflows	(1,827)	(10,920)	(1,436)	(3,735)
Decrease in deferred amount on refunding	-	(8,130)	-	-
Total Adjustments	814,191	903,186	(65,642)	177,953
<b>NET CASH PROVIDED BY ( USED FOR) OPERATING ACTIVITIES</b>	<b>\$ 125,688</b>	<b>\$ 694,501</b>	<b>\$ (202,314)</b>	<b>\$ 196,195</b>
<b>SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Acquisition of capital assets through capital contributions	\$ -	\$ 1,490,882	\$ -	\$ 228,329
Contribution of capital assets by municipality	-	(1,137,880)	-	(228,329)
Contribution of capital assets by subdividers	-	(254,075)	-	-
Contribution of capital assets by state and federal governments	-	(98,927)	-	-
Contribution of capital assets by other	-	-	-	-

The notes to the financial statements are an integral part of this statement.

(continued)

**- ENTERPRISE FUNDS**

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD FACILITY	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ (1,145,602)	\$ (7,994,895)	\$ 991,523	\$ (604,415)	\$ (529,640)	\$ (10,298,647)
1,037,113	984,242	519,386	600,258	149,939	5,586,548
24,547	5,659	(235,092)	-	(177,077)	(529,901)
66,782	49,759	-	-	-	107,218
-	(35,045)	667	-	(738)	(37,779)
613	23,530	19,206	-	62	50,759
(1,307)	(30,586)	(27,583)	-	(1,381)	(82,835)
17,513	(84,022)	(93,302)	(1,458)	(13,912)	(310,057)
37,079	1,131,024	807,733	-	96,228	2,970,998
4,096	95,820	86,410	-	4,326	236,227
-	-	-	-	-	37,012
(66,286)	(47,028)	-	-	-	(107,256)
(47,726)	(1,480,897)	(1,070,077)	-	(115,916)	(3,832,639)
(894)	(20,910)	(18,856)	-	(944)	(59,522)
(2,129)	-	-	-	-	(10,259)
<u>1,069,401</u>	<u>591,546</u>	<u>(11,508)</u>	<u>598,800</u>	<u>(59,413)</u>	<u>4,018,514</u>
\$ (76,201)	\$ (7,403,349)	\$ 980,015	\$ (5,615)	\$ (589,053)	\$ (6,280,133)

\$ 99,078	\$ 1,248,501	\$ -	\$ -	\$ 91,259	\$ 3,158,049
(12,869)	-	-	-	(91,259)	(1,470,337)
-	-	-	-	-	(254,075)
(86,209)	(1,211,501)	-	-	-	(1,396,637)
-	(37,000)	-	-	-	(37,000)

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## **Internal Service Funds**

Employee Insurance Fund – Accounts for the revenue received from employee and employer contributions and expenses for insurance premiums, administrative fees, and health claims related to the City's protected employee benefit program. Transfers from other City funds, determined on an actuarial basis, are accounted for as revenue in this fund.

Risk Management Fund – Accounts for liability, property and worker's compensation insurance premiums, claims and administrative fees of the City's protected self-insurance program. Transfers from other City funds, determined on an actuarial basis, are accounted for as revenue in this fund.

Information Management Services Fund – Accounts for the accumulation and allocation of costs associated with information technology.

**CITY OF DAVENPORT**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023**

	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 14,797,565	\$ 11,198,892	\$ -	\$ 25,996,457
Receivables:				
Accounts	32,867	8,454	-	41,321
Interest	131,339	113,842	-	245,181
Prepays	-	204,706	399,445	604,151
Total current assets	14,961,771	11,525,894	399,445	26,887,110
Noncurrent assets:				
Improvements other than buildings	-	-	3,433,863	3,433,863
Equipment and vehicles	-	-	5,009,394	5,009,394
Subscription-Based IT Arrangements	-	15,342	785,768	801,110
Less accumulated depreciation/amortization	-	(8,005)	(6,082,832)	(6,090,837)
Total noncurrent assets	-	7,337	3,146,193	3,153,530
Total assets	14,961,771	11,533,231	3,545,638	30,040,640
<b>DEFERED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	10,613	91,245	102,082	203,940
OPEB related deferred outflows	4,118	37,883	43,220	85,221
Total deferred outflows of resources	14,731	129,128	145,302	289,161
<b>LIABILITIES</b>				
LIABILITIES:				
Current liabilities:				
Wages payable	2,205	26,503	20,653	49,361
Accounts payable	411,320	214,822	34,276	660,418
Accrued interest payable	-	-	7,683	7,683
Compensated absences	8,368	74,706	72,073	155,147
Claims and judgments	894,176	10,418,691	-	11,312,867
Interfund payable	-	-	309,679	309,679
Lease and other financing arrangements due within one year	-	7,456	87,719	95,175
Total current liabilities	1,316,069	10,742,178	532,083	12,590,330
Noncurrent liabilities:				
Compensated absences	67	602	581	1,250
Claims and judgments	-	3,853,488	-	3,853,488
Other postemployment benefits liability	26,982	313,840	333,102	673,924
Net pension liability	39,724	341,535	382,097	763,356
Lease and other financing arrangements due within more than one year	-	-	273,786	273,786
Total noncurrent liabilities	66,773	4,509,465	989,566	5,565,804
Total liabilities	1,382,842	15,251,643	1,521,649	18,156,134
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows	7,424	63,835	71,416	142,675
OPEB related deferred inflows	8,457	80,548	100,693	189,698
Total deferred inflows of resources	15,881	144,383	172,109	332,373
<b>NET POSITION</b>				
Net investment in capital assets	-	-	2,784,688	2,784,688
Unrestricted (deficit)	13,577,779	(3,733,667)	(787,506)	9,056,606
Total net position (deficit)	\$ 13,577,779	\$ (3,733,667)	\$ 1,997,182	\$ 11,841,294

**CITY OF DAVENPORT**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2023**

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	<u>EMPLOYEE INSURANCE</u>	<u>RISK MANAGEMENT</u>	<u>INFORMATION MANAGEMENT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES:				
Charges for services	\$ 18,968,671	\$ 6,579,623	\$ 3,087,317	\$ 28,635,611
Other	97,822	166,615	-	264,437
Total Operating Revenues	<u>19,066,493</u>	<u>6,746,238</u>	<u>3,087,317</u>	<u>28,900,048</u>
OPERATING EXPENSES:				
Employee expenses	119,135	1,076,638	1,158,582	2,354,355
Supplies and services	18,731,645	7,224,643	1,221,106	27,177,394
Depreciation	-	8,005	642,641	650,646
Total Operating Expenses	<u>18,850,780</u>	<u>8,309,286</u>	<u>3,022,329</u>	<u>30,182,395</u>
OPERATING INCOME (LOSS)	<u>215,713</u>	<u>(1,563,048)</u>	<u>64,988</u>	<u>(1,282,347)</u>
NON-OPERATING REVENUES (EXPENSES):				
Use of monies and property	501,583	434,761	-	936,344
Interest expense	-	-	(8,250)	(8,250)
Total Non-operating Revenues (Expenses)	<u>501,583</u>	<u>434,761</u>	<u>(8,250)</u>	<u>928,094</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	717,296	(1,128,287)	56,738	(354,253)
Capital contributions	-	-	172,242	172,242
Transfers in	-	62,965	-	62,965
Change in net position	<u>717,296</u>	<u>(1,065,322)</u>	<u>228,980</u>	<u>(119,046)</u>
Total net position - beginning	<u>12,860,483</u>	<u>(2,668,345)</u>	<u>1,768,202</u>	<u>11,960,340</u>
Total net position - ending	<u>\$ 13,577,779</u>	<u>\$ (3,733,667)</u>	<u>\$ 1,997,182</u>	<u>\$ 11,841,294</u>

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**CITY OF DAVENPORT**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>EMPLOYEE INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>INFORMATION MANAGEMENT SERVICES</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from interfund services provided	\$ 18,978,133	\$ 6,585,916	\$ 3,448,822	\$ 29,012,871
Cash paid to suppliers for goods and services	(18,628,325)	(5,369,607)	(1,115,194)	(25,113,126)
Cash paid to employees for services	(123,621)	(1,164,479)	(1,327,954)	(2,616,054)
Other operating revenue	97,822	166,615	-	264,437
Net Cash Provided by Operating Activities	<u>324,009</u>	<u>218,445</u>	<u>1,005,674</u>	<u>1,548,128</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Repayments to other funds	-	-	(59,310)	(59,310)
Transfers in	-	62,965	-	62,965
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>62,965</u>	<u>(59,310)</u>	<u>3,655</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	(15,342)	(945,797)	(961,139)
Interest paid on long-term debt	-	-	(567)	(567)
Net Cash (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(15,342)</u>	<u>(946,364)</u>	<u>(961,706)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and other investment income	<u>398,070</u>	<u>347,925</u>	<u>-</u>	<u>745,995</u>
Net Cash provided by Investing Activities	<u>398,070</u>	<u>347,925</u>	<u>-</u>	<u>745,995</u>
Net Increase (Decrease) in Cash and Cash Equivalents	722,079	613,993	-	1,336,072
CASH AND CASH EQUIVALENTS-BEGINNING	<u>14,075,486</u>	<u>10,584,899</u>	<u>-</u>	<u>24,660,385</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 14,797,565</u>	<u>\$ 11,198,892</u>	<u>\$ -</u>	<u>\$ 25,996,457</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF DAVENPORT**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
For the Fiscal Year Ended June 30, 2023**

	<b>BUSINESS-TYPE ACTIVITIES -ENTERPRISE FUNDS</b>			
	<u>EMPLOYEE INSURANCE</u>	<u>RISK MANAGEMENT</u>	<u>INFORMATION MANAGEMENT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 215,713	\$ (1,563,048)	\$ 64,988	\$ (1,282,347)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	-	8,005	642,641	650,646
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	9,462	(1,163)	-	8,299
Decrease (increase) in inventory and prepaids	-	(128,965)	126,160	(2,805)
Decrease (increase) in pension related deferred outflow	(427)	2,144	14,424	16,141
Increase in OPEB related deferred outflows	(1,410)	(11,997)	(13,146)	(26,553)
Increase (decrease) in accounts payable/accrued liabilities	102,728	1,954,053	(74,302)	1,982,479
Increase in net pension liability	38,398	329,375	366,927	734,700
Increase in total OPEB liability	4,418	37,584	41,183	83,185
Increase in lease related deferred inflows	-	7,456	361,505	368,961
Decrease in pension related deferred inflows	(43,909)	(406,798)	(515,719)	(966,426)
Decrease in OPEB related deferred inflows	(964)	(8,201)	(8,987)	(18,152)
Total Adjustments	<u>108,296</u>	<u>1,781,493</u>	<u>940,686</u>	<u>2,830,475</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 324,009</u>	<u>\$ 218,445</u>	<u>\$ 1,005,674</u>	<u>\$ 1,548,128</u>
<b>SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Acquisition of capital assets through capital contributions	\$ -	\$ -	\$ 172,242	\$ 172,242
Contribution of capital assets by municipality	-	-	(172,242)	(172,242)

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# STATISTICAL SECTION

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## Statistical Section

This part of the City of Davenport's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

**CITY OF DAVENPORT**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	<b>Fiscal Year</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Governmental activities					
Net investment in capital assets	\$ 210,480,531	\$ 192,105,853	\$ 183,244,094	\$ 177,491,171	\$ 165,833,362
Restricted	64,712,221	54,191,139	46,034,491	37,422,572	33,895,475
Unrestricted	(13,893,414)	(22,603,369)	(38,033,387)	(43,255,484)	(35,069,406)
Total governmental activities net position	<u>\$ 261,299,338</u>	<u>\$ 223,693,623</u>	<u>\$ 191,245,198</u>	<u>\$ 171,658,259</u>	<u>\$ 164,659,431</u>
Business-type activities					
Net investment in capital assets	\$ 161,926,035	\$ 162,578,770	\$ 178,584,624	\$ 169,923,585	\$ 168,189,352
Restricted	5,167,986	4,256,990	3,732,294	2,904,072	2,289,024
Unrestricted	43,875,996	34,758,938	11,372,312	14,971,910	12,006,584
Total business-type activities net position	<u>\$ 210,970,017</u>	<u>\$ 201,594,698</u>	<u>\$ 193,689,230</u>	<u>\$ 187,799,567</u>	<u>\$ 182,484,960</u>
Primary government					
Net investment in capital assets	\$ 372,406,566	\$ 354,684,623	\$ 361,828,718	\$ 347,414,756	\$ 334,022,714
Restricted	69,880,207	58,448,129	49,766,785	40,326,644	36,184,499
Unrestricted	29,982,582	12,155,569	(26,661,075)	(28,283,574)	(23,062,822)
Total primary government net position	<u><u>\$ 472,269,355</u></u>	<u><u>\$ 425,288,321</u></u>	<u><u>\$ 384,934,428</u></u>	<u><u>\$ 359,457,826</u></u>	<u><u>\$ 347,144,391</u></u>

**Fiscal Year**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 167,799,457	\$ 160,607,820	\$ 132,744,626	\$ 157,084,943	\$ 145,746,153
28,188,439	24,930,751	19,896,007	16,152,056	29,555,409
(42,349,525)	(35,638,914)	(31,101,106)	(52,363,648)	(8,126,653)
<u>\$ 153,638,371</u>	<u>\$ 149,899,657</u>	<u>\$ 121,539,527</u>	<u>\$ 120,873,351</u>	<u>\$ 167,174,909</u>
\$ 160,153,176	\$ 159,855,757	\$ 158,399,016	\$ 131,173,938	\$ 124,953,410
2,734,362	3,923,153	3,461,195	4,146,716	4,610,003
8,064,123	4,928,502	5,485,544	1,009,918	5,295,999
<u>\$ 170,951,661</u>	<u>\$ 168,707,412</u>	<u>\$ 167,345,755</u>	<u>\$ 136,330,572</u>	<u>\$ 134,859,412</u>
\$ 327,952,633	\$ 320,463,577	\$ 291,143,642	\$ 288,258,881	\$ 270,699,563
30,922,801	28,853,904	23,357,202	20,298,772	34,165,412
(34,285,402)	(30,710,412)	(25,615,562)	(51,353,730)	(2,830,654)
<u>\$ 324,590,032</u>	<u>\$ 318,607,069</u>	<u>\$ 288,885,282</u>	<u>\$ 257,203,923</u>	<u>\$ 302,034,321</u>

CITY OF DAVENPORT

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 18,031,642	\$ 15,029,407	\$ 13,035,085	\$ 11,490,434	\$ 10,841,456	\$ 10,644,664	\$ 10,658,200	\$ 9,777,384	\$ 10,560,111	\$ 10,261,218
Public safety	52,100,335	46,688,134	57,701,452	56,410,040	50,490,722	48,065,647	37,917,817	43,345,779	48,529,955	42,649,971
Public works	33,116,685	30,592,498	32,283,761	36,029,837	40,840,250	37,675,297	29,892,693	26,135,764	33,010,049	26,439,948
Culture and recreation	17,997,858	17,173,860	16,569,576	17,528,407	20,001,803	17,783,557	16,716,723	15,906,982	15,174,486	13,285,572
Community and economic development	18,050,316	17,117,694	14,930,508	14,383,795	13,592,793	17,674,134	11,848,107	13,616,466	11,131,967	18,877,119
Interest on long-term debt	3,420,439	5,126,752	5,449,683	5,705,154	5,701,147	6,094,200	6,738,199	5,561,360	5,947,441	6,101,313
Total governmental activities expenses	142,717,275	131,728,345	139,970,065	141,547,667	141,468,171	137,937,499	113,771,739	114,343,735	124,354,009	117,615,141
Business-type activities:										
Sewer operations	24,602,990	23,040,916	22,808,402	21,943,330	21,512,069	21,619,146	20,355,807	19,215,986	19,160,797	17,700,417
Parking system	1,767,186	1,755,705	1,785,472	1,715,247	1,750,198	2,015,335	1,903,915	1,822,061	1,799,400	1,935,914
Rivercenter	7,903,464	6,572,272	3,466,505	5,335,790	6,269,752	6,814,585	5,829,685	6,019,297	3,336,827	3,031,575
Public transit	8,471,338	7,568,960	7,588,455	7,717,525	7,685,402	7,021,698	6,822,220	6,711,442	7,131,163	6,508,558
Public housing	147,575	333,475	1,208,279	1,286,605	1,340,131	1,427,019	1,387,020	1,312,432	1,185,729	1,314,883
Golf courses	2,342,701	1,987,731	2,108,383	1,969,193	1,958,507	1,941,131	1,915,769	1,934,421	1,780,467	1,791,523
Airport	1,402,402	1,331,056	1,332,883	1,841,672	981,049	1,030,450	982,356	790,378	690,092	611,884
Solid waste	6,286,645	6,158,570	6,496,617	6,303,819	6,162,162	5,982,688	6,015,481	5,399,010	5,332,726	5,388,789
Clean water (1)	3,672,532	3,516,321	3,712,866	3,519,077	2,898,844	2,790,810	2,756,730	2,817,800	2,795,659	2,817,230
Transload	604,415	1,478,273	610,024	579,411	524,290	525,744	524,924	434,003		
River's Edge	1,026,467	851,689	908,553	952,699	846,514	848,648	799,436	808,738	900,627	806,140
Total business-type activities expenses	58,227,715	54,594,968	52,026,439	53,164,368	51,928,918	52,017,254	49,293,343	47,265,568	44,113,487	41,906,913
<b>Total Expenses</b>	<b>\$ 200,944,990</b>	<b>\$ 186,323,313</b>	<b>\$ 191,996,504</b>	<b>\$ 194,712,035</b>	<b>\$ 193,397,089</b>	<b>\$ 189,954,753</b>	<b>\$ 163,065,082</b>	<b>\$ 161,609,303</b>	<b>\$ 168,467,496</b>	<b>\$ 159,522,054</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,432,149	\$ 2,478,013	\$ 2,310,305	\$ 2,182,149	\$ 2,563,697	\$ 3,077,903	\$ 3,443,975	\$ 3,359,193	\$ 3,917,847	\$ 4,546,069
Public safety	3,125,281	3,037,043	2,837,856	2,650,668	3,417,939	3,265,676	2,458,524	3,386,457	3,315,156	2,780,989
Public works	4,668,058	4,998,182	4,383,354	4,582,583	5,584,616	4,581,686	3,593,572	3,384,826	3,842,099	4,089,579
Culture and recreation	1,233,268	1,444,893	1,506,787	650,640	1,277,057	1,537,648	1,015,055	859,124	380,929	593,369
Community and economic development	1,612,827	742,631	556,735	1,008,234	1,640,594	2,102,038	778,980	1,337,828	167,130	457,258
Operating grants and contributions	39,601,946	30,811,464	33,112,503	24,590,791	21,420,873	28,533,787	26,423,222	23,250,393	18,980,080	19,666,398
Capital grants and contributions	7,617,002	2,760,384	5,770,992	4,982,576	16,355,149	10,371,486	11,337,009	8,130,396	13,004,281	8,409,960
Total governmental activities program revenues	60,290,531	46,272,610	50,478,532	40,647,641	52,259,925	53,470,224	49,050,337	43,708,217	43,607,522	40,543,622
Business-type activities:										
Charges for services:										
Sewer operations	29,852,855	28,116,702	25,285,371	24,170,245	23,406,901	23,293,634	20,629,974	19,620,045	18,992,400	17,485,142
Parking system	1,017,298	1,048,004	881,169	1,051,270	1,398,208	1,425,193	1,134,945	1,492,978	1,519,223	1,418,539
Rivercenter	5,386,079	4,800,106	1,148,839	3,132,207	4,224,567	4,901,894	4,009,938	4,199,525	1,578,301	1,823,924
Public transit	425,651	378,632	289,486	316,547	455,642	410,881	399,774	479,037	494,410	533,804
Public housing	10,706	54,207	478,681	463,424	466,141	467,588	475,951	437,150	454,434	424,386
Golf courses	2,315,030	2,012,219	1,894,067	1,717,258	1,485,709	1,660,901	1,668,727	1,840,850	1,588,054	1,517,159
Airport	212,759	220,259	216,562	184,977	207,752	207,143	208,418	192,412	193,518	187,444
Solid waste	7,249,083	6,979,126	6,704,710	6,528,061	6,325,718	6,123,533	5,964,275	5,380,464	5,578,847	5,349,669
Clean water	3,457,814	3,276,966	3,266,239	2,919,772	2,905,635	2,936,656	2,776,046	2,628,420	2,555,246	2,497,339
Transload (1)	-	-	-	-	-	-	-	-	-	-
River's Edge	467,147	488,604	149,858	193,303	211,410	260,454	263,196	289,056	312,180	237,388
Operating grants and contributions	3,653,435	4,347,022	5,692,004	4,104,628	3,124,248	2,431,778	2,609,779	2,706,595	2,726,039	3,378,211
Capital grants and contributions	3,508,694	2,574,468	4,034,014	6,564,550	11,911,936	4,853,939	4,129,407	2,180,418	8,467,844	3,037,933
Total business-type activities program revenues	57,556,551	54,296,315	50,041,000	51,346,242	56,123,867	48,973,594	44,270,430	41,446,950	44,460,496	37,890,938
<b>Total Program Revenues</b>	<b>\$ 117,847,082</b>	<b>\$ 100,568,925</b>	<b>\$ 100,519,532</b>	<b>\$ 91,993,883</b>	<b>\$ 108,383,792</b>	<b>\$ 102,443,818</b>	<b>\$ 93,320,767</b>	<b>\$ 85,155,167</b>	<b>\$ 88,068,018</b>	<b>\$ 78,434,560</b>



	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (82,426,744)	\$ (85,455,735)	\$ (89,491,533)	\$(100,900,026)	\$ (89,208,246)	\$ (84,467,275)	\$ (64,721,402)	\$ (70,635,518)	\$ (80,746,487)	\$ (77,071,519)
Business-type activities	(671,164)	(298,653)	(1,985,439)	(1,818,126)	4,194,949	(3,043,660)	(5,022,913)	(5,818,618)	347,009	(4,015,975)
<b>Total Net(Expense)/Revenue</b>	<b>\$ (83,097,908)</b>	<b>\$ (85,754,388)</b>	<b>\$ (91,476,972)</b>	<b>\$(102,718,152)</b>	<b>\$ (85,013,297)</b>	<b>\$ (87,510,935)</b>	<b>\$ (69,744,315)</b>	<b>\$ (76,454,136)</b>	<b>\$ (80,399,478)</b>	<b>\$ (81,087,494)</b>
<b>General Revenues</b>										
Governmental activities:										
Property taxes	\$ 85,738,633	\$ 83,691,397	\$ 81,468,535	\$ 78,977,555	\$ 75,542,786	\$ 72,571,882	\$ 69,442,176	\$ 68,643,729	\$ 69,374,445	\$ 69,609,085
Local option sales tax	23,392,548	23,448,633	21,284,123	16,569,408	17,931,799	16,456,926	17,955,296	17,249,527	16,400,413	15,840,749
Hotel/motel tax	3,384,918	3,119,107	2,278,160	2,199,875	2,811,433	2,981,578	2,882,153	2,595,502	2,385,142	2,277,031
Franchise tax	3,906,018	4,067,712	4,107,737	3,468,490	3,637,948	3,501,385	3,044,526	2,801,827	2,556,039	2,938,969
Investment earnings	6,506,410	1,834,832	1,913,106	1,988,919	2,162,073	1,834,766	1,150,080	1,094,433	1,213,198	1,176,460
Gain on sale of capital assets	157,561	213,622	50,987	45,279	18,626	-	125,781	320,726	-	17,355
Miscellaneous	-	56,228	13,407	54,487	24,907	10,598	44,318	80,787	12,363	52,581
Transfers in (out)	(3,053,629)	1,424,064	(2,448,340)	(1,785,159)	(1,900,266)	(1,779,447)	(1,562,798)	(21,484,837)	(2,931,002)	(1,706,916)
<b>Total governmental activities general revenues</b>	<b>120,032,459</b>	<b>117,855,595</b>	<b>108,667,715</b>	<b>101,518,854</b>	<b>100,229,306</b>	<b>95,577,688</b>	<b>93,081,532</b>	<b>71,301,694</b>	<b>89,010,598</b>	<b>90,205,314</b>
Business-type activities:										
Property taxes (public transit)	4,414,746	4,303,719	4,318,477	3,992,658	3,851,795	3,667,870	3,576,836	3,574,407	3,602,973	3,646,576
Investment earnings	2,013,388	415,907	941,209	895,632	995,496	903,465	613,634	548,823	616,868	618,220
Gain on sale of capital assets	277,904	4,684,183	6,700	935	28,625	3,785	-	-	-	61,731
Loss on donation of capital assets	-	-	-	-	-	-	-	-	141	-
Miscellaneous	286,816	173,572	160,376	458,349	562,168	455,438	631,302	902,323	1,380,690	545,287
Transfers in (out)	3,053,629	(1,424,064)	2,448,340	1,785,159	1,900,266	1,779,447	1,562,798	21,484,837	2,931,002	1,706,916
<b>Total business-type activities general revenues</b>	<b>10,046,483</b>	<b>8,153,317</b>	<b>7,875,102</b>	<b>7,132,733</b>	<b>7,338,350</b>	<b>6,810,005</b>	<b>6,384,570</b>	<b>26,510,390</b>	<b>8,531,674</b>	<b>6,578,730</b>
<b>Total General Revenues</b>	<b>\$ 130,078,942</b>	<b>\$ 126,008,912</b>	<b>\$ 116,542,817</b>	<b>\$ 108,651,587</b>	<b>\$ 107,567,656</b>	<b>\$ 102,387,693</b>	<b>\$ 99,466,102</b>	<b>\$ 97,812,084</b>	<b>\$ 97,542,272</b>	<b>\$ 96,784,044</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 37,605,715	\$ 32,399,860	\$ 19,176,182	\$ 618,828	\$ 11,021,060	\$ 11,110,413	\$ 28,360,130	\$ 666,176	8,264,111	\$ 13,133,795
Business-type activities	9,375,319	7,854,664	5,889,663	5,314,607	11,533,299	3,766,345	1,361,657	20,691,772	8,878,683	2,562,755
<b>Total Change in Net Position</b>	<b>\$ 46,981,034</b>	<b>\$ 40,254,524</b>	<b>\$ 25,065,845</b>	<b>\$ 5,933,435</b>	<b>\$ 22,554,359</b>	<b>\$ 14,876,758</b>	<b>\$ 29,721,787</b>	<b>\$ 21,357,948</b>	<b>\$ 17,142,794</b>	<b>\$ 15,696,550</b>

(1) Newly acquired facility in fiscal year 2016

CITY OF DAVENPORT

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Nonspendable	\$ 1,497,475	\$ 1,313,065	\$ 1,161,992	\$ 1,068,024	\$ 794,665
Restricted	7,642,084	6,325,814	5,456,560	4,392,781	4,776,810
Assigned	13,743,433	15,611,134	3,802,462	5,164,742	5,179,769
Unassigned	14,345,554	13,635,434	20,577,570	12,589,015	12,028,594
Total General Fund	<u>\$ 37,228,546</u>	<u>\$ 36,885,447</u>	<u>\$ 30,998,584</u>	<u>\$ 23,214,562</u>	<u>\$ 22,779,838</u>
All Other Governmental funds					
Nonspendable	\$ 118,313	\$ 65,321	\$ 61,150	\$ 69,667	\$ 47,916
Restricted	99,996,100	76,857,307	69,637,288	56,778,609	53,598,434
Committed	2,438,829	2,927,276	3,197,986	3,646,880	2,754,028
Assigned	1,380,161	-	-	-	-
Unassigned	(69,996)	(35,331)	(376)	(27,500)	(782,368)
Total All Other Governmental funds	<u>\$ 103,863,407</u>	<u>\$ 79,814,573</u>	<u>\$ 72,896,048</u>	<u>\$ 60,467,656</u>	<u>\$ 55,618,010</u>

<b>Fiscal Year</b>				
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 11,234	\$ 7,312	\$ 4,477	\$ 5,446	\$ 5,440
4,785,569	4,711,470	5,384,949	5,896,292	5,999,441
4,460,502	3,883,192	3,384,228	1,585,151	778,856
11,548,794	10,403,236	9,199,764	8,889,540	8,536,778
<u>\$ 20,806,099</u>	<u>\$ 19,005,210</u>	<u>\$ 17,973,418</u>	<u>\$ 16,376,429</u>	<u>\$ 15,320,515</u>
\$ 95,167	\$ 26,708	\$ 1,000	\$ 22,875	\$ 5,868
48,927,536	51,635,020	49,153,408	28,690,404	37,530,085
2,244,583	1,259,380	1,272,303	1,191,168	1,184,409
-	-	-	-	-
(549,263)	-	(1,320,264)	-	(344,161)
<u>\$ 50,718,023</u>	<u>\$ 52,921,108</u>	<u>\$ 49,106,447</u>	<u>\$ 29,904,447</u>	<u>\$ 38,376,201</u>

**CITY OF DAVENPORT**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>				
Taxes	\$ 115,863,978	\$ 114,680,669	\$ 109,270,091	\$ 101,347,774
Special assessments	2,491	120,648	18,388	142,819
Licenses and permits	2,626,262	3,463,214	2,680,553	2,239,474
Intergovernmental	41,801,485	31,590,642	36,793,762	31,648,556
Charges for services	4,663,611	4,458,703	3,562,432	4,068,388
Use of monies and property	6,506,252	1,814,739	1,904,510	1,988,919
Fines and forfeits	1,844,143	1,955,730	1,743,177	1,863,841
Loan repayments	846,332	968,173	1,416,342	531,235
Other	10,156,332	2,262,359	2,682,689	2,368,917
<b>Total Revenues</b>	<b>184,310,886</b>	<b>161,314,877</b>	<b>160,071,944</b>	<b>146,199,923</b>
<b>Expenditures</b>				
General government	15,623,113	13,434,346	11,578,900	10,925,360
Public safety	51,692,282	51,428,371	50,683,164	49,817,865
Public works	20,343,841	18,632,477	18,646,620	18,484,871
Culture and recreation	15,149,970	14,039,997	12,577,899	12,543,932
Community and economic development	18,048,773	17,120,192	14,347,011	13,123,954
Capital outlay	40,324,212	30,583,925	28,020,781	32,735,220
Debt service				
Principal	19,202,686	18,605,684	23,420,000	29,249,915
Interest	5,321,300	5,091,842	5,451,585	5,766,900
Bond issuance expense	125,645	131,680	227,367	163,533
<b>Total Expenditures</b>	<b>185,831,822</b>	<b>169,068,514</b>	<b>164,953,327</b>	<b>172,811,550</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (1,520,936)	\$ (7,753,637)	\$ (4,881,383)	\$ (26,611,627)
<b>Other Financing Sources (Uses)</b>				
Bond issuance	24,905,000	17,180,000	17,940,000	15,630,000
Loan Proceeds	-	-	-	-
Premium on debt issued	2,166,033	2,683,664	3,044,532	-
Refunding bonds issued	-	6,760,000	5,294,666	11,690,000
Payment to refunded bond escrow agent	-	(7,780,000)	-	-
Sale of capital assets	157,561	306,890	918,300	43,105
Transfers in	25,158,460	24,549,192	19,231,217	19,060,399
Transfers out	(26,712,391)	(23,189,285)	(21,745,675)	(20,907,507)
Leases, SBITA's & other financing arrangements	238,206	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>25,912,869</b>	<b>20,510,461</b>	<b>24,683,040</b>	<b>25,515,997</b>
<b>Net change in fund balances</b>	<b>\$ 24,391,933</b>	<b>\$ 12,756,824</b>	<b>\$ 19,801,657</b>	<b>\$ (1,095,630)</b>
Debt service as a percentage of noncapital expenditures	16.21%	16.49%	20.27%	23.32%

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 98,411,530	\$ 95,111,814	\$ 92,937,007	\$ 90,241,335	\$ 90,499,909	\$ 90,421,947
36,345	42,346	27,565	27,648	38,992	96,245
2,098,620	2,566,236	2,460,734	2,366,468	2,017,908	1,749,752
39,777,745	36,504,330	37,703,136	32,846,621	32,296,554	25,530,812
4,171,852	4,614,938	4,080,837	4,132,842	3,963,968	4,051,619
2,162,073	1,834,766	1,150,080	1,094,433	1,213,198	1,176,460
1,901,288	2,466,534	1,505,531	2,513,779	2,050,224	1,931,967
771,645	1,120,466	806,461	832,955	907,318	1,065,290
5,000,892	4,078,207	2,811,356	2,390,338	3,078,817	4,108,428
<u>154,331,990</u>	<u>148,339,637</u>	<u>143,482,707</u>	<u>136,446,419</u>	<u>136,066,888</u>	<u>130,132,520</u>
10,500,207	10,108,244	9,747,945	9,623,464	9,692,385	8,820,719
48,004,412	44,803,202	43,460,139	43,927,733	42,149,652	41,216,850
18,916,458	17,783,827	17,378,533	16,862,825	18,030,045	17,557,791
12,694,237	12,463,193	12,146,481	11,689,298	11,267,593	11,281,713
12,385,853	15,499,334	10,849,112	12,645,088	10,370,910	13,853,663
36,171,748	36,299,217	33,983,635	42,999,366	31,737,839	15,247,456
16,822,040	35,014,370	36,501,330	16,690,365	26,622,260	16,024,785
5,907,917	6,123,022	6,583,971	5,452,856	6,004,485	6,101,313
181,253	202,229	345,283	463,321	192,668	249,658
<u>161,584,125</u>	<u>178,296,638</u>	<u>170,996,429</u>	<u>160,354,316</u>	<u>156,067,837</u>	<u>130,353,948</u>
\$ (7,252,135)	\$ (29,957,001)	\$ (27,513,722)	\$ (23,907,897)	\$ (20,000,949)	\$ (221,428)
14,435,000	23,020,000	14,345,000	31,205,000	12,995,000	14,850,000
-	-	290,000	-	-	-
1,614,944	1,858,063	2,082,980	3,367,176	1,207,558	2,405,596
-	6,705,000	17,135,000	13,080,000	-	10,335,000
-	-	-	-	-	(18,735,000)
35,165	10,440	362,148	345,941	15,451	17,355
19,971,392	16,897,002	18,102,057	16,061,991	15,775,415	12,026,555
(21,930,640)	(18,935,700)	(19,957,010)	(19,353,222)	(17,408,315)	(13,787,414)
-	-	-	-	-	-
<u>14,125,861</u>	<u>29,554,805</u>	<u>32,360,175</u>	<u>44,706,886</u>	<u>12,585,109</u>	<u>7,112,092</u>
<u>\$ 6,873,726</u>	<u>\$ (402,196)</u>	<u>\$ 4,846,453</u>	<u>\$ 20,798,989</u>	<u>\$ (7,415,840)</u>	<u>\$ 6,890,664</u>

15.94%	26.53%	30.29%	18.39%	24.50%	18.32%
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**CITY OF DAVENPORT**

**ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**IN THOUSANDS OF DOLLARS**

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		ACTUAL VALUE					
<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multiresidential</u>	<u>Agricultural</u>	<u>Utilities</u>
2012	2014	4,060,982	1,517,909	137,393		24,607	302,338
2013	2015	4,139,557	1,499,395	134,969		33,295	304,795
2014	2016	4,182,509	1,494,888	133,490		32,887	356,733
2015	2017	4,278,328	1,378,334	129,085	120,091	33,517	372,546
2016	2018	4,322,960	1,412,125	128,593	124,234	33,137	389,113
2017	2019	4,463,227	1,595,558	150,002	124,339	33,747	418,694
2018	2020	4,605,521	1,664,804	196,835	122,742	33,178	434,985
2019	2021	4,821,324	1,844,984	204,649	135,447	24,449	457,087
2020	2022	4,833,553	1,844,581	193,166	177,876	24,342	432,911
2021	2023	5,150,388	1,897,786	186,034	216,216	24,273	505,685

		TAXABLE VALUE					
<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multiresidential</u>	<u>Agricultural</u>	<u>Utilities</u>
2012	2014	2,141,742	1,517,909	137,393		14,747	222,312
2013	2015	2,248,111	1,418,141	127,631		14,440	213,031
2014	2016	2,331,065	1,345,399	120,141		14,700	213,293
2015	2017	2,376,004	1,226,060	114,434	103,271	15,440	208,482
2016	2018	2,457,883	1,253,347	114,238	101,120	15,739	197,431
2017	2019	2,470,308	1,419,234	134,448	96,169	18,074	210,946
2018	2020	2,618,090	1,486,032	172,048	90,686	18,623	207,144
2019	2021	2,651,051	1,649,365	178,439	95,217	19,921	198,341
2020	2022	2,720,076	1,647,207	166,401	118,536	20,454	174,641
2021	2023	2,778,597	1,696,511	160,017	135,310	21,613	207,579

Notes: By state law all property subject to taxation is valued every 2 years subject to an equalization action of the State Department of Revenue. The Assessor establishes actual valuation (100%) as of January 1 in a calendar year for taxes payable in the succeeding fiscal year. The actual value of property is provided by the assessor to the County Auditor who then determines the taxable value. The taxable value is computed by adjusting the actual value of various classes of property by percentages (roll back rates) determined by the State Department of Revenue. The roll back rates are applied to classes of property on a state-wide basis so that the increase in actual valuations of property in the State will not exceed 4% annually.

Source: Iowa Department of Management website

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<u>Other</u>	<u>Gross valuation</u>	<u>Less military exemption</u>	<u>Net valuation</u>	<u>Total direct tax rate</u>
3,120	6,046,349	(9,483)	6,036,866	16.78%
3,024	6,115,035	(9,153)	6,105,882	16.78%
2,900	6,203,407	(8,932)	6,194,475	16.78%
3,535	6,315,436	(8,667)	6,306,769	16.78%
4,024	6,414,186	(8,414)	6,405,772	16.78%
4,452	6,790,019	(8,214)	6,781,805	16.78%
4,580	7,062,645	(7,945)	7,054,700	16.78%
5,457	7,493,397	(7,647)	7,485,750	16.78%
5,621	7,512,050	(7,210)	7,504,840	16.78%
5,628	7,986,010	(6,852)	7,979,158	16.78%

<u>Other</u>	<u>Gross valuation</u>	<u>Less military exemption</u>	<u>Net valuation</u>
3,120	4,037,223	(9,483)	4,027,740
2,873	4,024,227	(9,153)	4,015,074
2,610	4,027,208	(8,932)	4,018,276
3,182	4,046,873	(8,667)	4,038,206
3,622	4,143,380	(8,414)	4,134,966
4,006	4,353,185	(8,214)	4,344,971
4,122	4,596,745	(7,945)	4,588,800
4,911	4,797,245	(7,647)	4,789,598
5,059	4,852,374	(7,210)	4,845,164
5,065	5,004,692	(6,852)	4,997,840

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**CITY OF DAVENPORT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN FISCAL YEARS**

**(rate per \$1,000 of taxable value)**

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City Direct Rates

<u>Fiscal</u> <u>Year</u>	<u>General</u>	<u>Tort</u> <u>Liability</u>	<u>Trust &amp;</u> <u>Agency</u>	<u>Library (1)</u>	<u>Transit</u>	<u>Emergency</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
2014	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2015	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2016	8.10	0.25	4.83	0.27	0.91	0.27	2.15	16.78
2017	8.10	0.25	4.83	0.27	0.91	0.27	2.15	16.78
2018	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2019	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2020	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2021	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2022	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
2023	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78

Source: City of Davenport Finance Department

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Overlapping Rates

<u>Scott County</u>	<u>Davenport Schools</u>	<u>Area IX College</u>	<u>Other</u>	<u>Total</u>
6.24	16.66	0.92	0.44	41.04
6.13	15.84	0.93	0.44	40.12
6.00	15.68	0.97	0.42	39.85
5.82	15.37	1.01	0.39	39.37
5.82	15.90	1.03	0.40	39.93
5.82	15.46	1.03	0.40	39.49
5.99	15.27	0.99	0.39	39.42
6.21	15.30	0.82	0.33	39.44
6.30	15.30	0.92	0.33	39.63
5.95	15.60	0.95	0.37	39.65

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**CITY OF DAVENPORT**

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

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<u>Fiscal</u> <u>Year</u>	<u>Taxes</u> <u>Levied</u>	<u>Current</u> <u>Collections</u>	<u>Percentage</u> <u>of Levy</u>
2014	73,158,580	73,149,684	99.99%
2015	73,239,754	72,473,395	98.95%
2016	73,355,439	71,981,695	98.13%
2017	74,432,127	72,761,618	97.76%
2018	77,183,627	75,926,282	98.37%
2019	81,051,882	79,513,985	98.10%
2020	84,707,756	81,112,580	95.76%
2021	87,895,592	87,407,578	99.44%
2022	89,825,816	87,990,288	97.96%
2023	92,138,576	90,065,292	97.75%

Source: Levy rate sheet from Scott County, current  
collections per monthly tax allocation reports.  
Information not available on delinquent collections  
by levy year.

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CITY OF DAVENPORT

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

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Name of Property	Property type	2023 Taxable Valuation	Rank	% of taxable value	2014 Taxable Valuation	Rank	% of taxable value
Mid American Energy	Utility	\$ 159,903,799	1	3.08%	\$ 300,763,815	1	7.25%
Rhythm City Casino LLC	Commercial	57,200,787	3	1.10%			
Macerich North Park Mall LLC/SDG Macerich Properties	Shopping Center	38,388,888	6	0.74%	55,488,075	2	1.34%
Iowa-American Water Co.	Utility	41,412,162	5	0.80%	47,533,563	3	1.15%
Sterilite Corporation	Commercial	57,721,581	2	1.11%			
Kraft Heinz Foods Company	Commercial	43,545,339	4	0.84%			
THF Davenport North Development	Realty	34,691,436	7	0.67%	16,881,188	7	0.41%
John Deere Construction	Commercial	28,106,784	8	0.54%	26,300,475	4	0.63%
Genesis Health Systems	Commercial	24,515,693	9	0.47%			
S J Russell LC	Commercial	22,929,723	10	0.44%			
QC Freight Service & John Deere Distribution Center	Commercial			0.00%	18,874,885	5	0.45%
Hotel Blackhawk	Commercial			0.00%	17,073,210	6	0.41%
Qwest	Utility			0.00%	13,881,476	8	0.33%
Wal-Mart	Commercial			0.00%	13,581,485	9	0.33%
Telecommunications 1031 Ventur	Utility			0.00%	13,358,900	10	0.32%
Total		<u>\$ 508,416,192</u>		<u>9.79%</u>	<u>\$ 523,737,072</u>		<u>12.62%</u>

Source: Scott County Auditor.

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**CITY OF DAVENPORT**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

**(dollars in thousands, except per capita)**

Fiscal Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Other Long-term Debt	Lease and Other Financing Arrangements	General Obligation Bonds	Other Long-term Debt	Lease and Other Financing Arrangements			
2014	157,606	311	-	50,837	14,208	280	223,242	5.15%	2,239
2015	144,085	311	-	50,103	14,147	189	208,835	4.65%	2,095
2016	173,938	311	-	57,197	15,899	96	247,441	5.42%	2,482
2017	169,499	570	-	62,309	21,871	-	254,249	5.36%	2,551
2018	164,094	449	-	58,931	21,172	-	244,646	5.19%	2,454
2019	161,763	333	-	60,538	19,990	-	242,624	4.95%	2,434
2020	158,333	187	-	58,368	23,013	-	239,901	4.49%	2,407
2021	159,691	155	-	55,330	31,310	-	246,486	4.24%	2,423
2022	158,173	124	-	56,887	32,197	248	247,381	4.33%	2,432
2023	163,656	93	540	57,605	31,164	244	253,058	unavailable	2,488

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Demographic and economic statistics schedule for personal income and population data.

The personal income and population data is not yet available.

Source: City of Davenport Finance Department and U.S. Department of Commerce "Survey of Current Business: for Davenport, Rock Island, Moline SMSA.

**CITY OF DAVENPORT**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN FISCAL YEARS**

**(dollars in thousands, except per capita)**

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<u>Fiscal Year</u>	<u>General Obligation Debt</u>	<u>Less Amount Available for Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Taxable Value of Property (1)</u>	<u>Per Capita</u>
2014	208,443	(13,385)	195,058	4.84%	1,957
2015	194,188	(3,456)	190,732	4.75%	1,913
2016	231,135	(9,686)	221,449	5.51%	2,221
2017	231,808	(12,745)	219,063	5.42%	2,198
2018	223,162	(16,534)	206,628	5.00%	2,073
2019	222,301	(19,944)	202,357	4.66%	2,030
2020	216,701	(27,576)	189,125	4.12%	1,897
2021	215,021	(30,613)	184,408	3.85%	1,813
2022	215,060	(29,722)	185,338	3.83%	1,822
2023	221,261	(35,060)	186,201	3.73%	1,830

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Assessed and Taxable Value table for property value data.

Source: City of Davenport Finance Department and Scott County Auditor's Office.

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**CITY OF DAVENPORT**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2023**  
**(dollars in thousands)**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable to City</u>	<u>Share of Overlapping Debt</u>
Scott County	20,451,339	49.34%	10,090,691
Eastern Iowa Community College	42,400,000	30.09%	<u>12,758,160</u>
Subtotal, overlapping debt			<u>22,848,851</u>
City direct debt			<u>164,290,032</u>
Total direct and overlapping debt			<u><u>\$ 187,138,883</u></u>

Sources: Debt outstanding data provided by each governmental unit. Percent applicable to city provided by Scott County. The City direct debt does not include business type activity debt. The percentage applicable to the City is based on shared tax base.

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**CITY OF DAVENPORT**

**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

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<u>Fiscal year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 307,269,293	\$ 312,585,544	\$ 318,401,799	\$ 323,975,819
Total net debt applicable to limit	<u>205,587,350</u>	<u>189,866,175</u>	<u>223,801,529</u>	<u>221,949,505</u>
Legal debt margin	\$ 101,681,943	\$ 122,719,369	\$ 94,600,270	\$ 102,026,314
Total net debt applicable to the limit as a percentage of debt limit	66.91%	60.74%	70.29%	68.51%

**Note:** Iowa State law limits local governments debt to 5% of its gross assessed valuation.

Source: City of Davenport Finance Department.

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**Legal debt margin calculation for Fiscal Year 2023**

Assessed valuation	\$ 8,195,553,445	
Debt limit (5% of assessed value)		\$ 409,777,672
Debt applicable to limit:		
General Obligation Bonds	208,670,000	
Tax Increment Financing Rebate Agreements subject to li	4,235,000	
Total G.O. Indebtedness		<u>212,905,000</u>
Legal debt margin		<u>\$ 196,872,672</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 330,626,114	\$ 362,147,694	\$ 362,087,373	\$ 383,418,646	\$ 386,405,520	\$ 409,777,672
<u>217,029,024</u>	<u>212,801,388</u>	<u>211,352,656</u>	<u>208,027,129</u>	<u>206,528,000</u>	<u>212,905,000</u>
\$ 113,597,090	\$ 149,346,306	\$ 150,734,717	\$ 175,391,517	\$ 179,877,520	\$ 196,872,672
65.64%	58.76%	58.37%	54.26%	53.45%	51.96%

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**CITY OF DAVENPORT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

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<u>Year</u>	<u>Population (2)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2014	99,685	4,528,091,440	45,424	15,981	6.3%
2015	99,685	4,489,114,605	45,033	15,823	6.3%
2016	99,685	4,803,919,835	48,191	15,162	5.5%
2017	99,685	4,745,205,370	47,602	15,489	4.2%
2018	99,685	4,896,327,830	49,118	15,233	3.8%
2019	99,685	5,034,291,870	50,502	15,054	3.6%
2020	99,685	5,345,109,700	53,620	14,930	7.5%
2021	101,724	5,814,849,012	57,163	15,234	5.6%
2022	101,724	5,714,956,044	56,181	15,234	3.4%
2023	101,724	N/A (1)	N/A (1)	13,785	N/A (1)

Sources:

- (1) Information not available at time of printing
  - (2) Sales and Marketing Management, Survey of Buying Power, September issues.
  - (3) BEA website-AMSA04-Advance Metropolitan Statistical Area Income Summary for Davenport, Rock Island, Moline SMSA as of calendar year end.
  - (4) Davenport Community School District based on census at start of school year.
  - (5) Iowa Workforce Development, for Davenport as of calendar year end
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**CITY OF DAVENPORT**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

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Employer	12/31/22			12/31/13		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Genesis Medical Centers	4,700	1	7.17%	4,900	1	7.84%
Davenport Community Schools	2,500	2	3.82%	2,500	2	4.00%
Arconic/ALCOA	2,400	3	3.66%	2,250	3	3.60%
John Deere Davenport Works	2,000	4	3.05%			
Tri-City Electric Co.	1,200	5	1.83%			
City of Davenport	1,070	6	1.63%	1,149	5	1.84%
Eaton/Cobham Mission Systems	950	7	1.45%			
Kraft Heinz/Oscar Mayer	790	8	1.21%	1,500	4	2.40%
MidAmerican Energy Company	-		0.00%	1,025	7	1.64%
Von Maur	600	12	0.92%	560	14	0.90%
Eastern Iowa Community College	675	9	1.03%	1,016	8	1.63%
APAC Teleservices			0.00%	900	9	1.44%
United Parcel Service	640	10	0.98%	590	13	0.94%
Wells Fargo-Davenport Region	610	11	0.93%	716	10	1.15%
Rhythm City Casino/Isle Capri	450	16	0.69%	1,050	6	1.68%
Sears Manufacturing	580	13	0.89%	600	12	0.96%
Scott County	489	14	0.75%	500	15	0.80%
Per Mar Security	460	15	0.70%			
AT&T	-		0.00%	610	11	0.98%
St. Ambrose University			0.00%	467	16	0.75%
	<hr/>		<hr/>	<hr/>		<hr/>
	20,114		30.70%	20,333		32.53%

Source: Quad City Development Group, Direct staff contact with Company (December 2008)

Source: Large Employer websites

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**CITY OF DAVENPORT**

**FULL-TIME & PART-TIME EMPLOYEES BY FUNCTION  
LAST TEN CALENDAR YEARS  
June 30, 2023**

FUNCTION/PROGRAM	2022		2021		2020		2019	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
<b>PUBLIC SAFETY</b>								
Police	181	-	187	-	190	-	191	19
Fire	139	-	136	-	134	-	135	-
<b>PUBLIC WORKS</b>	299	23	299	32	297	49	293	55
<b>CULTURE &amp; RECREATION</b>								
Leisure Facilities and Services	23	245	21	297	19	291	19	274
Library	45	28	42	30	40	36	41	37
<b>COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>	15	1	17	1	18	1	22	-
<b>GENERAL GOVERNMENT</b>								
Mayor	2	-	2	-	2	-	2	-
Council	1	10	1	10	1	10	1	10
Finance	20	2	25	2	21	1	23	1
Information Technology	9	-	10	-	9	-	8	-
Administration	7	1	6	-	5	-	6	1
Legal	4	-	4	-	4	-	4	-
Human Resources	9	2	7	2	7	1	7	1
Civil Rights	3	1	4	-	4	-	4	1
<b>Total</b>	<b>757</b>	<b>313</b>	<b>761</b>	<b>374</b>	<b>751</b>	<b>389</b>	<b>756</b>	<b>399</b>

Source: City of Davenport Department of Human Resources.

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2018		2017		2016		2015		2014		2013	
FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
191	20	181	22	180	25	186	23	186	24	189	26
134	-	133	-	136	-	142	-	143	-	138	1
290	59	291	46	288	45	287	50	289	48	290	45
20	313	18	308	19	290	18	218	17	209	18	257
39	39	40	40	39	40	39	36	37	35	39	39
21	-	24	-	22	-	23	-	20	2	24	2
2	-	2	-	2	-	2	-	2	-	2	-
1	10	-	10	-	10	-	10	-	10	-	10
24	-	24	-	22	1	23	1	24	-	25	2
8	1	7	1	8	1	8	2	8	1	8	2
6	1	8	1	7	1	5	4	6	4	5	8
4	-	4	-	4	-	4	-	4	-	4	-
6	2	4	1	5	1	5	2	6	2	6	2
4	-	4	1	4	1	4	3	4	3	4	1
750	445	740	430	736	415	746	349	746	338	752	395

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**CITY OF DAVENPORT**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
June 30, 2023**

FUNCTION/PROGRAM	FISCAL YEAR				
	2023	2022	2021	2020	2019
<b>PUBLIC SAFETY</b>					
Fire calls answered	19,832	19,183	17,450	16,137	16,443
Police-arrests	5,947	5,528	4,323	6,134	4,936
Construction permits issued	3,805	3,264	6,602	4,352	2,726
<b>PUBLIC WORKS</b>					
Refuse collected (tons)	32,513	32,478	31,854	34,810	32,652
Gallons of wastewater processed (in millions)	9,090	7,510	9,391	11,394	15,541
Yard waste composted (cu yds)	82,912	78,128	97,160	81,398	78,829
Citibus ridership	391,875	333,129	396,848	612,414	584,273
Utility service customers	39,667	39,402	38,942	39,065	38,540
<b>CULTURE &amp; RECREATION</b>					
Rounds of golf played	71,573	63,208	62,245	56,006	49,031
Swimming pools attendance	14,310	17,724	5,221	-	24,005
Recreation programs available	709	748	452	541	700
Recreation program enrollment	29,646	28,172	17,450	7,490	14,064
Library - walk-in patrons served	278,922	231,616	129,823	278,605	367,486
<b>COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>					
Planning & zoning-site plan reviews	128	115	119	80	68
Floodplain Development Reviews	107	79	140	191	81
Households assisted with rental assistance	843	923	1,084	1,054	963

Note: COVID impacted programs and services offered in Fiscal Year 2021, including Citibus ridership, Recreation programs available, swimming pool attendance, library walk-in patrons

Note: Tracking for Floodplain Development Reviews separately began Fiscal Year 2019

Source: Various City of Davenport departments.

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FISCAL YEAR				
2018	2017	2016	2015	2014
18,363	18,741	18,056	16,690	16,373
6,244	5,963	5,944	6,887	7,632
2,515	2,873	3,142	2,395	2,602
29,996	26,331	27,907	27,197	26,920
9,919	11,525	12,200	10,494	8,541
80,720	155,373	136,197	110,723	101,373
622,937	659,155	1,278,115	1,503,419	1,362,174
38,140	38,970	39,800	39,800	39,500
57,380	57,785	63,671	64,701	64,063
20,212	16,302	28,398	24,026	28,191
720	795	768	943	984
13,811	12,378	11,502	6,130	5,733
372,431	388,185	428,684	445,272	481,592
35	18	26	35	36
-	-	-	-	-
1,001	913	897	867	842

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**CITY OF DAVENPORT**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS  
June 30, 2023**

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FUNCTION/PROGRAM	FISCAL YEAR				
	2023	2022	2021	2020	2019
<b>PUBLIC SAFETY</b>					
Police cars	122	121	119	129	125
Fire stations	7	7	7	7	7
Fire trucks	16	16	16	16	16
<b>PUBLIC WORKS</b>					
Streets (miles)	711	710	708	707	711
Traffic signals	174	172	172	172	171
Street lights	9,730	9,730	9,730	9,720	9,712
Refuse collection trucks	27	26	30	30	30
Buses	25	25	25	30	27
<b>CULTURE &amp; RECREATION</b>					
Golf courses	3	3	3	3	3
Acres of parks	1,990	1,990	1,990	1,981	1,981
Swimming pools	2	3	3	3	3
Libraries	3	3	3	3	3

Note: No capital asset indicators are available for General Government and Community & Economic Development functions.

Source: City of Davenport Summary of Fixed Assets Report.

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FISCAL YEAR				
2018	2017	2016	2015	2014
122	117	115	109	105
7	7	7	7	7
16	16	16	16	16
703	703	701	695	695
167	166	166	166	166
9,712	9,712	9,712	9,708	9,708
30	31	29	32	32
25	21	22	22	22
3	3	3	3	3
1,981	1,981	1,981	1,981	1,981
3	3	3	3	3
3	3	3	3	3

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**DAVENPORT**

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