

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2022

CITY OF DAVENPORT, IOWA



City of Davenport, Iowa

CITY OF DAVENPORT, IOWA

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Prepared by:
Finance Department
Accounting Division**

CITY OF DAVENPORT, IOWA
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	iii
GFOA Certificate of Achievement	x
Organizational Chart	xi
List of Elected and Appointed Officials	xii
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenue, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Position - Proprietary Funds	30
Reconciliation of Enterprise Funds Net Position to the Statement of Net Position	31
Statement of Revenue, Expenses, and Changes in Fund Net Position - Proprietary Funds	32
Reconciliation of the Change in Net Position of Enterprise Funds to the Statement of Net Activities	33
Statement of Cash Flows - Proprietary Funds	34
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	39
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental and Proprietary Funds	78
Notes to Required Supplementary Information - Budgetary Reporting	80
Other Postemployment Benefit Plan (OPEB)	82
Schedule of City Contributions (IPERS)	84
Schedule of the City's Proportionate Share of Net Pension Liability (IPERS)	86
Notes to Required Supplementary Information - Pension Liability - Iowa Public Employees Retirement System (IPERS)	89

TABLE OF CONTENTS (continued)

	Page
Schedule of City Contributions (MFPRSI)	90
Schedule of the City's Proportionate Share of Net Pension Liability (MFPRSI)	92
Notes to Required Supplementary Information - Pension Liability - Municipal Fire and Police Retirement System of Iowa (MFPRSI)	94
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Non-Major Governmental Funds	96
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	98
Combining Statement of Net Position - Non-Major Enterprise Funds	102
Combining Statement of Revenue, Expenses and Changes in Fund Net Position - Non-Major Enterprise Funds	104
Combining Statement of Cash Flows - Non-Major Enterprise Funds	106
Combining Statement of Net Position - Internal Service Funds	112
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position - Internal Service Funds	113
Combining Statement of Cash Flows - Internal Service Funds	114
 STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	118
Changes in Net Position	120
Fund Balances, Governmental Funds	122
Changes in Fund Balances, Governmental Funds	124
Revenue Capacity:	
Assessed and Taxable Value of Taxable Property	126
Direct and Overlapping Property Tax Rates	128
Property Tax Levies and Collections	130
Principal Property Taxpayers	131
Debt Capacity:	
Ratios of Outstanding Debt by Type	132
Ratios of General Bonded Debt Outstanding	133
Direct and Overlapping Governmental Activities Debt	135
Legal Debt Margin Information	136
Demographic and Economic Information:	
Demographic and Economic Statistics	138
Principal Employers	139
Operating Information:	
Full-time and Part-time Employees by Function	140
Operating Indicators by Function	142
Capital Asset Statistics by Function	144

INTRODUCTORY SECTION



December 6, 2022

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, 2022.

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, 2022 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, 2022 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, 2022 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 approved by the City Council in March of each year for the fiscal year beginning the following July 1. 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 2022 was 3.7%, a 2.1% reduction from the year prior. Of the 194,000 persons in the labor force in June 2022, 186,800 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 56% residential, 2% multi-residential, 36% commercial, 5% industrial properties, and 1% other. The tax base is not concentrated; the largest taxpayer accounts for 2.58% of total value, and the remaining nine leading taxpayers account for just 7.05% of taxable value. More detailed information on permits and principal taxpayers can be found in the statistical section of this report.

In 2022, the City experienced growth in the industrial sector and associated industries. Fair Oaks Foods broke ground on a 134,000 square foot food manufacturing facility in the Eastern Iowa Industrial Center. This \$134M project will create 247 new jobs and is slated to open in early 2024. Russell Development Industrial Park is investing over \$125M in a new 95-acre industrial park and has fully leased a 251,000 square foot facility, and a 300,000 square foot facility is under construction. These projects, along with several others, total over 800,000 sq. ft. of new additional industrial space. Additionally, the City of Davenport has eight multi-family projects that are currently planned or underway, totaling over \$52M in private investment. These projects total over 300 units, with more than 200 of these units new 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 2012, and due to tax rebates, the City has been able to create (retain) 1,678 jobs, obtain \$645M in private investment, and produce \$63.7M 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 increases in public safety pension costs, 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 80.4% of its revenue from property taxes. 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. 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 2.2% annually over the last ten fiscal years. For the current FY 2023, total assessed value increased by 6.05%, while taxable values increased 3.15%.

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 utilized for one-time expenditures that do not create ongoing operational costs. 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. The City is prepared for this and does not anticipate any additional budget challenges due to the rollback.

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 4.29% 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 FY 2013 contribution rate, the FY 2022 rate was roughly \$1.0 million 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 FY 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 and emergency levies are 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-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 attempts to leverage its 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 FY 2013, FY 2014, and FY 2015, increased to \$2.15 in FY 2016 and FY 2017, and returned to \$2.05 in FY 2018 through FY 2022. The brief increase to \$2.15 in FY 2016 and FY 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 FY 2013.

Some Highlights of the FY 2023 Capital Improvement Program are as follows:

- Street resurfacing, full depth patching & reconstruction | \$9.5 million
- Continued work on 53rd Street (phase 2) | \$2.1 million (project total \$ 9.4 million)
- Fire apparatus replacement | \$ 1.1 million
- Fire Station 3 | \$10 million
- Sanitary sewer lining, construction and repair | \$7 million
- Continued work at WPCP and compost flood mitigation | \$1.2 million (project total 15.6 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 FY 2022, the City has expended \$1,310,162 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 | \$2.2 million
- Neighborhood Stabilization Program | \$2 million
- Youth Assessment Program | \$2.6 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, 2021. This was the 39th 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 FY 2023 Budget document. This is the 28th 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 entire staff of the Finance Department and the 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,



Corrin Spiegel
City Administrator



Mallory Merritt
CFO/Assistant City Administrator

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Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Davenport
Iowa**

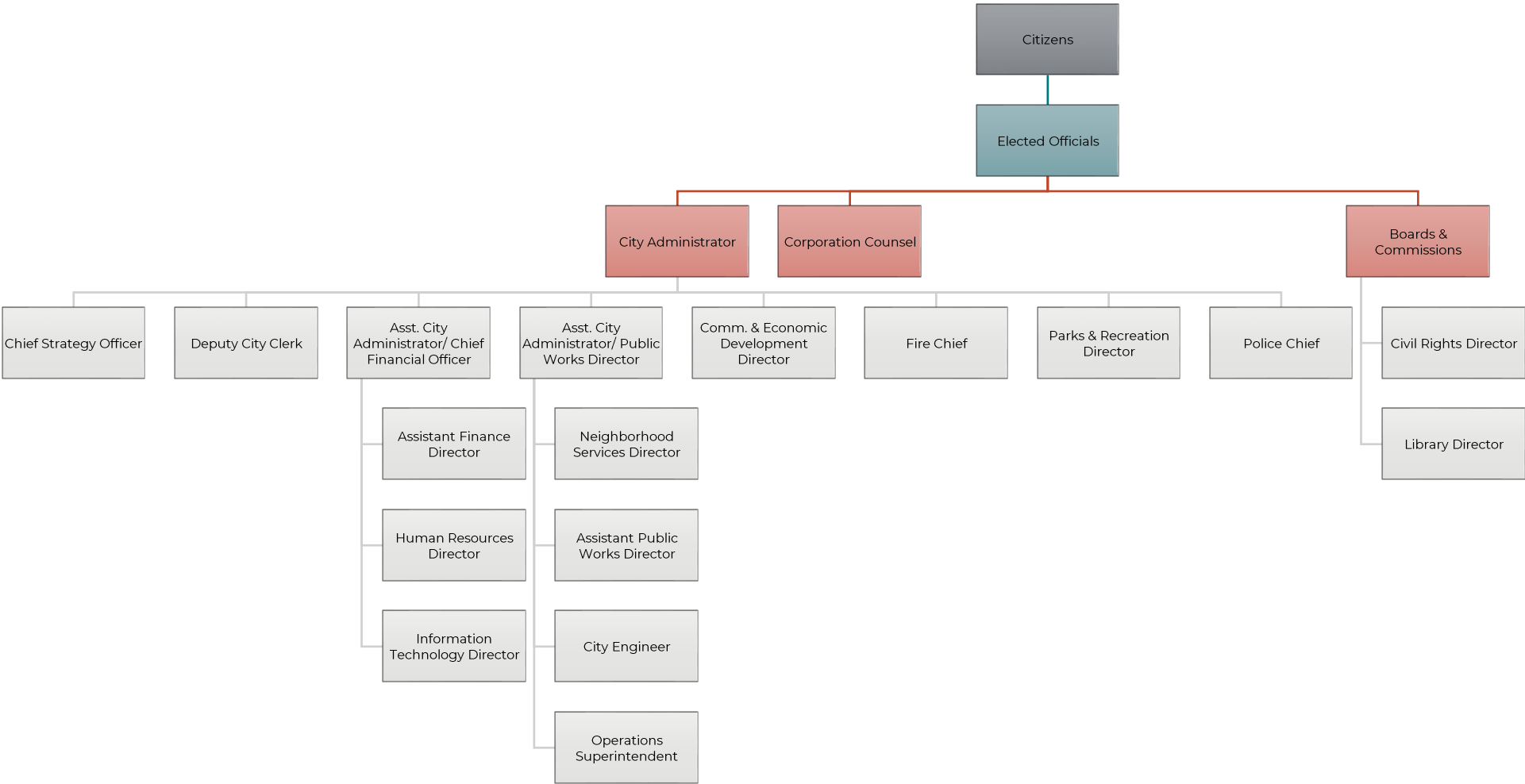
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



Elected Officials

Mayor | Mike Matson
Alderman at Large | Kyle Gripp
Alderman at Large | James Condon
Alderman – Ward 1 | Rick Dunn
Alderman – Ward 2 | Maria Dickman
Alderman – Ward 3 | Marion Meginnis
Alderman – Ward 4 | Robby Ortiz
Alderman – Ward 5 | Tim Kelly
Alderman – Ward 6 | Ben Jobgen
Alderman – Ward 7 | Derek Cornette
Alderman – Ward 8 | Judith Lee

City Administration & Corporation Counsel

City Administrator | Corri Spiegel
Asst. City Administrator/ Chief Financial Officer | Mallory Merritt
Asst. City Administrator/ Director Public Works | Nicole Gleason
Chief Strategy Officer | Sarah Ott
City Attorney | Tom Warner

Department Directors

Civil Rights | Latrice Lacey
Comm. & Economic Development | Bruce Berger
Fire Chief | Mike Carlsten
Human Resources | Alison Fleming
Information Technology | Cory Smith
Library | Jeff Collins
Parks & Recreation | Chad Dyson
Police Chief | Paul Sikorski
Neighborhood Services | Rich Oswald

FINANCIAL SECTION



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, 2022, 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, 2022, 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.

Adoption of New Accounting Standard

As discussed in Notes I and XVI to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the City's net position and fund balance as of July 1, 2021, to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 5, 2022, 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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned above the typed name and date.

Dubuque, Iowa
December 5, 2022

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, 2022. 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 iii through viii 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 FY 2022 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 \$425,288,321 (net position).
- The City's total net position increased by \$40,254,524 during fiscal year 2022.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$116,700,200, an increase of \$12,756,824 compared with the prior year. Approximately 11.7% of this amount (\$13,600,103) 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 \$29,246,568, or approximately 35.5% 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) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances like a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them, 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 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 in this statement 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 public safety, public works, culture and recreation, community and economic development, and general government. The business-type activities of the City include parking, sewer operations, RiverCenter/Adler Theatre (convention center/theatre), public transit, transload facility (rail service), public housing, golf courses, airport, solid waste collection, clean water utility, 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 18 through 21 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, proprietary, and fiduciary.

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, comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is useful. 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 fifteen (15) 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), and Capital Projects Fund, all of which are considered to be major funds. Data from the other ten 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 22 through 29 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 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 internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report (supplemental information).

The basic proprietary fund financial statements can be found on pages 30 through 35 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 36 through 37 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 39 through 77 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 96 through 109 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 2021 and 2022 are presented below. In Davenport, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$425,288,321, an increase of 10.5 percent, at the close of the fiscal year ended June 30, 2022.

City of Davenport's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets		(not restated)		(not restated)		(not restated)
Current and other assets	\$ 297,242,277	\$ 260,956,929	\$ 69,722,341	\$ 52,248,342	\$ 366,964,618	\$ 313,205,271
Capital assets	327,221,615	320,433,448	242,540,747	250,056,418	569,762,362	570,489,866
Total assets	624,463,892	581,390,377	312,263,088	302,304,760	936,726,980	883,695,137
Total deferred outflows of resources	13,604,251	25,031,924	1,748,310	2,566,200	15,352,561	27,598,124
Liabilities						
Noncurrent liabilities outstanding	178,599,845	248,824,039	85,040,087	92,993,719	263,639,932	341,817,758
Other liabilities	95,766,278	77,385,998	13,107,123	12,305,088	108,873,401	89,691,086
Total liabilities	274,366,123	326,210,037	98,147,210	105,298,807	372,513,333	431,508,844
Total deferred inflows of resources	140,008,397	88,967,066	14,269,490	5,882,923	154,277,887	94,849,989
Net position:						
Net investment in capital assets	192,105,853	183,244,094	162,578,770	168,805,821	354,684,623	352,049,915
Restricted	54,191,139	46,034,491	4,256,990	3,732,294	58,448,129	49,766,785
Unrestricted	(22,603,369)	(38,033,387)	34,758,938	21,151,115	12,155,569	(16,882,272)
Total net position	\$ 223,693,623	\$ 191,245,198	\$ 201,594,698	\$ 193,689,230	\$ 425,288,321	\$ 384,934,428

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, \$58,448,129 (13.7%) 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 \$206,392,502, \$166,268,837 and \$40,123,665 respectively.

The City of Davenport's total assets increased by \$53,031,843, or 6%, from 2021 to \$936,726,980 mainly due to an increase in capital assets of roads, sewers, and improvements to a City-owned water pollution control plant and an increase in cash partially due to receiving American Rescue Plan Act funding. Deferred outflows of resources decreased by \$12,245,563, or 44.4%, largely due to the change of pension-related deferred outflows.

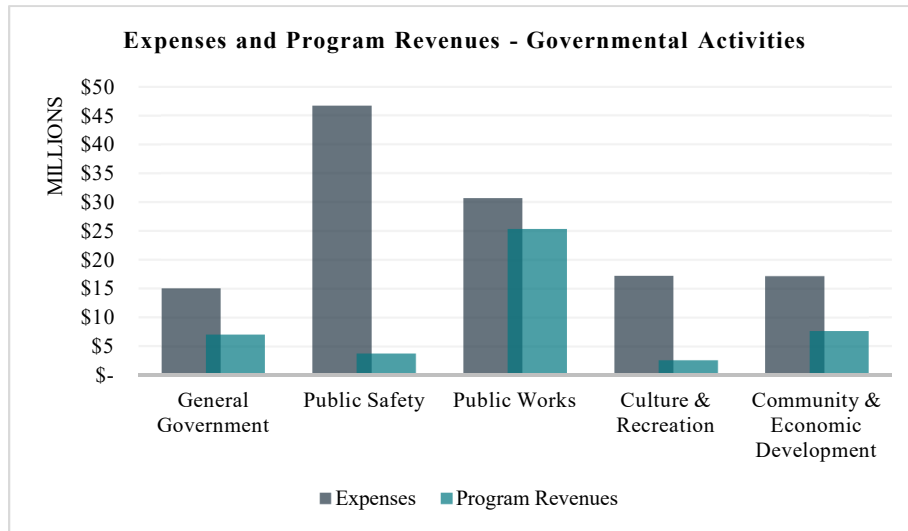
Total liabilities of the City of Davenport decreased by \$58,995,511, or 13.7%, from 2021 to \$372,513,333, which is mainly a result of a decrease in pension liability of \$73,225,412 and an increase in unearned revenue of \$18,555,151 due to receiving American Rescue Plan Act funding in advance of expenditures as previously mentioned. Deferred inflows of resources increased \$59,427,898 from 2021 to \$154,277,887, largely due to the change in pension-related deferred inflows.

City of Davenport's Changes in Net Position

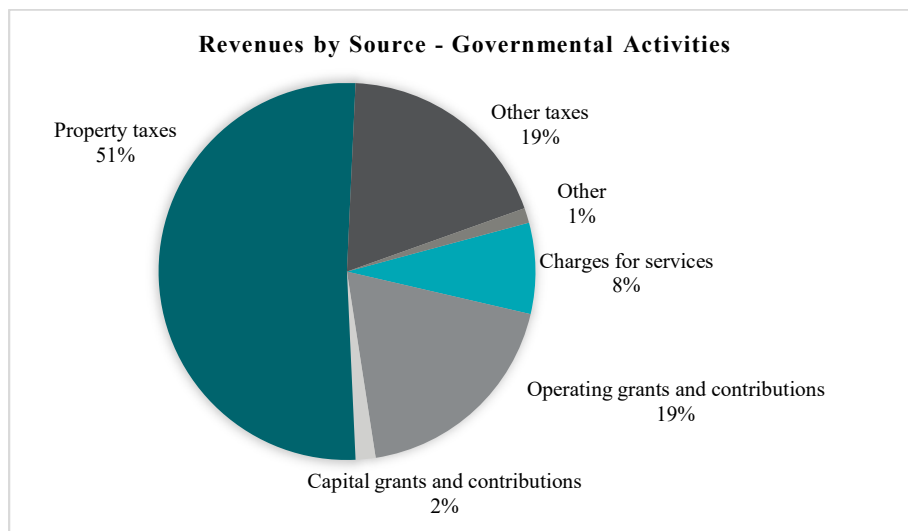
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (not restated)	2022	2021 (not restated)	2022	2021 (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 12,700,762	\$ 11,595,037	\$ 47,374,825	\$ 40,314,982	60,075,587	51,910,019
Operating grants and contributions	30,811,464	33,112,503	4,347,022	5,692,004	35,158,486	38,804,507
Capital grants and contributions	2,760,384	5,770,992	2,574,468	4,034,014	5,334,852	9,805,006
General revenues:						
Property taxes	83,691,397	81,468,535	4,303,719	4,318,477	87,995,116	85,787,012
Other taxes	30,635,452	27,670,020	-	-	30,635,452	27,670,020
Other	2,104,682	1,977,500	5,273,662	1,108,285	7,378,344	3,085,785
Total revenues	162,704,141	161,594,587	63,873,696	55,467,762	226,577,837	217,062,349
Expenses:						
General government	15,029,407	13,035,085	-	-	15,029,407	13,035,085
Public safety	46,688,134	57,701,452	-	-	46,688,134	57,701,452
Public works	30,592,498	32,283,761	-	-	30,592,498	32,283,761
Culture and recreation	17,173,860	16,569,576	-	-	17,173,860	16,569,576
Community and economic development	17,117,694	14,930,508	-	-	17,117,694	14,930,508
Interest on long-term debt	5,126,752	5,449,683	-	-	5,126,752	5,449,683
Sewer operations	-	-	23,040,916	22,808,402	23,040,916	22,808,402
Parking system	-	-	1,755,705	1,785,472	1,755,705	1,785,472
RiverCenter	-	-	6,572,272	3,466,505	6,572,272	3,466,505
Public transit	-	-	7,568,960	7,588,455	7,568,960	7,588,455
Public housing	-	-	333,475	1,208,279	333,475	1,208,279
Golf courses	-	-	1,987,731	2,108,383	1,987,731	2,108,383
Airport	-	-	1,331,056	1,332,883	1,331,056	1,332,883
Solid waste	-	-	6,158,570	6,496,617	6,158,570	6,496,617
Clean water	-	-	3,516,321	3,712,866	3,516,321	3,712,866
Transload	-	-	1,478,273	610,024	1,478,273	610,024
River's Edge	-	-	851,689	908,553	851,689	908,553
Total expenses	131,728,345	139,970,065	54,594,968	52,026,439	186,323,313	191,996,504
Increase/(decrease) in net position	30,975,796	21,624,522	9,278,728	3,441,323	40,254,524	25,065,845
Transfers	1,424,064	(2,448,340)	(1,424,064)	2,448,340	-	-
Increase/(decrease) in net position	32,399,860	19,176,182	7,854,664	5,889,663	40,254,524	25,065,845
Net position - beginning (restated)	191,293,763	172,069,016	193,740,034	187,799,567	385,033,797	359,868,583
Net position - ending	\$ 223,693,623	\$ 191,245,198	\$ 201,594,698	\$ 193,689,230	\$ 425,288,321	\$ 384,934,428

Governmental activities. Governmental activities increased the City’s net position by \$30,975,796 before transfers which is an increase of \$ 9,351,274 from 2021. This is largely due, in part, to a decrease in pension expense as a result of IPERS and MFPRSI realizing higher than anticipated investment returns. Operating grants and contributions decreased by \$2,301,039, this decrease is generally due to public safety CARES Act funding received in FY 2021 and not received in FY 2022 (\$2,414,445). Property tax revenues increased by \$2,222,862, mostly due to higher Tax Increment Financing requests and higher taxable values. Local option sales tax revenues had an increase of \$2,164,510.

Certain revenues generated are specific to governmental program activities. These totaled \$46,272,610. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities. The decrease of these revenues of \$4,205,922 is mostly due to a decrease in capital grants and contributions in the amount of \$3,010,608 due to a decrease in CARES Act funding received.



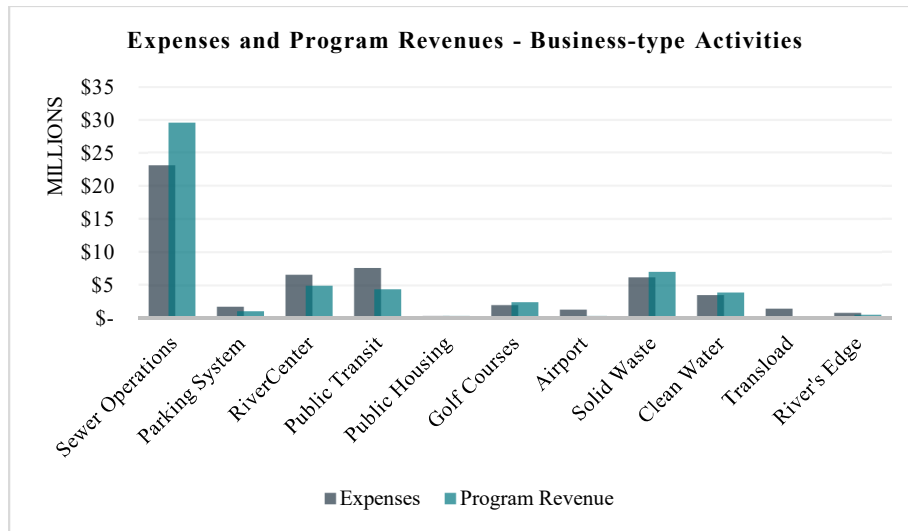
The chart below shows the percentage of the total governmental revenues allocated by each revenue type.



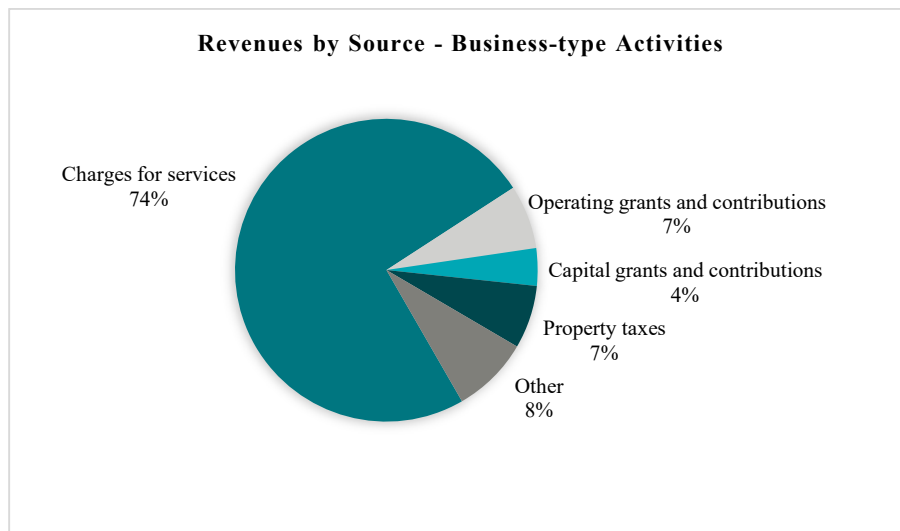
Total governmental activities’ revenues for the fiscal year were \$162,704,141, an increase of \$1,109,554 from the previous fiscal year. This is primarily due to increased property tax revenues and other tax revenue categories. The operating grants and contributions category decreased by \$2,301,039 due to a decrease in CARES Act funding received as mentioned above.

Business-type activities. Before transfers business-type activities increased the City of Davenport’s net position by \$9,278,728. This is an increase of \$5,837,405 from FY 2021 and is due to the sale of the City’s High-Rise housing facility for the elderly, handicapped and disabled. The sale of the high-rise generated \$5,929,170 in revenues. Total business-type activities revenue for the fiscal year was \$63,873,696, an increase of \$8,405,934 from the prior year. The increase is partially due to an increase of \$3,651,267 in revenues in the RiverCenter fund due to the venue reopening after the COVID-19 pandemic restrictions were lifted and the sale of the high-rise previously mentioned.

Total business-type activities expenditures for the fiscal year were \$54,594,968, an increase of \$2,568,529 from the prior year. The increase is due to higher RiverCenter expenditures due to the venue reopening for reasons previously discussed. 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 2022, the City of Davenport's governmental funds reported combined ending fund balances of \$116,700,020. Approximately 11.7 percent of this total amount, \$13,600,103, constitutes unassigned fund balance, which is available for spending at the City's discretion. The governmental fund balance increased by \$12,756,824 compared to the prior year. This growth is due to a planned increase which grew the general fund by \$5,843,180; Local Option Sales Tax fund balance increased by \$3,439,995, and due to increased the Local Option Sales Tax revenues and lowered debt burdens, the fund balance of the debt service fund increased by \$4,710,837.

The American Rescue Plan Act fund had a fund balance of \$143,901, and the non-major governmental funds decreased by \$1,453,791 due to utilizing program income earned by the Community Development Act fund and completing community-based projects. The remaining fund balance is non-spendable, consisting of pre-paid and inventory \$1,378,386; restricted by grantors and other legal restrictions, \$83,183,121; committed by the City Council for revolving loans and the riverfront improvement commission, \$2,927,276; and assigned by the Finance Director for future projects, \$15,611,134.

The General Fund is the chief operating fund of the City of Davenport. The General Fund includes many of the City's primary 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 2022, unassigned fund balance of the General Fund was \$13,635,434, while total fund balance was \$36,885,447. 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 16.5 percent of total General Fund expenditures and 25 percent of General Fund expenditures, excluding the specific purpose funds, while total fund balance represents 44.7 percent of the total expenditures.

The total fund balance of the City of Davenport's General Fund increased by \$5,843,180 during the current fiscal year, and the unassigned fund balance decreased by \$6,942,136. The State of Iowa allows a maximum property tax levy rate of \$8.10 per thousand dollars of taxable value and \$0.27 in an emergency levy for general activities. The City has been at the maximum levy rates since 1984 and 1986, respectively. In addition to these two levies, the State allows unlimited levies for employee benefits (trust and agency levy) and insurance/claims (tort liability levy), which are also accounted for in the City's General Fund. Property tax balances from these two levies are reserved at the end of each year because their uses are restricted.

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. In fiscal year 2021, the City Council approved to temporarily allow the Finance Director to exceed the General Fund unassigned reserve policy maximum of 25 percent. This temporary amendment expired on June 30, 2022, and any excess funds were programmed for strategic, one-time projects. 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 \$27,285,284, 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 \$4,710,837, as explained above. The City prepares a rolling six-year capital improvement program. This will allow for a stable levy over the six years of the current program and the funding of a new Fire Station 3 without impacting other infrastructure needs.

The Local Option Sales Tax Fund accounts for the proceeds of a local option sales tax and has a fund balance of \$15,409,809. 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 \$3,439,995 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 \$143,901. During FY 2022, the City Council adopted a spending plan to allocate these dollars to various strategic community impact projects.

The Capital Projects Fund has a balance of \$19,272,372 due to unspent bond proceeds. The net increase in fund balance in the Capital Projects Fund during the current year was \$91,691.

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 78 through 81.

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

- The original revenue budget of \$238,320,409 was increased to \$308,359,464, an increase of \$70,039,055. 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 \$18,675,349. There were special revenue grant rollovers and new grants amounting to \$40,281,904, including the American Rescue Plan Act funding.
- The total original expenditure budget of \$259,908,193 was increased to \$356,961,239, an increase of \$97,053,046. In the community and economic development category, \$5,307,408 was carried forward for on-going grants and budgeted for new grants. Utilizing the American Rescue Plan Act funding, \$22,000,000 and \$12,901,800 was budgeted for public works and culture and recreation projects, respectively. In the capital outlay category, \$34,492,174 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 \$66,036,441 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 \$39,586,864.
- In the charges for services category, there was \$2,440,589 of additional revenues in the sewer fund and \$1,214,986 additional revenues in the RiverCenter fund.
- In the capital outlay category, \$49,520,381 of expenditures were budgeted and not spent, due to construction projects not completed. In the business type category, \$7,784,463 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 78 and 79 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 \$82,232,998 was increased to \$84,316,802, an increase of \$2,083,804. In the intergovernmental revenue category, federal grants in the amount of \$593,075, and state grants in the amount of \$63,959, subsequent to original budget adoption are included as both revenues and expenditures. In the fines and forfeits category a \$700,000 increase was adopted for both revenues and expenditures.
- The total original expenditure budget of \$81,683,133 was increased to \$85,296,559, an increase of \$3,613,426. Culture and recreation expenditures were amended to include grants and contributions carried forward of \$461,541 and new grants received of \$582,893 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 FY 2022 was \$5,843,180, a positive variance from the budgeted change (\$2,581,754) of \$3,261,426.
- 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, 2022.

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, 2022, amounts to \$569,762,362 (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 decreased slightly. At June 30, 2022, and June 30, 2021 the depreciable capital assets of the City were 49% 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 2022 include the following:

Governmental activities

- Street and road work completed by the City | \$9,688,837
- Fire Training Center | \$903,134
- Elm Street bridge | \$2,922,037
- River Heritage Park Riverwalk | \$1,039,910
- Kaiserslautern Square Park upgrades | \$971,445
- Modern Woodmen Park upgrades | \$3,861,849

Business-type activities

- Sanitary sewers built by City of Davenport | \$2,765,321
- 1930's sanitary sewer riverfront interceptor | \$16,261,524
- WPCP plant optimization | \$8,428,825
- Emeis Golf Course maintenance building | \$397,417

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 19,772,158	\$ 19,820,564	\$ 11,482,373	\$ 12,888,697	\$ 31,254,531	\$ 32,709,261
Buildings	133,061,831	127,371,906	125,448,753	130,314,545	258,510,584	257,686,451
Improvements other than buildings	37,891,312	36,154,487	36,107,903	36,246,935	73,999,215	72,401,422
Sanitary sewers	-	-	179,734,608	160,351,658	179,734,608	160,351,658
Equipment and vehicles	53,966,775	53,411,247	57,637,281	48,641,917	111,604,056	102,053,164
Bridges	15,473,707	12,244,835	-	-	15,473,707	12,244,835
Traffic signals	10,346,153	10,331,663	-	-	10,346,153	10,331,663
Storm sewers	-	-	30,707,943	30,007,887	30,707,943	30,007,887
Paving	332,109,690	320,691,908	1,968,836	2,027,794	334,078,526	322,719,702
Seawalls	2,685,289	2,685,289	-	-	2,685,289	2,685,289
Tunnels	54,326	54,326	-	-	54,326	54,326
Construction in progress	7,061,345	5,168,039	11,089,585	33,493,870	18,150,930	38,661,909
Accumulated depreciation	(285,200,971)	(267,500,817)	(211,636,535)	(203,916,885)	(496,837,506)	(471,417,702)
Total	\$ 327,221,615	\$ 320,433,447	\$ 242,540,747	\$ 250,056,418	\$ 569,762,362	\$ 570,489,865

Long-term debt. At the end of FY 2022, the City of Davenport had total bonded debt outstanding of \$202,240,000. Of this amount, \$127,520,000 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 municipal improvement districts fund, the sewer operations enterprise fund, the public housing enterprise fund, solid waste enterprise, clean water enterprise the parking system 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 63 of this report.

City of Davenport's Outstanding Debt

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 148,685,000	\$ 151,255,000	\$ 53,555,000	\$ 52,610,000	\$ 202,240,000	\$ 203,865,000

The City of Davenport's total debt decreased by \$1,625,000 during the current fiscal year. New debt issuance of \$34,450,000 during the year was less than the debt retired of \$36,075,000. 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 88.0 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 \$202,240,000, and other debt subject to the debt limitation of \$4,288,000, which is significantly less than the City's current debt limitation of \$386,405,520.

The City of Davenport maintains an AA rating from Standard & Poor's, and an Aa3 rating from Moody's Investors Service for general obligation debt. Additional information on the City of Davenport's long-term debt can be found in Note IX 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 73.5% 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 \$0.27 in an emergency levy. The City has been at the maximum levy rates since 1984 and 1986, respectively. 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 2.2% annually over the last ten fiscal years. For fiscal year 2022, taxable assessed valuations increased 2.5% from FY 2021.

In 2013, the Iowa Legislature passed Senate File 295, which included a number of components that will 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 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 utilized for one-time expenditures that do not create ongoing operational costs. 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. The City is prepared for this and does not anticipate any additional budget challenges due to the rollback.

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 4.29% 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 \$1.0 million 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 FY 2022 were; Police 2.0% on 7/1/2021 and then another 2.0% on 3/1/22; Fire did not receive an increase due to receiving two in FY 2021; and others received 1.75%. For FY 2023, Fire will receive 3.0%, Police will not receive an increase due to receiving two in FY 2022, and others will receive 2.0%. For FY 2024, general population employees will receive 2.0% and Police and Fire general wage increases are unknown due to negotiations. To better manage costs, investments in labor-saving technology continue to be supported, 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, 2022**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current assets:			
Cash and investments	\$ 155,338,773	\$ 32,180,550	\$ 187,519,323
Delinquent property taxes receivable	1,644,388	61,782	1,706,170
Succeeding year property taxes receivable	86,084,430	4,528,366	90,612,796
Other taxes receivable	3,490,979	-	3,490,979
Special assessments	1,089,502	-	1,089,502
Accounts receivable, net	2,590,766	11,792,071	14,382,837
Accrued interest receivable, net	320,836	83,586	404,422
Leases receivable	1,904,141	403,414	2,307,555
Internal balances	(2,007,453)	2,007,453	-
Due from other governments	8,120,958	1,889,708	10,010,666
Inventory	1,197,861	270,499	1,468,360
Prepaid items	781,871	13,359	795,230
Loans receivable - net	1,478,063	-	1,478,063
Total unrestricted current assets	262,035,115	53,230,788	315,265,903
Noncurrent assets:			
Loans receivable - net	13,302,566	-	13,302,566
Restricted cash and cash equivalents	21,904,596	16,491,553	38,396,149
Capital assets:			
Land	19,772,158	11,482,373	31,254,531
Buildings	133,061,831	125,448,753	258,510,584
Improvements other than buildings	37,891,312	36,107,903	73,999,215
Sanitary sewers	-	179,734,608	179,734,608
Equipment and vehicles	53,966,775	57,637,281	111,604,056
Bridges	15,473,707	-	15,473,707
Traffic signals	10,346,153	-	10,346,153
Storm sewers	-	30,707,943	30,707,943
Streets and roads	332,109,690	1,968,836	334,078,526
Seawalls	2,685,289	-	2,685,289
Tunnels	54,326	-	54,326
Construction in progress	7,061,345	11,089,585	18,150,930
Accumulated depreciation	(285,200,971)	(211,636,535)	(496,837,506)
Total capital assets	327,221,615	242,540,747	569,762,362
Total noncurrent assets	362,428,777	259,032,300	621,461,077
Total assets	\$ 624,463,892	\$ 312,263,088	\$ 936,726,980
DEFERED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	12,060,686	1,426,184	13,486,870
OPEB related deferred outflows	1,543,565	322,126	1,865,691
Total deferred outflows of resources	13,604,251	1,748,310	15,352,561

(continued)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 9,006,224	\$ 1,214,440	\$ 10,220,664
Contracts payable	1,546,005	-	1,546,005
Accrued wages payable	3,440,289	769,021	4,209,310
Accrued compensated absences	4,401,824	831,855	5,233,679
Claims and judgments	9,435,217	-	9,435,217
Due to other governments	11,786	-	11,786
Accrued interest payable	465,747	217,515	683,262
General obligation bonds payable	19,105,000	6,345,000	25,450,000
Lease liability	-	89,541	89,541
Unearned revenue - other	48,284,352	812,575	49,096,927
Note payable	-	1,226,158	1,226,158
Total	95,696,444	11,506,105	107,202,549
Current liabilities payable from restricted assets:			
Accounts payable	38,755	-	38,755
Deposits payable	-	906,018	906,018
Notes payable	31,079	695,000	726,079
Total current liabilities payable from restricted assets	69,834	1,601,018	1,670,852
Total current liabilities	95,766,278	13,107,123	108,873,401
Noncurrent liabilities:			
Accrued compensated absences	38,184	7,216	45,400
Claims and judgments	3,812,815	-	3,812,815
Other postemployment benefits liability	18,223,600	3,870,425	22,094,025
Net pension liability	17,363,596	185,698	17,549,294
Lease liability	-	158,897	158,897
Note payable	93,237	30,275,918	30,369,155
General obligation bonds payable, net	137,978,911	50,541,933	188,520,844
Special assessment with government commitment	1,089,502	-	1,089,502
Total noncurrent liabilities	178,599,845	85,040,087	263,639,932
Total liabilities	274,366,123	98,147,210	372,513,333
DEFERRED INFLOWS OF RESOURCES			
Lease related	1,794,423	350,522	2,144,945
Succeeding year property tax	86,084,430	4,528,366	90,612,796
Deferred amount on refunding	1,867,869	1,089,595	2,957,464
Pension related deferred inflows	44,974,093	7,187,283	52,161,376
OPEB related deferred inflows	5,287,582	1,113,724	6,401,306
Total deferred inflows of resources	140,008,397	14,269,490	154,277,887
NET POSITION			
Net investment in capital assets	192,105,853	162,578,770	354,684,623
Restricted:			
Local option sales tax	15,362,552	-	15,362,552
Library	1,626,318	-	1,626,318
Police seizure	172,252	-	172,252
Debt retirement	29,721,837	-	29,721,837
Road use tax	4,270,888	-	4,270,888
Community development act	383,568	-	383,568
Municipal improvement districts	967,569	-	967,569
Section 8	343,406	-	343,406
Home investment partnership projects	962,804	-	962,804
American Rescue Plan Act	128,079	-	128,079
Youth Sports	29,460	-	29,460
Equipment replacement	-	4,256,990	4,256,990
Other grants	222,406	-	222,406
Unrestricted (deficit)	(22,603,369)	34,758,938	12,155,569
Total net position	\$ 223,693,623	\$ 201,594,698	\$ 425,288,321

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

CITY OF DAVENPORT

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Public safety	\$ 46,688,134	\$ 3,037,043	\$ 635,654	\$ 53,515
Public works	30,592,498	4,998,182	17,627,062	2,691,826
Culture and recreation	17,173,860	1,444,893	1,125,678	15,043
Community and economic development	17,117,694	742,631	6,866,227	-
General government	15,029,407	2,478,013	4,556,843	-
Interest on long-term debt	5,126,752	-	-	-
Total governmental activities	<u>131,728,345</u>	<u>12,700,762</u>	<u>30,811,464</u>	<u>2,760,384</u>
Business-type activities:				
Parking system	1,755,705	1,048,004	-	44,388
Sewer operations	23,040,916	28,116,702	32,986	1,263,071
RiverCenter	6,572,272	4,800,106	-	103,888
Public transit	7,568,960	378,632	4,002,823	-
Public housing	333,475	54,207	279,984	-
Golf courses	1,987,731	2,012,219	-	422,999
Airport	1,331,056	220,259	31,229	93,759
Solid waste	6,158,570	6,979,126	-	-
Clean water	3,516,321	3,276,966	-	599,274
Transload	1,478,273	-	-	-
River's Edge	851,689	488,604	-	47,089
Total business-type activities	<u>54,594,968</u>	<u>47,374,825</u>	<u>4,347,022</u>	<u>2,574,468</u>
Total government	<u>\$ 186,323,313</u>	<u>\$ 60,075,587</u>	<u>\$ 35,158,486</u>	<u>\$ 5,334,852</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, as restated

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

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (42,961,922)	\$ -	\$ (42,961,922)
(5,275,428)	-	(5,275,428)
(14,588,246)	-	(14,588,246)
(9,508,836)	-	(9,508,836)
(7,994,551)	-	(7,994,551)
(5,126,752)	-	(5,126,752)
<u>(85,455,735)</u>	<u>-</u>	<u>(85,455,735)</u>
-	(663,313)	(663,313)
-	6,371,843	6,371,843
-	(1,668,278)	(1,668,278)
-	(3,187,505)	(3,187,505)
-	716	716
-	447,487	447,487
-	(985,809)	(985,809)
-	820,556	820,556
-	359,919	359,919
-	(1,478,273)	(1,478,273)
-	(315,996)	(315,996)
<u>-</u>	<u>(298,653)</u>	<u>(298,653)</u>
<u>(85,455,735)</u>	<u>(298,653)</u>	<u>(85,754,388)</u>
66,483,345	-	66,483,345
17,208,052	-	17,208,052
-	4,303,719	4,303,719
23,448,633	-	23,448,633
3,119,107	-	3,119,107
4,067,712	-	4,067,712
1,834,832	415,907	2,250,739
213,622	4,684,183	4,897,805
56,228	173,572	229,800
1,424,064	(1,424,064)	-
<u>117,855,595</u>	<u>8,153,317</u>	<u>126,008,912</u>
32,399,860	7,854,664	40,254,524
<u>191,293,763</u>	<u>193,740,034</u>	<u>385,033,797</u>
<u>\$ 223,693,623</u>	<u>\$ 201,594,698</u>	<u>\$ 425,288,321</u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022**

ASSETS	GENERAL FUND	LOCAL OPTION SALES TAX FUND
Cash and investments	\$ 36,539,990	\$ 15,049,007
Receivables:		
Property taxes:		
Delinquent	939,008	-
Succeeding year	67,515,245	-
Other taxes	1,368,509	1,761,935
Accounts	1,076,973	78,145
Special assessments	-	80,577
Loans, net	-	-
Interest	111,492	-
Leases	1,437,984	-
Interfund receivable	368,989	-
Due from other governments	2,653,095	-
Inventory	1,197,861	-
Prepays	115,204	47,257
Restricted assets-cash and investments	-	-
TOTAL ASSETS	\$ 113,324,350	\$ 17,016,921
LIABILITIES		
Wages payable	\$ 2,816,222	\$ 90,219
Accounts payable	1,840,752	52,799
Contracts payable	-	-
Payable from restricted assets	-	-
Interfund payable	42,786	1,384,477
Due to other governments	-	-
Unearned revenue	93,350	-
Note payable	-	-
Matured bonds payable	-	-
Matured interest payable	-	-
TOTAL LIABILITIES	4,793,110	1,527,495
DEFERRED INFLOWS OF RESOURCES		
Lease related	1,370,235	-
Unavailable revenue - succeeding year property tax	67,515,245	-
Unavailable revenue - intergovernmental, special assessments and loans	2,760,313	79,617
TOTAL DEFERRED INFLOWS OF RESOURCES	71,645,793	79,617
FUND BALANCES		
Nonspendable	1,313,065	47,257
Restricted	6,325,814	15,362,552
Committed	-	-
Assigned	15,611,134	-
Unassigned	13,635,434	-
TOTAL FUND BALANCES	36,885,447	15,409,809
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 113,324,350	\$ 17,016,921

(continued)

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

GENERAL DEBT SERVICE FUND	CAPITAL PROJECTS FUND	AMERICAN RESCUE PLAN ACT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 21,280,742	\$ 22,819,719	\$ 39,883,008	\$ 16,971,763	\$ 152,544,229
164,423	-	-	540,957	1,644,388
10,440,226	-	-	8,128,959	86,084,430
-	-	-	360,535	3,490,979
-	1,276,681	-	109,347	2,541,146
1,008,925	-	-	-	1,089,502
4,730,000	-	-	10,050,629	14,780,629
84,217	-	41,840	28,455	266,004
-	-	-	466,157	1,904,141
1,057,161	414,585	-	-	1,840,735
-	3,475,508	-	1,992,355	8,120,958
-	-	-	-	1,197,861
-	-	15,822	2,242	180,525
-	-	-	38,755	38,755
<u>\$ 38,765,694</u>	<u>\$ 27,986,493</u>	<u>\$ 39,940,670</u>	<u>\$ 38,690,154</u>	<u>\$ 275,724,282</u>
\$ -	\$ 5,092	\$ 16,305	\$ 398,275	\$ 3,326,113
-	4,668,063	193,700	1,739,242	8,494,556
-	1,546,005	-	-	1,546,005
-	-	-	38,755	38,755
-	-	-	-	1,427,263
-	-	-	11,786	11,786
-	52,307	39,586,764	8,551,931	48,284,352
-	-	-	-	-
20,000	-	-	-	20,000
3,381	-	-	-	3,381
<u>23,381</u>	<u>6,271,467</u>	<u>39,796,769</u>	<u>10,739,989</u>	<u>63,152,211</u>
-	-	-	424,188	1,794,423
10,440,226	-	-	8,128,959	86,084,430
1,016,803	2,442,654	-	1,693,811	7,993,198
<u>11,457,029</u>	<u>2,442,654</u>	<u>-</u>	<u>10,246,958</u>	<u>95,872,051</u>
-	-	15,822	2,242	1,378,386
27,285,284	19,272,372	128,079	14,809,020	83,183,121
-	-	-	2,927,276	2,927,276
-	-	-	-	15,611,134
-	-	-	(35,331)	13,600,103
<u>27,285,284</u>	<u>19,272,372</u>	<u>143,901</u>	<u>17,703,207</u>	<u>116,700,020</u>
<u>\$ 38,765,694</u>	<u>\$ 27,986,493</u>	<u>\$ 39,940,670</u>	<u>\$ 38,690,154</u>	<u>\$ 275,724,282</u>

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**CITY OF DAVENPORT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total governmental fund balances	\$ 116,700,020
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.	324,550,820
Assets not available to pay for current-period expenditures are reported as a deferred inflow of resources in governmental funds.	7,993,198
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.	11,960,340
Internal service funds activities allocated to business-type activities	(2,051,936)
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	11,840,605
Deferred inflows of resources	(43,864,992)
	<u>(32,024,387)</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	1,484,897
Deferred inflows of resources	(5,079,732)
	<u>(3,594,835)</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	(4,263,832)
Accrued interest payable	(462,366)
General Obligation bonds payable, special assessments, and loan payable, net	(158,277,729)
Deferred amounts on refunding	(1,867,869)
Other post employment benefits liability	(17,632,861)
Pension liability	(17,334,940)
	<u>(199,839,597)</u>
Net position of governmental activities	<u>\$ 223,693,623</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, 2022**

	GENERAL FUND	LOCAL OPTION SALES TAX FUND
REVENUES:		
Taxes	\$ 71,420,651	\$ 24,386,876
Special assessments	-	78,747
Licenses and permits	3,293,786	-
Intergovernmental	6,255,080	-
Charges for services	4,224,240	125,557
Use of monies and property	679,565	19,382
Fines and forfeits	1,955,730	-
Loan repayments	-	-
Other	986,607	1,000
Total Revenues	<u>88,815,659</u>	<u>24,611,562</u>
EXPENDITURES:		
Current:		
Public safety	50,432,834	422,224
Public works	4,340,738	2,069,614
Culture and recreation	13,557,140	160,358
Community and economic development	1,076,244	308,260
General government	13,044,031	83,352
Capital outlay	-	-
Debt service:		
Principal retirement	-	-
Interest	-	-
Bond issuance costs	-	-
Total Expenditures	<u>82,450,987</u>	<u>3,043,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,364,672</u>	<u>21,567,754</u>
OTHER FINANCING SOURCES (USES):		
Bond issuance	-	-
Premium on debt issued	-	-
Sale of capital assets	239,658	55,540
Transfers in	537,167	-
Transfers out	(1,298,317)	(18,183,299)
Refunding bond issuance	-	-
Premium on refunding debt issued	-	-
Payment to refunded bond escrow agent	-	-
Total net Other Financing Sources (Uses)	<u>(521,492)</u>	<u>(18,127,759)</u>
NET CHANGE IN FUND BALANCES	5,843,180	3,439,995
FUND BALANCES -BEGINNING, AS RESTATED	<u>31,042,267</u>	<u>11,969,814</u>
FUND BALANCES - ENDING	<u>\$ 36,885,447</u>	<u>\$ 15,409,809</u>

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

GENERAL DEBT SERVICE FUND	CAPITAL PROJECTS FUND	AMERICAN RESCUE PLAN ACT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 10,106,764	\$ -	\$ -	\$ 8,766,378	\$ 114,680,669
41,901	-	-	-	120,648
-	-	-	169,428	3,463,214
576,955	2,760,384	1,310,162	20,688,061	31,590,642
-	-	-	108,906	4,458,703
219,596	-	124,912	771,284	1,814,739
-	-	-	-	1,955,730
-	-	-	968,173	968,173
147,400	745,513	-	381,839	2,262,359
<u>11,092,616</u>	<u>3,505,897</u>	<u>1,435,074</u>	<u>31,854,069</u>	<u>161,314,877</u>
-	-	381,521	191,792	51,428,371
-	-	573,473	11,648,652	18,632,477
-	-	175,921	146,578	14,039,997
-	-	-	15,735,688	17,120,192
3,000	-	179,247	124,716	13,434,346
-	30,583,925	-	-	30,583,925
16,560,000	-	-	2,045,684	18,605,684
4,360,717	-	-	731,125	5,091,842
37,411	94,269	-	-	131,680
<u>20,961,128</u>	<u>30,678,194</u>	<u>1,310,162</u>	<u>30,624,235</u>	<u>169,068,514</u>
<u>(9,868,512)</u>	<u>(27,172,297)</u>	<u>124,912</u>	<u>1,229,834</u>	<u>(7,753,637)</u>
-	17,180,000	-	-	17,180,000
-	1,622,593	-	-	1,622,593
-	-	-	11,692	306,890
14,632,126	8,671,062	-	708,837	24,549,192
(93,848)	(209,667)	-	(3,404,154)	(23,189,285)
6,760,000	-	-	-	6,760,000
1,061,071	-	-	-	1,061,071
(7,780,000)	-	-	-	(7,780,000)
<u>14,579,349</u>	<u>27,263,988</u>	<u>-</u>	<u>(2,683,625)</u>	<u>20,510,461</u>
4,710,837	91,691	124,912	(1,453,791)	12,756,824
<u>22,574,447</u>	<u>19,180,681</u>	<u>18,989</u>	<u>19,156,998</u>	<u>103,943,196</u>
<u>\$ 27,285,284</u>	<u>\$ 19,272,372</u>	<u>\$ 143,901</u>	<u>\$ 17,703,207</u>	<u>\$ 116,700,020</u>

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CITY OF DAVENPORT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

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

Net change in fund balances: total governmental funds \$ 12,756,824

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	25,347,253
Depreciation	<u>(18,732,623)</u>
	<u>6,614,630</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	499,399
Proceeds from sale of capital assets	(306,890)
Loss on sale of capital asset	<u>213,622</u>
	<u>406,131</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 676,243

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)	(25,610,420)
Repayment of bond principal	26,385,684
Interest on long-term debt	<u>(34,910)</u>
	<u>740,354</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	186,358
Other postemployment benefits	(1,148,793)
Pension (expense)	<u>9,971,525</u>
	9,009,090

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.

2,196,588

Change in net position of governmental activities \$ 32,399,860

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

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2022

ASSETS	BUSINESS-TYPE ACTIVITIES		ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
Current assets:					
Cash and cash equivalents	\$ 17,125,009	\$ 1,353,161	\$ 13,702,380	\$ 32,180,550	\$ 24,660,385
Receivables:					
Property taxes:					
Delinquent	-	-	61,782	61,782	-
Succeeding year	-	-	4,528,366	4,528,366	-
Accounts	7,828,919	147,158	3,815,994	11,792,071	49,620
Interest	48,889	160	34,537	83,586	54,832
Leases	-	21,685	381,729	403,414	-
Due from other governments	457,133	-	1,432,575	1,889,708	-
Inventory	-	33,367	237,132	270,499	-
Prepays	2,417	9,692	1,250	13,359	601,346
Total current assets	<u>25,462,367</u>	<u>1,565,223</u>	<u>24,195,745</u>	<u>51,223,335</u>	<u>25,366,183</u>
Noncurrent assets:					
Restricted cash and cash equivalents	15,023,272	-	1,468,281	16,491,553	-
Capital assets:					
Land	849,435	2,625,230	8,007,708	11,482,373	-
Buildings	36,788,462	35,480,241	53,180,050	125,448,753	-
Improvements other than buildings	458,322	88,550	35,561,031	36,107,903	3,356,755
Sanitary sewers	179,734,608	-	-	179,734,608	-
Paving	263,373	84,121	1,621,342	1,968,836	-
Equipment and vehicles	35,052,899	1,360,824	21,223,558	57,637,281	5,076,518
Storm sewers	-	-	30,707,943	30,707,943	-
Less accumulated depreciation	(120,216,053)	(18,869,461)	(72,551,021)	(211,636,535)	(5,762,478)
Construction in progress	10,211,572	44,200	833,813	11,089,585	-
Total noncurrent assets	<u>158,165,890</u>	<u>20,813,705</u>	<u>80,052,705</u>	<u>259,032,300</u>	<u>2,670,795</u>
Total assets	<u>183,628,257</u>	<u>22,378,928</u>	<u>104,248,450</u>	<u>310,255,635</u>	<u>28,036,978</u>
DEFERED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	551,254	-	874,930	1,426,184	220,081
OPEB related deferred outflows	136,623	-	185,503	322,126	58,668
Total deferred outflows of resources	<u>687,877</u>	<u>-</u>	<u>1,060,433</u>	<u>1,748,310</u>	<u>278,749</u>
LIABILITIES					
LIABILITIES:					
Current liabilities:					
Wages payable	286,825	-	482,196	769,021	114,176
Accounts payable	355,919	295,218	563,303	1,214,440	511,668
Accrued interest payable	202,844	2,025	12,646	217,515	-
Compensated absences	368,561	-	463,294	831,855	174,661
Claims and judgments	-	-	-	-	9,435,217
Interfund payable	34,137	-	10,346	44,483	368,989
Lease liability due within one year	-	-	89,541	89,541	-
Unearned revenue	-	812,575	-	812,575	-
Note payable - current	1,015,000	-	211,158	1,226,158	-
General obligation bonds - current	5,460,000	75,000	810,000	6,345,000	-
Total	<u>7,723,286</u>	<u>1,184,818</u>	<u>2,642,484</u>	<u>11,550,588</u>	<u>10,604,711</u>
Current liabilities payable from restricted assets:					
Deposits payable	800,197	94,246	11,575	906,018	-
Note payable - current	695,000	-	-	695,000	-
Total current liabilities payable from restricted assets	<u>1,495,197</u>	<u>94,246</u>	<u>11,575</u>	<u>1,601,018</u>	<u>-</u>
Total current liabilities	<u>9,218,483</u>	<u>1,279,064</u>	<u>2,654,059</u>	<u>13,151,606</u>	<u>10,604,711</u>
Noncurrent liabilities:					
Compensated absences	3,197	-	4,019	7,216	1,515
Claims and judgments	-	-	-	-	3,812,815
Other postemployment benefits liability	1,671,153	4,289	2,194,983	3,870,425	590,739
Net pension liability	71,777	-	113,921	185,698	28,656
Lease liability due within more than one year	-	-	158,897	158,897	-
Note payable - long term	29,675,532	-	600,386	30,275,918	-
General obligation bonds - long term, net	47,381,120	744,847	2,415,966	50,541,933	-
Total noncurrent liabilities	<u>78,802,779</u>	<u>749,136</u>	<u>5,488,172</u>	<u>85,040,087</u>	<u>4,433,725</u>
Total liabilities	<u>88,021,262</u>	<u>2,028,200</u>	<u>8,142,231</u>	<u>98,191,693</u>	<u>15,038,436</u>
DEFERRED INFLOWS OF RESOURCES					
Lease related	-	19,111	331,411	350,522	-
Succeeding year property tax	-	-	4,528,366	4,528,366	-
Deferred amount on refunding	1,066,776	-	22,819	1,089,595	-
Pension related deferred inflows	2,778,052	-	4,409,231	7,187,283	1,109,101
OPEB related deferred inflows	481,809	-	631,915	1,113,724	207,850
Total deferred inflows of resources	<u>4,326,637</u>	<u>19,111</u>	<u>9,923,742</u>	<u>14,269,490</u>	<u>1,316,951</u>
NET POSITION					
Net investment in capital assets	66,847,548	19,993,859	75,737,363	162,578,770	2,670,795
Restricted for equipment replacement	4,256,990	-	-	4,256,990	-
Unrestricted	20,863,697	337,758	11,505,547	32,707,002	9,289,545
Total net position	<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>

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

**CITY OF DAVENPORT
RECONCILIATION OF ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total enterprise funds net position \$ 199,542,762

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. 572,793

Adjustments to reflect the consolidation of prior years internal service fund activities related to enterprise funds. 1,479,143

Net position of business-type activities \$ 201,594,698

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, 2022**

	BUSINESS-TYPE ACTIVITIES		ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
OPERATING REVENUES:					
Charges for services	\$ 28,116,702	\$ 4,800,106	\$ 14,303,030	\$ 47,219,838	\$ 28,042,281
Fines and forfeits	-	-	154,987	154,987	-
Other	24,855	65,874	82,843	173,572	2,744,657
Total Operating Revenues	<u>28,141,557</u>	<u>4,865,980</u>	<u>14,540,860</u>	<u>47,548,397</u>	<u>30,786,938</u>
OPERATING EXPENSES:					
Employee expenses	6,046,499	(26,173)	9,592,350	15,612,676	2,490,755
Supplies and services	8,233,519	5,145,968	9,076,299	22,455,786	25,522,065
Depreciation	7,317,413	1,456,201	5,718,973	14,492,587	450,432
Total Operating Expenses	<u>21,597,431</u>	<u>6,575,996</u>	<u>24,387,622</u>	<u>52,561,049</u>	<u>28,463,252</u>
OPERATING INCOME (LOSS)	<u>6,544,126</u>	<u>(1,710,016)</u>	<u>(9,846,762)</u>	<u>(5,012,652)</u>	<u>2,323,686</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes	-	-	4,303,719	4,303,719	-
Non-operating grants	32,986	-	4,314,036	4,347,022	-
Use of monies and property	179,583	5,179	231,145	415,907	163,700
Interest expense	(1,658,979)	(18,848)	(52,807)	(1,730,634)	-
Gain (loss) on disposition of capital assets	38,030	(3,484)	3,773,559	3,808,105	-
Total Non-operating Revenues (Expenses)	<u>(1,408,380)</u>	<u>(17,153)</u>	<u>12,569,652</u>	<u>11,144,119</u>	<u>163,700</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,135,746	(1,727,169)	2,722,890	6,131,467	2,487,386
Capital contributions	1,263,071	103,888	1,207,509	2,574,468	217,838
Transfers in	-	378,098	361,995	740,093	64,157
Transfers out	(64,157)	-	(2,100,000)	(2,164,157)	-
Change in net position	<u>6,334,660</u>	<u>(1,245,183)</u>	<u>2,192,394</u>	<u>7,281,871</u>	<u>2,769,381</u>
Total net position - beginning, as restated	<u>85,633,575</u>	<u>21,576,800</u>	<u>85,050,516</u>	<u>192,260,891</u>	<u>9,190,959</u>
Total net position - ending	<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>

**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, 2022**

Net change in net position in enterprise funds	\$ 7,281,871
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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.

572,793

Change in net position of business-type activities

\$ 7,854,664

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from users	\$ 28,303,357	\$ 4,985,390	\$ 14,629,912	\$ 47,918,659	\$ -
Cash received from interfund services provided	-	-	-	-	28,028,727
Cash paid to suppliers for goods and services	(8,489,210)	(4,928,726)	(9,161,938)	(22,579,874)	(25,962,223)
Cash paid to employees for services	(6,749,165)	-	(10,258,283)	(17,007,448)	(2,516,902)
Other operating revenue	24,855	65,874	82,843	173,572	2,744,657
Net Cash Provided by (Used for) Operating Activities	13,089,837	122,538	(4,707,466)	8,504,909	2,294,259
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Proceeds (repayments) to other funds	(226,060)	-	(115,944)	(342,004)	110,374
Grants	71,512	-	3,025,540	3,097,052	-
Property tax	-	-	4,315,388	4,315,388	-
Transfers in	-	378,098	361,995	740,093	64,157
Transfers out	(64,157)	-	(2,100,000)	(2,164,157)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(218,705)	378,098	5,486,979	5,646,372	174,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
General obligation bonds issuance	12,466,477	-	835,000	13,301,477	-
General obligation bond premium	1,175,287	-	102,454	1,277,741	-
Proceeds from the sale of capital assets	38,030	-	6,159,466	6,197,496	-
Acquisition and construction of capital assets	(5,325,710)	(1)	(1,466,128)	(6,791,839)	-
Principal paid on long-term debt	(9,807,502)	(82,514)	(967,058)	(10,857,074)	-
Interest paid on long-term debt	(2,825,512)	(19,035)	(151,762)	(2,996,309)	-
Net Cash (Used for) Capital and Related Financing Activities	(4,278,930)	(101,550)	4,511,972	131,492	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and other investment income	138,677	5,019	198,876	342,572	118,089
Net Cash provided by Investing Activities	138,677	5,019	198,876	342,572	118,089
Net Increase (Decrease) in Cash and Cash Equivalents	8,730,879	404,105	5,490,361	14,625,345	2,586,879
CASH AND CASH EQUIVALENTS-BEGINNING	23,417,402	949,056	9,680,300	34,046,758	22,073,506
CASH AND CASH EQUIVALENTS-ENDING	\$ 32,148,281	\$ 1,353,161	\$ 15,170,661	\$ 48,672,103	\$ 24,660,385

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

(continued)

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
For the Fiscal Year Ended June 30, 2022

	BUSINESS-TYPE ACTIVITIES -ENTERPRISE FUNDS				
	SEWER OPERATIONS	RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 6,544,126	\$ (1,710,016)	\$ (9,846,762)	\$ (5,012,652)	\$ 2,323,686
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	7,317,413	1,456,201	5,718,973	14,492,587	450,432
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(12,741)	146	20,244	7,649	(13,554)
Increase in lease receivable		(21,685)	(381,729)	(403,414)	-
Decrease (increase) in inventory and prepaids	-	34,642	(30,026)	4,616	(10,026)
Decrease in pension related deferred outflow	343,170	2,297	439,576	785,043	75,511
Decrease in OPEB related deferred outflows	14,238	-	18,609	32,847	6,208
Increase (decrease) in accounts payable/accrued liabilities	(327,546)	276,846	249,130	198,430	(387,102)
Decrease in net pension liability	(3,765,242)	(25,386)	(5,356,325)	(9,146,953)	(1,219,451)
Decrease in total OPEB liability	(318,014)	-	(415,626)	(733,640)	(138,646)
Increase (decrease) in unearned revenue	-	93,466	(19,369)	74,097	-
Increase in lease related deferred inflows		19,111	331,411	350,522	-
Increase (decrease) in pension related deferred inflows	2,573,851	(3,084)	4,037,630	6,608,397	1,027,050
Increase in OPEB related deferred inflows	413,212	-	540,044	953,256	180,151
Increase (decrease) in deferred amount on refunding	307,370	-	(13,246)	294,124	-
Total Adjustments	6,545,711	1,832,554	5,139,296	13,517,561	(29,427)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 13,089,837	\$ 122,538	\$ (4,707,466)	\$ 8,504,909	\$ 2,294,259
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Acquisition of capital assets through capital contributions	\$ 1,263,071	\$ 103,888	\$ 1,207,509	\$ 2,574,468	\$ 217,838
Contribution of capital assets by municipality	(8,647)	(103,888)	(723,940)	(836,475)	(217,838)
Contribution of capital assets by subdividers	(367,723)	-	(364,571)	(732,294)	-
Contribution of capital assets by state and federal governments	(649,501)	-	(118,998)	(768,499)	-
Contribution of capital assets by other	(237,200)	-	-	(237,200)	-

CITY OF DAVENPORT

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2022**

<u>ASSETS</u>	<u>SEIZURE FUND</u>
Cash and cash equivalents	<u>\$ 1,058,992</u>
TOTAL ASSETS	<u>\$ 1,058,992</u>
TOTAL RESTRICTED NET POSITION	<u><u>\$ 1,058,992</u></u>

CITY OF DAVENPORT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND**

For the Fiscal Year Ended June 30, 2022

	<u>SEIZURE FUND</u>
ADDITIONS:	
Funds seized	\$ 337,716
Total additions	<u>337,716</u>
DEDUCTIONS:	
Agency remittances:	
To other funds	98,439
To other governments	81,624
Trusts paid out	7,871
Total deductions	<u>187,934</u>
Change in net position	149,782
Net position beginning of year	<u>909,210</u>
Net position end of year	<u>\$ 1,058,992</u>

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CITY OF DAVENPORT, IOWA

Notes to the Financial Statements

June 30, 2022

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, propriety 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* 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, 2022 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2021.

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, 2022 was \$16.78 per \$1,000 of assessed valuation.

I. Loans receivable

Loans receivable, net of allowance, consist partially of \$10,050,629 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 \$2,377,044 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, 2022, the amount outstanding is \$4,730,000 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, 2022: unexpended general obligation bond proceeds and other monies restricted to capital outlay of \$10,766,282 and deposits and equipment replacements of \$4,256,990 in the Sewer Enterprise Fund, \$1,456,706 of unexpended bond proceeds in the Solid Waste Enterprise Fund; security deposits of \$10,075 in the Public Housing Fund, security deposits of \$1,500 in the Golf Courses Fund, and loan escrow payments of \$38,755 in the Community Development Act Special Revenue Fund. In governmental activities, there is also \$21,865,841 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 outflow 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, represents 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, 2022, the City was a lessee for 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, 2022, 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 are 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. 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."

S. 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.

T. 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 \$8,979,583 and \$1,456,706, respectively. Unspent debt proceeds for the Capital Projects Fund were \$21,865,841.
- 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 \$15,362,552 for local option sales tax; \$1,626,318 for library; \$29,721,837 for debt service; \$4,270,888 for road use tax and \$967,569 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.

U. 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.

V. 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.

W. 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.

X. 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.

Y. 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.

Z. 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.

AA. Implementation of GASB Statement No. 87

As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The impact to the City resulted in the reporting of lease receivable and deferred inflows of resources related to leases. The effect of the implementation of this standard on the beginning net position is disclosed in Note XVI.

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.

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 \$118,192,029 and the bank balances were \$118,984,144. As of June 30, 2022, 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 Securities 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 \$93,591.

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 securities 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, 2022:

	Investment Maturities (in Years)		Total Fair Market Value
	Less than 1 year	1-5 years	
U.S. Treasury Securities	\$ 84,076,394	\$ 4,857,800	\$ 88,934,194
U.S. Treasury Obligations	19,754,650	-	19,754,650
	<u>\$ 103,831,044</u>	<u>\$ 4,857,800</u>	<u>\$ 108,688,844</u>

The City had the following recurring fair value measurement as of June 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Market Value	S&P Rating
U.S. Treasury Securities	\$ -	\$ 88,934,194	\$ -	\$ 88,934,194	AA+
U.S. Treasury Obligations	-	19,754,650	-	19,754,650	AA+
	<u>\$ -</u>	<u>\$ 108,688,844</u>	<u>\$ -</u>	<u>\$ 108,688,844</u>	

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

Depository accounts	\$ 118,192,029
Investments at amortized cost	93,591
Investments at fair value	108,688,844
	<u>\$ 226,974,464</u>
Cash and investments	\$ 187,519,323
Restricted cash and cash equivalents	38,396,149
Cash and investments, custodial funds	1,058,992
	<u>\$ 226,974,464</u>

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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>
	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>RiverCenter Fund</u>	<u>Non-major Proprietary Funds</u>	<u>Risk Mgmt Internal Service Fund</u>	
Transfer out (fund):								
General	\$ -	\$ -	\$ 548,889	\$ 103,183	\$ 284,250	\$ 361,995	\$ -	\$ 1,298,317
Local Option Sales Tax	-	14,632,126	3,476,173	75,000	-	-	-	18,183,299
General Debt Service	-	-	-	-	93,848	-	-	93,848
Capital Projects	209,667	-	-	-	-	-	-	209,667
Sewer	-	-	-	-	-	-	64,157	64,157
Other Non-major Proprietary Funds	-	-	2,100,000	-	-	-	-	2,100,000
Other Non-major Governmental	327,500	-	2,546,000	530,654	-	-	-	3,404,154
Total transfer	\$ 537,167	\$ 14,632,126	\$ 8,671,062	\$ 708,837	\$ 378,098	\$ 361,995	\$ 64,157	\$ 25,353,442

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, 2022, 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	\$ 368,989
General Debt Service	Local Option Sales Tax	1,057,161
Capital Projects	General Fund	42,786
	Sewer Fund	34,137
	Clean Water Fund	10,346
	Local Option Sales Tax	327,316
		<u>\$ 1,840,735</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 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 the year ended June 30, 2022:

GOVERNMENTAL ACTIVITIES	Balance 07/01/21	Additions	Reductions	Balance 06/30/22
Capital assets, not being depreciated				
Land	\$ 19,820,564	\$ -	\$ (48,406)	\$ 19,772,158
Construction in progress	5,168,039	13,702,137	(11,808,831)	7,061,345
Total capital assets, not being depreciated	<u>24,988,603</u>	<u>13,702,137</u>	<u>(11,857,237)</u>	<u>26,833,503</u>
Capital assets being depreciated				
Buildings	127,371,906	5,720,696	(30,771)	133,061,831
Improvements other than buildings	36,154,487	1,787,073	(50,248)	37,891,312
Equipment and vehicles	53,411,247	2,002,271	(1,446,743)	53,966,775
Bridges	12,244,835	3,228,872	-	15,473,707
Traffic Signals	10,331,663	14,490	-	10,346,153
Streets and roads	320,691,908	11,417,782	-	332,109,690
Seawalls	2,685,289	-	-	2,685,289
Tunnels	54,326	-	-	54,326
Total capital assets being depreciated	<u>562,945,661</u>	<u>24,171,184</u>	<u>(1,527,762)</u>	<u>585,589,083</u>
Less accumulated depreciation for				
Buildings	54,795,310	3,201,340	(80,092)	57,916,558
Improvements other than buildings	22,529,257	1,658,813	(927)	24,187,143
Equipment and vehicles	38,304,939	3,619,030	(1,401,881)	40,522,088
Bridges	4,850,340	351,004	-	5,201,344
Traffic signals	7,485,041	214,410	-	7,699,451
Streets and roads	138,620,887	10,051,420	-	148,672,307
Seawalls	874,980	84,322	-	959,302
Tunnels	40,062	2,716	-	42,778
Total accumulated depreciation	<u>267,500,816</u>	<u>19,183,055</u>	<u>(1,482,900)</u>	<u>285,200,971</u>
Total capital assets being depreciated, net	<u>295,444,845</u>	<u>4,988,129</u>	<u>(44,862)</u>	<u>300,388,112</u>
Governmental activities capital assets, net	<u>\$ 320,433,448</u>	<u>\$ 18,690,266</u>	<u>\$ (11,902,099)</u>	<u>\$ 327,221,615</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated				
Land	\$ 12,888,697	\$ -	\$ (1,406,324)	\$ 11,482,373
Construction in progress	33,493,870	5,345,931	(27,750,216)	11,089,585
Total capital assets not being depreciated	<u>46,382,567</u>	<u>5,345,931</u>	<u>(29,156,540)</u>	<u>22,571,958</u>
Capital assets, being depreciated:				
Buildings	130,314,545	1,000,536	(5,866,328)	125,448,753
Improvements other than buildings	36,246,935	60,968	(200,000)	36,107,903
Equipment and vehicles	48,977,156	10,279,226	(1,619,101)	57,637,281
Sanitary sewer	160,351,658	19,394,569	(11,619)	179,734,608
Storm Sewer	30,007,887	700,056	-	30,707,943
Streets and roads	2,027,794	-	(58,958)	1,968,836
Total capital assets being depreciated	<u>407,925,975</u>	<u>31,435,355</u>	<u>(7,756,006)</u>	<u>431,605,324</u>
Less accumulated depreciation for:				
Buildings	75,086,957	3,757,631	(5,090,633)	73,753,955
Improvements other than buildings	12,775,280	1,438,094	(93,133)	14,120,241
Equipment and vehicles	33,163,014	3,361,692	(1,536,185)	34,988,521
Sanitary sewer	65,703,303	4,925,106	(11,612)	70,616,797
Storm sewer	16,612,500	932,896	-	17,545,396
Streets and roads	575,832	77,165	(41,372)	611,625
Total accumulated depreciation	<u>203,916,886</u>	<u>14,492,584</u>	<u>(6,772,935)</u>	<u>211,636,535</u>
Total capital assets, being depreciated, net	<u>204,009,089</u>	<u>16,942,771</u>	<u>(983,071)</u>	<u>219,968,789</u>
Business-type activities capital assets, net	<u>\$ 250,391,656</u>	<u>\$ 22,288,702</u>	<u>\$ (30,139,611)</u>	<u>\$ 242,540,747</u>

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

<u>Governmental Activities</u>	
General government	\$ 661,530
Community & economic development	49,441
Public works	11,983,939
Public safety	2,565,167
Culture & recreation	3,472,546
Internal service assets are charged to the various functions based on their usage of the assets	450,432
Total depreciation expense - Governmental activities	<u>\$ 19,183,055</u>
<u>Business-Type Activities</u>	
Parking systems	\$ 819,346
Sewer operations	7,317,413
RiverCenter	1,456,201
Public transit	923,534
Public housing	69,840
Golf courses	231,882
Airport	1,019,923
Solid Waste	712,630
Clean Water Utility	1,193,905
Rivers Edge	147,652
Transload	600,258
Total depreciation expense - business-type activities	<u>\$ 14,492,584</u>

The City has active construction projects as of June 30, 2022. The projects include street construction and improvements, sanitary sewer and water pollution control plant improvements, parks, city wide beautification, and public buildings. At the year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Streets/Improvements	\$ 17,562,418	\$ 14,665,510
Sanitary Sewer/WPCP	11,942,319	5,127,187
Parks	1,148,176	455,965
Public Buildings	3,491,898	12,972,641
Total	<u>\$ 34,144,811</u>	<u>\$ 33,221,303</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 significant encumbrances as of June 30, 2022, in the amount of \$4,508,751 consisting of vehicles and equipment. Including a firetruck, electric buses, solid waste vehicles and parks and recreation equipment.

VII. Leases

D. 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 the current fiscal year. As of June 30, 2022, the value of the lease liability was \$222,066. 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 \$217,947 and had accumulated amortization of \$81,730.

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 the current fiscal year. As of June 30, 2022, the value of the lease liability was \$26,372. 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 \$25,862 and had accumulated amortization of \$9,698.

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2023	\$ 89,541	\$ 9,159	\$ 98,700
2024	93,728	4,972	98,700
2025	65,170	630	65,800
Totals	\$ 248,438	\$ 14,762	\$ 263,200

E. 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 \$149,507 in lease revenue and \$35,907 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City's receivable for lease payments for these eight leases is \$1,410,078. 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, 2022, the balance of the deferred inflows of resources was \$1,345,351.

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 \$22,969 in lease revenue and \$1,305 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$27,906. 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, 2022, the balance of the deferred inflows of resources was \$24,884.

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 \$42,000 and 50% gross advertising sales. The City recognized \$42,293 in lease revenue and \$3,652 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$103,939. 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, 2022, the balance of deferred inflow of resources was \$88,110.

During the fiscal year, a third party exercised the first of two, one-year renewal options pertaining to leased space within the Ground Transportation Center. The City is not reasonably certain the second renewal option will be exercised. The City recognized \$9,470 in lease revenue and \$177 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$4,770. 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, 2022, the balance of the deferred inflows of resources was \$4,735.

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 \$66,105 in lease revenue and \$8,739 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City's receivable for lease payments was \$264,865. 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, 2022, the balance of the deferred inflows of resources was \$231,367.

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 \$4,497 in lease revenue and \$682 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$21,685. 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, 2022, the balance of the deferred inflow of resources was \$19,111.

Golf fund

In 2020, the City leased 420 square feet, including a storage room, at the Red Hawk Golf & Learning Center, to a third party. The lease is for three years and the City will receive monthly payments of \$750. The City recognized \$8,638 in lease revenue and \$344 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$8,125. 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, 2022, the balance of the deferred inflow of resources was \$7,199.

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 \$101,717 in lease revenue and \$7,359 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City's receivable for lease payments was \$225,109. In addition, the City has a deferred inflow of resources associated with the five leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$191,301.

The City has entered into seven individual lease agreements over the years with third parties for the purpose of operating businesses within the Union Station. Each lease has like terms and conditions. The City recognized \$68,421 in lease revenue and \$3,663 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City's receivable for lease payments was \$168,598. 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, 2022, the balance of the deferred inflow of resources was \$161,140.

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 \$9,399 in lease revenue and \$758 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$21,678. 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, 2022, the balance of the deferred inflow of resources was \$21,248.

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 \$13,595 in lease revenue and \$811 in interest revenue during the current fiscal year related

to these leases. As of June 30, 2022, the City’s receivable for lease payments was \$31,500. 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, 2022, the balance of the deferred inflow of resources was \$29,602.

Two individual land lease agreements exist for riverfront property with third parties. The first leases were entered into in 2020, while the second was entered into in 2022. Each lease is for a term of three years with like conditions. The City recognized \$14,107 in lease revenue and \$576 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City’s receivable for lease payments was \$19,272. 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, 2022, the balance of the deferred inflow of resources was \$20,897.

VIII. 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, 2022 are as follows:

	IPERS	MFPRSI	Total
Deferred Outflow of Resources	\$ 4,433,589	\$ 9,053,281	\$ 13,486,870
Deferred Inflow of Resources	(22,343,129)	(29,818,247)	\$ (52,161,376)
Net Pension Liability	(577,282)	(16,972,012)	\$ (17,549,294)
Pension Income (expense)	2,175,563	38,222	\$ 2,213,785

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.

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 2022, 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, 2022 were \$3,244,415.

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

At June 30, 2022, the City reported a liability of \$577,282 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City's collective proportion was -0.1672181 percent which was a decrease of -0.581533 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$(2,175,563). At June 30, 2022, 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	\$ 439,232	\$ (441,014)
Change of assumptions	377,592	-
Net difference between projected and actual earnings on pension plan investments	-	(20,915,895)
Changes in proportion and differences between City contributions and the City's proportionate share of contributions	372,350	(986,220)
Total deferred amounts to be recognized in pension expense in future periods	1,189,174	(22,343,129)
City contributions subsequent to the measurement date	3,244,415	-
Total	<u>\$ 4,433,589</u>	<u>\$ (22,343,129)</u>

The \$3,244,415 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, 2023. 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
2023	\$ (5,166,277)
2024	(5,237,582)
2025	(4,937,586)
2026	(5,825,070)
2027	12,560
	<u>\$ (21,153,955)</u>

There were no non-employer contributing entities at IPERS.

Actuarial assumptions

The total pension liability in the June 30, 2021, 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 (effective June 30, 2017)	2.6 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group
Long-term Investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic assumption study dated June of 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Target Allocation	Real Rate of Return
Domestic equity	22.00%	4.43%
International equity	17.50%	6.01%
Global smart beta equity	6.00%	5.10%
Core-plus fixed income	26.00%	0.29%
Public credit	4.00%	2.08%
Cash	1.00%	-0.25%
Private equity	13.00%	9.51%
Private real estate	7.50%	4.63%
Private credit	3.00%	2.87%
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):	\$ 20,431,928	\$ 577,282	\$ (16,062,172)

Pension plan fiduciary net position

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

Payables to the pension plan

At June 30, 2022, 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.

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, 2022.

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 26.18% for the year ended June 30, 2022.

The City’s contributions to MFPRSI for the year ended June 30, 2022 were \$6,383,734.

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, 2022.

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

At June 30, 2022, the City reported a liability of \$16,972,012 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the City’s proportion was 7.557421% which was a decrease of 0.174547% from its proportions measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense (income) of \$(38,222). At June 30, 2022, 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	\$ 1,968,712	\$ (191,003)
Change of assumptions	639,205	-
Net difference between projected and actual earnings on pension plan investments	-	(28,358,159)
Changes in proportion and differences between City contributions and the City's proportionate share of contributions	61,630	(1,269,085)
Total deferred amounts to be recognized in pension expense in future periods	<u>2,669,547</u>	<u>(29,818,247)</u>
City contributions subsequent to the measurement date	<u>6,383,734</u>	<u>-</u>
Total	<u>\$ 9,053,281</u>	<u>\$ (29,818,247)</u>

The \$6,383,734 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, 2023. 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
2023	\$ (5,594,329)
2024	(5,799,329)
2025	(6,805,569)
2026	(8,949,513)
2027	43
	<u>\$ (27,148,697)</u>

Actuarial assumptions

The total pension liability in the June 30, 2021, 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, 2021 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 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap	7.49%
Small Cap	8.10%
International Large Cap	7.20%
Global Infrastructure	7.50%
Emerging Markets	7.90%
Core Plus Fixed Income	4.00%
Private Equity	10.80%
Private Core Real Estate	7.20%
Private Non-Core Real Estate	11.50%

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 (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City’s proportionate share of net pension liability (asset):	\$ 50,223,744	\$ 16,972,012	\$ (10,625,003)

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.

Payables to the pension plan

At June 30, 2022, 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, 2022, 2021 and 2020 were \$2,541,801, \$2,460,498, and \$2,396,082 respectively.

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IX. Long-term liabilities

The following is a summary of changes in long-term liabilities, including premiums, for the year ended June 30, 2022 (numbers shown in thousands):

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation bonds	\$ 150,169	\$ 23,878	\$ (26,452)	\$ 147,595	\$ 19,105
Special assessment debt	1,086	62	(58)	1,090	-
Premium on issuance	8,436	2,683	(1,631)	9,488	-
Total bonds payable	<u>159,691</u>	<u>26,623</u>	<u>(28,141)</u>	<u>158,173</u>	<u>19,105</u>
Compensated absences	4,600	5,872	(6,032)	4,440	4,402
OPEB payable	21,701	-	(3,477)	18,224	-
Net pension liability	81,442	-	(64,078)	17,364	-
Notes and loans from direct borrowings and direct placements	155	-	(31)	124	31
	<u>\$ 267,589</u>	<u>\$ 32,495</u>	<u>\$ (101,759)</u>	<u>\$ 198,325</u>	<u>\$ 23,538</u>
Business-type Activities					
Bonds payable					
General obligation bonds	\$ 52,610	\$ 10,510	\$ (9,565)	\$ 53,555	\$ 6,345
Premium on issuance	2,720	1,278	(666)	3,332	-
Total bonds payable	<u>55,330</u>	<u>11,788</u>	<u>(10,231)</u>	<u>56,887</u>	<u>6,345</u>
Compensated absences	845	1,367	(1,373)	839	832
OPEB payable	4,604	-	(734)	3,870	-
Net pension liability	9,333	-	(9,147)	186	-
Lease Liability	-	335	(87)	248	90
Notes from direct borrowings and direct placements	31,310	2,791	(1,904)	32,197	1,921
	<u>\$ 101,422</u>	<u>\$ 16,281</u>	<u>\$ (23,476)</u>	<u>\$ 94,227</u>	<u>\$ 9,188</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 \$176,176 of internal service funds compensated absences, \$590,739 of other postemployment benefits, and \$28,656 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, 2022, is comprised of the following individual issues:

	Outstanding Balance June 30, 2022 (in thousands of dollars)
A. Matured bonds not presented for payment.	\$ 20
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).	9,260
C. \$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).	27,930
D. \$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).	2,295
E. \$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).	2,255
F. \$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).	14,330
G. \$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.	4,730
H. \$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).	6,270

I.	\$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%.	20,015
J.	\$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%.	5,485
K.	\$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.)	17,775
L.	\$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%.	31,215
M.	\$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.)	18,855
N.	\$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.	7,355
O.	\$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.)	24,655

P. \$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.	9,795
Total general obligation bonds and special assessment debt	<u>202,240</u>
General obligation bonds serviced by Enterprise Funds	<u>(53,555)</u>
General obligation bonds and special assessment debt reported in Governmental Activities	<u>\$ 148,685</u>

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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 \$53,555,000. Debt abated by special assessment collections is accounted for in the governmental activities as Special Assessment Debt with Governmental Commitment in the amount of \$1,089,502. 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, 2022, the statutory limit for the City was \$386,405,420 providing a debt margin of \$179,877,520.

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 Utility 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
2023	\$ 287,000	\$ 129,203
2024	296,000	124,180
2025	306,000	119,000
2026	316,000	113,645
2027	326,000	108,115
2028-2032	1,798,000	451,132
2033-2037	2,108,000	283,307
2038-2041	1,946,000	86,503
Total	<u>\$ 7,383,000</u>	<u>\$ 1,415,085</u>

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 Utility 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
2023	\$ 283,000	\$ 26,880
2024	286,000	24,758
2025	288,000	22,612
2026	291,000	20,453
2027	294,000	18,270
2028-2032	1,515,000	57,825
2033-2034	627,000	7,065
Total	<u>\$ 3,584,000</u>	<u>\$ 177,863</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, 2022, the City had drawn \$6,989,833 of which \$1,957,000 in principal payments have been made resulting in a note payable balance of \$5,032,833 as of June 30, 2022. The note is payable solely from the net revenues of the Waste Water Equipment Replacement Fund (reported with the Sewer 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
2023	\$ 349,000	\$ 82,355
2024	356,000	76,248
2025	364,000	70,018
2026	371,000	63,648
2027	378,000	57,155
2028-2032	2,008,000	183,805
2033-2035	880,022	23,696
Total	<u>\$ 4,706,022</u>	<u>\$ 556,925</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, 2022, the City had drawn \$9,680,376 of which \$863,000 in principal payments have been made resulting in a note payable balance of \$8,817,376. The note is payable solely from the net revenues of the Sewer Utility 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
2023	\$ 445,000	\$ 141,361
2024	454,000	133,574
2025	463,000	125,629
2026	472,000	117,526
2027	481,000	109,266
2028-2032	2,555,000	416,569
2033-2037	2,821,000	183,906
2038	386,781	6,768
Total	<u>\$ 8,077,781</u>	<u>\$ 1,234,599</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, 2022, the City had drawn \$6,908,323 of which \$340,000 in principal payments have been made resulting in a note payable balance of \$6,568,323. The note is payable solely from the net revenues of the Sewer Utility 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
2023	\$ 346,000	\$ 112,364
2024	353,000	106,414
2025	360,000	100,236
2026	367,000	93,936
2027	375,000	87,514
2028-2032	1,990,000	282,786
2033-2037	2,197,000	155,258
2038	438,786	7,679
Total	<u>\$ 6,426,786</u>	<u>\$ 946,187</u>

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 \$2,251,335 and \$14,016,267, 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>
2023	\$ 31,079
2024	31,079
2025	31,079
2026	31,079
Total	<u>\$ 124,316</u>

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 reduce the monthly payment of the City. The loan is expected to be paid as follows:

<u>Year ending June 30</u>	<u>Principal</u>
2023	\$ 194,838
2024	194,838
2025	194,838
2026	194,838
2027	15,872
	<u>\$ 795,224</u>

The City has entered into an agreement with the Iowa Department of Transportation Office of Public Transit for a capital match revolving loan. The funds were used along with a Federal Grant to purchase a bus. The City borrowed \$163,115 to be repaid quarterly over the next 5 years. Failure by the City to comply with the repayment schedule listed below can result in withholding all future state and federal assistance payments. As of fiscal year end 2022 all payments have been made timely. The loan is expected to be repaid as follows:

<u>Year ending June 30</u>	<u>Principal</u>
2023	\$ 16,320
	<u>\$ 16,320</u>

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

Year Ending June 30	Governmental Activities General Obligation Bonds and Special Assessments		Business-type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 19,105	\$ 5,321	\$ 6,345	\$ 1,997
2024	16,735	4,341	6,615	1,650
2025	14,675	3,688	6,490	1,386
2026	11,855	3,171	5,890	1,152
2027	12,330	2,722	4,480	935
2028-2032	55,620	7,073	17,850	2,352
2033-2037	18,345	950	5,885	312
	148,665	27,266	53,555	9,784
Matured	20	2	-	-
Totals	\$ 148,685	\$ 27,268	\$ 53,555	\$ 9,784

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.

X. 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 2022. 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 \$948,629 as of June 30, 2022 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 2022. Coverage from private insurers is maintained for losses in excess of the individual stop loss amounts. All claims handling procedures are performed by the risk management division of the finance 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, \$8,486,588

of the claims payable as of June 30, 2022 is considered current and due within one year. Changes in reported liabilities for the fiscal years ended June 30, 2021 and 2022 are summarized as follows:

	Employee Insurance Fund	Risk Management Fund	Total
Liabilities at June 30, 2020	\$ 1,217,591	\$ 11,161,943	\$ 12,379,534
Claims and changes in estimates during fiscal year 2021	13,977,395	3,848,026	17,825,421
Claim payments	(13,939,621)	(2,676,499)	(16,616,120)
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	(16,765,759)	(2,676,499)	(19,442,258)
Liabilities at June 30, 2022	<u>\$ 948,629</u>	<u>\$ 12,299,403</u>	<u>\$ 13,248,032</u>

XI. 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 \$744,826 through their required contribution of \$1,070 per month for single health coverage, \$1,701 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, 2022, the following employees were covered by the benefit terms:

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

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Balance as of July 1, 2021	\$ 26,304,628
Changes for the year:	
Service cost	2,098,655
Interest	497,718
Differences between expected and actual experience	(3,910,063)
Changes in assumptions or other inputs	(2,133,269)
Contributions and payments made	<u>(763,644)</u>
Net changes	<u>(4,210,603)</u>
Balance as of June 30, 2022	<u>\$ 22,094,025</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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(2.69%)</u>	<u>Discount Rate</u> <u>(3.69%)</u>	<u>1% Increase</u> <u>(4.69%)</u>
Total OPEB Liability	\$ 23,721,391	\$ 22,094,025	\$ 20,547,800

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 3.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	<u>Healthcare Cost</u> <u>Trend Rates</u>		
	<u>1% Decrease</u> <u>(5.5% decreasing to 3%)</u>	<u>Current Discount Rate</u> <u>(6.5% decreasing to 4%)</u>	<u>1% Increase</u> <u>(7.5% decreasing to 5%)</u>
Total OPEB Liability	\$ 19,614,689	\$ 22,094,025	\$ 25,009,253

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,448,968.

At June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following source:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Changes in assumptions or other inputs	\$ 1,865,691	\$ 2,215,194
Difference between expected and actual experience	-	4,186,112
Total	<u>\$ 1,865,691</u>	<u>\$ 6,401,306</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
2022	\$ 453,562
2023	453,562
2024	453,562
2025	453,562
2026	453,562
Thereafter	2,267,805
	<u>\$ 4,535,615</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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.00% to 15.61%
Discount rate	3.69%
Health care cost trend rates	6.5% for 2021 decreasing 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.

XII. 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, 2022 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.

Notes to the Financial Statements (continued)
June 30, 2022

- *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	\$ 115,204	\$ 47,257	\$ -	\$ -	\$ 15,822	\$ 2,242	\$ -	\$ 180,525
Inventory	1,197,861	-	-	-	-	-	-	1,197,861
	<u>1,313,065</u>	<u>47,257</u>	<u>-</u>	<u>-</u>	<u>15,822</u>	<u>2,242</u>	<u>-</u>	<u>1,378,386</u>
Restricted for:								
Debt Service	-	-	27,285,284	-	-	-	7,628,919	34,914,203
Capital Projects	-	-	-	19,272,372	-	-	-	19,272,372
Police Non-recurring	172,252	-	-	-	-	-	-	172,252
Library	1,626,318	-	-	-	-	-	-	1,626,318
Employee Benefits	4,527,244	-	-	-	-	-	-	4,527,244
American Rescue Plan Act (ARPA)	-	-	-	-	128,079	-	-	128,079
Community Development Block Grant projects	-	-	-	-	-	383,568	-	383,568
HUD Section 8 rents	-	-	-	-	-	343,406	-	343,406
Municipal Improvement projects	-	-	-	-	-	967,569	-	967,569
Youth Sports	-	-	-	-	-	29,460	-	29,460
Home Investment Partnership	-	-	-	-	-	962,804	-	962,804
Other grants	-	-	-	-	-	222,406	-	222,406
Local Option Sales Tax	-	15,362,552	-	-	-	-	-	15,362,552
Road Use Tax projects	-	-	-	-	-	4,270,888	-	4,270,888
	<u>6,325,814</u>	<u>15,362,552</u>	<u>27,285,284</u>	<u>19,272,372</u>	<u>128,079</u>	<u>7,180,101</u>	<u>7,628,919</u>	<u>83,183,121</u>
Committed for:								
Riverfront Improvement projects	-	-	-	-	-	326,576	-	326,576
Revolving Loans	-	-	-	-	-	2,600,700	-	2,600,700
	-	-	-	-	-	<u>2,927,276</u>	<u>-</u>	<u>2,927,276</u>
Assigned for:								
Library projects	143,940	-	-	-	-	-	-	143,940
Public Safety projects	8,562,314	-	-	-	-	-	-	8,562,314
Parks projects	42,180	-	-	-	-	-	-	42,180
Public Works projects	1,875,660	-	-	-	-	-	-	1,875,660
City Hall projects	13,928	-	-	-	-	-	-	13,928
River Center projects	2,928,575	-	-	-	-	-	-	2,928,575
Next year budgeted deficits	2,044,537	-	-	-	-	-	-	2,044,537
	<u>15,611,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,611,134</u>
Unassigned	13,635,434	-	-	-	-	(35,331)	-	13,600,103
Total fund balances	<u>\$36,885,447</u>	<u>\$ 15,409,809</u>	<u>\$27,285,284</u>	<u>\$ 19,272,372</u>	<u>\$ 143,901</u>	<u>\$ 10,074,288</u>	<u>\$ 7,628,919</u>	<u>\$ 116,700,020</u>

XIII. 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, 2022, the City abated \$4,961,986 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, 2022, the City abated \$372,077 of 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, 2022, the City abated approximately of \$122,055 in local option sales tax.

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

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XIV. Contingencies

Due to COVID-19, the City continues to experience minor disruptions to its local economy, similar to what is being felt across the nation. The City will continue to monitor the impact the pandemic is having on its financial position and make adjustments as needed.

XV. Individual fund disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2022:

<u>Fund Type</u>	<u>Individual Fund</u>	<u>Deficit Fund Balances</u>	<u>Deficit Net Position</u>
Proprietary	Internal Service, Risk	\$ -	\$ 2,668,345

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

XVI. Restatement of beginning balances

As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The effect of the implementation of this standard had the following impact on beginning balances. Additional disclosures required by this standard are included in notes I and VII.

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Governmental</u>	<u>Business-type</u>
	<u>General</u>	<u>Nonmajor</u>	<u>RiverCenter</u>	<u>Nonmajor</u>	<u>Activities</u>	<u>Activities</u>
Net position/fund balance, July 1, 2021	\$30,998,584	\$ 19,152,117	\$21,575,804	\$85,000,707	\$ 191,245,198	\$ 193,689,230
Implement GASBS No. 87, <i>Leases</i>	43,683	4,881	996	49,809	48,565	50,804
Net position/fund balance, July 1, 2021 (restated)	<u>\$31,042,267</u>	<u>\$ 19,156,998</u>	<u>\$21,576,800</u>	<u>\$85,050,516</u>	<u>\$ 191,293,763</u>	<u>\$ 193,740,034</u>

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**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, 2022

	GOVERNMENTAL FUNDS ACTUAL	PROPRIETARY FUNDS ACTUAL	TOTAL ACTUAL
REVENUES:			
Taxes	\$ 114,680,669	\$ 4,303,719	\$ 118,984,388
Special assessments	120,648	-	120,648
Licenses and permits	3,463,214	-	3,463,214
Intergovernmental	31,590,642	4,347,022	35,937,664
Charges for services	4,458,703	75,262,119	79,720,822
Use of monies and property	1,814,739	579,607	2,394,346
Fines and forfeits	1,955,730	154,987	2,110,717
Loan repayments	968,173	-	968,173
Other	2,262,359	6,726,334	8,988,693
Total Revenues	<u>161,314,877</u>	<u>91,373,788</u>	<u>252,688,665</u>
EXPENDITURES:			
Current:			
Public safety	51,428,371	-	51,428,371
Public works	18,632,477	-	18,632,477
Culture and recreation	14,039,997	-	14,039,997
Community and economic development	17,120,192	-	17,120,192
General government	13,434,346	-	13,434,346
Capital outlay	30,583,925	-	30,583,925
Debt service:			
Principal retirement	26,385,684	-	26,385,684
Interest	5,091,842	-	5,091,842
Bond issuance costs	131,680	-	131,680
Business type activities	-	67,811,916	67,811,916
	<u>176,848,514</u>	<u>67,811,916</u>	<u>244,660,430</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,533,637)</u>	<u>23,561,872</u>	<u>8,028,235</u>
OTHER FINANCING SOURCES (USES), NET	<u>28,290,461</u>	<u>(1,359,907)</u>	<u>26,930,554</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	12,756,824	22,201,965	34,958,789
BALANCES BEGINNING OF YEAR, as restated	<u>103,943,196</u>	<u>124,770,023</u>	<u>228,713,219</u>
BALANCES END OF YEAR	<u>\$ 116,700,020</u>	<u>\$ 146,971,988</u>	<u>\$ 263,672,008</u>

See note to Required Supplementary Information

BUDGETED AMOUNTS		
ORIGINAL	FINAL	FINAL TO ACTUAL VARIANCE
\$ 110,952,816	\$ 118,481,616	\$ 502,772
27,500	27,500	93,148
2,029,300	2,029,300	1,433,914
44,163,089	101,974,105	(66,036,441)
74,225,780	74,579,332	5,141,490
1,956,850	1,956,850	437,496
1,375,500	2,075,500	35,217
886,000	958,000	10,173
<u>2,703,574</u>	<u>6,277,261</u>	<u>2,711,432</u>
<u>238,320,409</u>	<u>308,359,464</u>	<u>(55,670,799)</u>
50,843,745	53,943,186	2,514,815
19,124,546	41,697,364	23,064,887
14,114,846	28,448,218	14,408,221
17,482,771	25,934,390	8,814,198
13,255,925	13,854,259	419,913
45,612,132	80,104,306	49,520,381
18,249,273	26,541,079	155,395
5,065,954	5,421,718	329,876
-	132,488	808
<u>76,159,001</u>	<u>80,884,231</u>	<u>13,072,315</u>
<u>259,908,193</u>	<u>356,961,239</u>	<u>112,300,809</u>
<u>(21,587,784)</u>	<u>(48,601,775)</u>	<u>56,630,010</u>
<u>26,430,000</u>	<u>49,512,836</u>	<u>(22,582,282)</u>
4,842,216	911,061	34,047,728
<u>190,408,663</u>	<u>228,613,851</u>	<u>99,368</u>
<u>\$ 195,250,879</u>	<u>\$ 229,524,912</u>	<u>\$ 34,147,096</u>

CITY OF DAVENPORT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-BUDGETARY REPORTING
JUNE 30, 2022**

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 \$97,053,046. The budget amendment is reflected in the final budgeted amounts.

	<u>Budgetary Basis</u>	<u>Adjustments</u>	<u>Adjusted Basis</u>
Revenues	\$ 252,688,665	\$ -	\$ 252,688,665
Expenditures/expenses	<u>244,660,430</u>	<u>14,943,019</u>	<u>259,603,449</u>
Net	8,028,235	(14,943,019)	(6,914,784)
Other financing sources, net	26,930,554	2,792,306	29,722,860
Beginning fund balance/net position	<u>228,713,219</u>	<u>76,681,827</u>	<u>305,395,046</u>
Ending fund balance/net position	<u><u>\$ 263,672,008</u></u>	<u><u>\$ 64,531,114</u></u>	<u><u>\$ 328,203,122</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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability:			
Service cost	\$ 2,099	\$ 1,922	\$ 1,845
Benefit changes	-	-	(415)
Difference between expected and actual experience	(3,910)	-	(764)
Interest	498	571	775
Changes in assumptions or other inputs	(2,133)	1,105	786
Contributions and payments made	(764)	(1,185)	(966)
Net Change in total OPEB liability	\$ (4,210)	\$ 2,413	\$ 1,261
Total Liability, beginning	<u>26,304</u>	<u>23,891</u>	<u>22,630</u>
Total OPEB Liability, ending	<u><u>\$ 22,094</u></u>	<u><u>\$ 26,304</u></u>	<u><u>\$ 23,891</u></u>
Covered-employee payroll	52,609	52,609	52,191
Total OPEB liability as percentage of covered-employee payroll	42.00%	50.00%	45.78%

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%

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.

2019		2018	
\$	1,530	\$	1,489
	-		-
	-		-
	783		741
	495		(426)
	(840)		(704)
\$	1,968	\$	1,100
	20,662		19,562
\$	22,630	\$	20,662
	50,222		48,624
	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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 3,244	\$ 3,164	\$ 3,124	\$ 3,142	\$ 2,854
Contributions in relation to the statutorily required contributions	<u>(3,244)</u>	<u>(3,164)</u>	<u>(3,124)</u>	<u>(3,142)</u>	<u>(2,854)</u>
Contribution deficiency (excess)	-	-	-	-	-
City's covered payroll	\$ 34,369	\$ 33,515	\$ 33,098	\$ 33,289	\$ 31,957
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	8.93%

See note to Required Supplementary Information - IPERS pension liability

2017	2016	2015	2014	2013
\$ 2,759	\$ 2,706	\$ 2,679	\$ 2,667	\$ 2,568
<u>(2,759)</u>	<u>(2,706)</u>	<u>(2,679)</u>	<u>(2,667)</u>	<u>(2,568)</u>
-	-	-	-	-
\$ 30,891	\$ 30,307	\$ 29,996	\$ 29,880	\$ 29,619
8.93%	8.93%	8.93%	8.93%	8.67%

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
City's proportion of the net pension liability	-0.1672181%	0.4143146%	0.4378222%	0.4248875%
City's proportionate share of the net pension liability	\$ 577	\$ 29,105	\$ 25,353	\$ 26,888
City's covered payroll	\$ 33,515	\$ 33,098	\$ 33,289	\$ 31,957
City's proportionate share of the net pension liability as a percentage of its covered payroll	1.72%	87.94%	76.16%	84.14%
Plan fiduciary net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%

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 asset at June 30, 2021. However, the City only participates in the regular group. The City's portion of the regular group resulted in a net pension liability at June 20, 2021.

2018	2017	2016	2015
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.4126429%	0.4200566%	0.437825%	0.456666%
\$ 27,487	\$ 26,435	\$ 21,631	\$ 18,111
\$ 30,891	\$ 30,307	\$ 29,996	\$ 29,880
88.98%	87.22%	72.11%	60.61%
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, 2022

Changes of benefit terms:

There are no significant changes in benefit term.

Changes of assumptions:

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

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

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

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

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 6,384	\$ 6,259	\$ 6,046	\$ 6,143	\$ 5,807
Contributions in relation to the statutorily required contributions	<u>(6,384)</u>	<u>(6,259)</u>	<u>(6,046)</u>	<u>(6,143)</u>	<u>(5,807)</u>
Contribution deficiency (excess)		-	-	-	-
City's covered payroll	24,384	\$ 24,731	\$ 24,768	\$ 23,607	\$ 22,612
Contributions as a percentage of covered payroll	26.18%	25.31%	24.41%	26.02%	25.68%

See note to Required Supplementary Information - MFPRSI pension liability.

	2017	2016	2015	2014	2013
\$	5,747	\$ 6,090	\$ 6,445	\$ 6,292	\$ 5,330
	<u>(5,747)</u>	<u>(6,090)</u>	<u>(6,445)</u>	<u>(6,292)</u>	<u>(5,330)</u>
	-	-	-	-	-
\$	22,170	\$ 21,930	\$ 21,194	\$ 20,891	\$ 20,406
	25.92%	27.77%	30.41%	30.12%	26.12%

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net pension liability	7.5574210%	7.7319680%	7.7798140%	7.7520910%	7.8139830%
City's proportionate share of the net pension liability	\$ 16,972	\$ 61,670	\$ 51,030	\$ 46,156	\$ 45,827
City's covered payroll	\$ 24,731	\$ 24,768	\$ 23,607	\$ 22,612	\$ 22,170
City's proportionate share of the net pension liability as a percentage of its covered payroll	68.63%	248.99%	216.16%	204.12%	206.71%
Plan fiduciary net position as a percentage of the total pension liability	93.62%	76.47%	79.94%	81.07%	80.60%

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.

<hr/>		
2017	2016	2015
June 30, 2016	June 30, 2015	June 30, 2014
8.1133690%	8.0960530%	8.2312780%
\$ 50,730	\$ 47,007	\$ 38,534
\$ 21,930	\$ 21,194	\$ 20,891
231.33%	221.79%	184.45%
78.20%	83.04%	86.27%

CITY OF DAVENPORT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION- MFPRSI
PENSION LIABILITY
JUNE 30, 2022**

Changes of benefit terms:

There were no significant changes to the benefit terms.

Changes of assumptions:

The actuarial assumptions used in the June 30, 2021, 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.

The 2018 valuation changed postretirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuity 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.

COMBINING STATEMENTS, AND SCHEDULES

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 benefiting low and 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 – 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 – Accounts for revenue and expenditures related to sports programs for youth, formerly operated as Dad's Club.

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, 2022**

ASSETS	ROAD USE TAX	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	RIVERFRONT IMPROVEMENT FUND	MUNICIPAL IMPROVEMENT DISTRICTS
Cash and investments	\$ 3,545,422	\$ 174,616	\$ 469,075	\$ 275,866	\$ 1,286,611
Receivables:					
Property taxes:					
Delinquent	-	-	-	-	127,085
Succeeding year	-	-	-	-	1,110,058
Other Taxes	-	-	-	-	-
Accounts	37,768	-	18,891	52,688	-
Loans	-	1,531,730	-	-	-
Interest	-	-	530	2,193	2,630
Leases	-	-	-	466,157	-
Due from other governments	1,076,408	658,824	-	-	-
Prepays	1,417	-	-	-	-
Restricted assets-cash and investments	-	38,755	-	-	-
TOTAL ASSETS	\$ 4,661,015	\$ 2,403,925	\$ 488,496	\$ 796,904	\$ 2,526,384
LIABILITIES					
Wages payable	332,364	23,949	15,808	5,905	-
Accounts payable	56,346	415,719	1,024	19,859	444,397
Payable from restricted assets	-	38,755	-	-	-
Due to other governments	-	10,204	1,582	-	-
Unearned revenue	-	-	107,061	-	-
TOTAL LIABILITIES	388,710	488,627	125,475	25,764	444,397
DEFERRED INFLOWS OF RESOURCES					
Lease related	-	-	-	424,188	-
Succeeding year property tax	-	-	-	-	1,110,058
Unavailable revenue	-	1,531,730	19,615	20,376	4,360
TOTAL DEFERRED INFLOWS OF RESOURCES	-	1,531,730	19,615	444,564	1,114,418
FUND BALANCES					
Nonspendable fund balance	\$ 1,417	\$ -	-	-	-
Restricted fund balance	4,270,888	383,568	343,406	-	967,569
Committed fund balance	-	-	-	326,576	-
Unassigned fund balance	-	-	-	-	-
TOTAL FUND BALANCES	4,272,305	383,568	343,406	326,576	967,569
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,661,015	\$ 2,403,925	\$ 488,496	\$ 796,904	\$ 2,526,384

(continued)

REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 2,597,996	\$ 967,901	\$ 82,670	\$ 35,029	\$ 7,536,577	\$ 16,971,763
-	-	-	-	413,872	540,957
-	-	-	-	7,018,901	8,128,959
-	-	-	-	360,535	360,535
-	-	-	-	-	109,347
658,787	7,763,880	96,232	-	-	10,050,629
6,607	-	15	-	16,480	28,455
-	-	-	-	-	466,157
-	574	256,549	-	-	1,992,355
-	825	-	-	-	2,242
-	-	-	-	-	38,755
<u>\$ 3,263,390</u>	<u>\$ 8,733,180</u>	<u>\$ 435,466</u>	<u>\$ 35,029</u>	<u>\$ 15,346,365</u>	<u>\$ 38,690,154</u>
-	5,375	9,305	5,569	-	398,275
3,903	296	111,715	-	685,983	1,739,242
-	-	-	-	-	38,755
-	-	-	-	-	11,786
658,787	7,763,880	22,203	-	-	8,551,931
<u>662,690</u>	<u>7,769,551</u>	<u>143,223</u>	<u>5,569</u>	<u>685,983</u>	<u>10,739,989</u>
-	-	-	-	-	424,188
-	-	-	-	7,018,901	8,128,959
-	-	105,168	-	12,562	1,693,811
-	-	<u>105,168</u>	-	<u>7,031,463</u>	<u>10,246,958</u>
\$ -	825	\$ -	\$ -	\$ -	\$ 2,242
-	962,804	222,406	29,460	7,628,919	14,809,020
2,600,700	-	-	-	-	2,927,276
-	-	(35,331)	-	-	(35,331)
<u>2,600,700</u>	<u>963,629</u>	<u>187,075</u>	<u>29,460</u>	<u>7,628,919</u>	<u>17,703,207</u>
<u>\$ 3,263,390</u>	<u>\$ 8,733,180</u>	<u>\$ 435,466</u>	<u>\$ 35,029</u>	<u>\$ 15,346,365</u>	<u>\$ 38,690,154</u>

CITY OF DAVENPORT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
For the Fiscal Year Ended June 30, 2022**

	<u>ROAD USE TAX</u>	<u>COMMUNITY DEVELOPMENT ACT</u>	<u>HUD SECTION 8</u>	<u>RIVERFRONT IMPROVEMENT FUND</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	169,428	-	-	-
Intergovernmental	13,527,898	1,539,006	4,327,746	-
Use of monies and property	-	31,804	-	555,207
Charges for services	-	-	675	-
Loan repayments	-	318,833	-	-
Other	347,251	100	6,868	27,620
Total Revenues	<u>14,044,577</u>	<u>1,889,743</u>	<u>4,335,289</u>	<u>582,827</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	11,648,652	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	3,855,905	4,132,502	407,320
General government	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>11,648,652</u>	<u>3,855,905</u>	<u>4,132,502</u>	<u>407,320</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,395,925</u>	<u>(1,966,162)</u>	<u>202,787</u>	<u>175,507</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	11,692	-	-	-
Transfers in	-	530,654	-	75,000
Transfers out	(2,546,000)	-	-	(52,500)
Total Other Financing Sources (Uses)	<u>(2,534,308)</u>	<u>530,654</u>	<u>-</u>	<u>22,500</u>
NET CHANGE IN FUND BALANCES	(138,383)	(1,435,508)	202,787	198,007
FUND BALANCES (DEFECITS) - BEGINNING, AS RESTATED	<u>4,410,688</u>	<u>1,819,076</u>	<u>140,619</u>	<u>128,569</u>
FUND BALANCES - ENDING	<u>\$ 4,272,305</u>	<u>\$ 383,568</u>	<u>\$ 343,406</u>	<u>\$ 326,576</u>

MUNICIPAL IMPROVEMENT DISTRICTS	REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 1,316,266	\$ -	\$ -	\$ -	\$ -	\$ 7,450,112	\$ 8,766,378
-	-	-	-	-	-	169,428
156,803	-	261,674	771,650	-	103,284	20,688,061
7,849	23,947	98,699	2,977	-	50,801	771,284
-	-	-	-	108,231	-	108,906
-	64,614	516,233	68,493	-	-	968,173
-	-	-	-	-	-	381,839
<u>1,480,918</u>	<u>88,561</u>	<u>876,606</u>	<u>843,120</u>	<u>108,231</u>	<u>7,604,197</u>	<u>31,854,069</u>
-	-	-	191,792	-	-	191,792
-	-	-	-	-	-	11,648,652
-	-	-	-	146,578	-	146,578
1,365,651	31,505	518,464	462,355	-	4,961,986	15,735,688
-	-	-	124,716	-	-	124,716
-	-	-	-	-	2,045,684	2,045,684
-	-	-	-	-	731,125	731,125
<u>1,365,651</u>	<u>31,505</u>	<u>518,464</u>	<u>778,863</u>	<u>146,578</u>	<u>7,738,795</u>	<u>30,624,235</u>
<u>115,267</u>	<u>57,056</u>	<u>358,142</u>	<u>64,257</u>	<u>(38,347)</u>	<u>(134,598)</u>	<u>1,229,834</u>
-	-	-	-	-	-	11,692
-	-	-	35,000	68,183	-	708,837
-	(530,654)	-	-	-	(275,000)	(3,404,154)
-	(530,654)	-	35,000	68,183	(275,000)	(2,683,625)
115,267	(473,598)	358,142	99,257	29,836	(409,598)	(1,453,791)
852,302	3,074,298	605,487	87,818	(376)	8,038,517	19,156,998
<u>\$ 967,569</u>	<u>\$ 2,600,700</u>	<u>\$ 963,629</u>	<u>\$ 187,075</u>	<u>\$ 29,460</u>	<u>\$ 7,628,919</u>	<u>\$ 17,703,207</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 Course 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 Facility 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.

NON-MAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2022

ASSETS	BUSINESS-TYPE ACTIVITIES -				
	PARKING SYSTEM	CLEAN WATER	PUBLIC HOUSING	GOLF COURSES	AIRPORT
Current assets:					
Cash and cash equivalents	\$ 77,387	\$ 2,543,628	\$ 4,911,749	\$ 68,636	\$ 8,131
Receivables:					
Property taxes:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Accounts	75,083	871,514	8,309	15,342	30,618
Interest	-	5,034	13,936	181	4,692
Leases	-	-	-	8,125	264,895
Inventory	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepays	333	250	-	-	-
Total current assets	152,803	3,420,426	4,933,994	92,284	308,336
Noncurrent assets:					
Restricted cash and cash equivalents	-	-	10,075	1,500	-
Land	3,466,798	204,051	216,822	1,263,102	749,356
Buildings	26,615,470	-	2,700,087	937,840	2,614,587
Improvements other than buildings	206,544	902,065	-	2,797,796	22,148,804
Equipment and vehicles	576,631	1,650,686	-	1,776,627	267,786
Paving	1,531,296	-	72,205	10,953	-
Storm sewers	-	30,707,943	-	-	-
less accumulated depreciation	(16,049,713)	(19,019,465)	(2,735,361)	(4,185,830)	(10,674,055)
Construction in progress	-	832,813	-	-	-
Total noncurrent assets	16,347,026	15,278,093	263,828	2,601,988	15,106,478
TOTAL ASSETS	16,499,829	18,698,519	5,197,822	2,694,272	15,414,814
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	34,021	128,448	9,853	84,107	10,898
OPEB related deferred outflows	5,264	34,233	3,691	11,702	2,686
Total deferred outflows of resources	39,285	162,681	13,544	95,809	13,584
LIABILITIES					
LIABILITIES:					
Current liabilities:					
Wages payable	18,231	67,883	5,025	62,242	5,364
Accounts payable	75,975	76,574	2,481	37,717	3,939
Accrued interest payable	-	1,298	-	912	375
Compensated absences	14,093	86,835	-	37,891	3,994
Interfund loans payable	-	10,346	-	-	-
Lease liability due within one year	-	-	-	89,541	-
Note payable - current	-	-	-	-	-
General obligation bonds - current	-	155,000	-	-	30,000
Total current liabilities	108,299	397,936	7,506	228,303	43,672
Current liabilities payable from restricted assets:					
Deposits payable	-	-	10,075	1,500	-
Noncurrent liabilities:					
Compensated absences	122	753	-	329	35
Other postemployment benefits	82,344	335,719	47,682	166,226	21,198
Net pension liability	4,430	16,725	1,283	10,951	1,419
Lease liability due within more than one year	-	-	-	158,897	-
Note payable	-	-	-	-	-
General obligation bonds --long term	-	446,543	-	-	79,723
Total noncurrent liabilities	86,896	799,740	48,965	336,403	102,375
Total liabilities	195,195	1,197,676	66,546	566,206	146,047
DEFERRED INFLOWS OF RESOURCES					
Lease related	-	-	-	7,199	231,367
Succeeding year property tax	-	-	-	-	-
Deferred charge on refunding	-	18,513	-	-	4,306
Pension related deferred inflows	171,450	647,317	49,655	423,859	54,921
OPEB related deferred inflows	24,183	114,638	8,110	40,025	10,146
Total deferred inflows of resources	195,633	780,468	57,765	471,083	300,740
NET POSITION					
Net investment in capital assets	16,347,026	14,658,037	253,753	2,352,050	14,992,449
Unrestricted (deficit)	(198,740)	2,225,019	4,833,302	(599,258)	(10,838)
Total net position	\$ 16,148,286	\$ 16,883,056	\$ 5,087,055	\$ 1,752,792	\$ 14,981,611

(continued)

ENTERPRISE FUNDS

	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$	3,252,625	\$ 2,436,292	396,786	\$ 7,146	\$ 13,702,380
	61,782	-	-	-	61,782
	4,528,366	-	-	-	4,528,366
	8,229	2,805,699	-	1,200	3,815,994
	5,232	5,462	-	-	34,537
	108,709	-	-	-	381,729
	237,132	-	-	-	237,132
	1,432,575	-	-	-	1,432,575
	-	667	-	-	1,250
	<u>9,634,650</u>	<u>5,248,120</u>	<u>396,786</u>	<u>8,346</u>	<u>24,195,745</u>
	-	1,456,706	-	-	1,468,281
	1,599,288	-	508,291	-	8,007,708
	6,501,407	24,888	11,946,185	1,839,586	53,180,050
	574,899	-	8,082,070	848,853	35,561,031
	8,954,051	7,429,433	-	568,344	21,223,558
	6,888	-	-	-	1,621,342
	-	-	-	-	30,707,943
	(10,042,185)	(4,656,137)	(3,769,027)	(1,419,248)	(72,551,021)
	-	-	-	1,000	833,813
	<u>7,594,348</u>	<u>4,254,890</u>	<u>16,767,519</u>	<u>1,838,535</u>	<u>80,052,705</u>
	<u>17,228,998</u>	<u>9,503,010</u>	<u>17,164,305</u>	<u>1,846,881</u>	<u>104,248,450</u>
	337,434	243,470	-	26,699	874,930
	62,536	62,892	-	2,499	185,503
	<u>399,970</u>	<u>306,362</u>	<u>-</u>	<u>29,198</u>	<u>1,060,433</u>
	182,734	126,116	-	14,601	482,196
	191,045	172,272	1,458	1,842	563,303
	-	10,061	-	-	12,646
	141,913	154,559	-	24,009	463,294
	-	-	-	-	10,346
	-	-	-	-	89,541
	16,320	194,838	-	-	211,158
	-	625,000	-	-	810,000
	<u>532,012</u>	<u>1,282,846</u>	<u>1,458</u>	<u>40,452</u>	<u>2,642,484</u>
	-	-	-	-	11,575
	1,231	1,341	-	208	4,019
	741,978	747,776	-	52,060	2,194,983
	43,936	31,701	-	3,476	113,921
	-	-	-	-	158,897
	-	600,386	-	-	600,386
	-	1,889,700	-	-	2,415,966
	<u>787,145</u>	<u>3,270,904</u>	<u>-</u>	<u>55,744</u>	<u>5,488,172</u>
	<u>1,319,157</u>	<u>4,553,750</u>	<u>1,458</u>	<u>96,196</u>	<u>8,142,231</u>
	92,845	-	-	-	331,411
	4,528,366	-	-	-	4,528,366
	1,700,505	1,226,973	-	134,551	4,409,231
	215,749	208,093	-	10,971	631,915
	<u>6,537,465</u>	<u>1,435,066</u>	<u>-</u>	<u>145,522</u>	<u>9,923,742</u>
	7,578,028	949,966	16,767,519	1,838,535	75,737,363
	2,194,318	2,870,590	395,328	(204,174)	11,505,547
\$	<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>

CITY OF DAVENPORT

**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022**

	BUSINESS-TYPE ACTIVITIES -				
	<u>PARKING SYSTEM</u>	<u>CLEAN WATER</u>	<u>PUBLIC HOUSING</u>	<u>GOLF COURSES</u>	<u>AIRPORT</u>
OPERATING REVENUES:					
Charges for services	\$ 893,017	\$ 3,276,966	\$ 54,207	\$ 2,012,219	\$ 220,259
Fines and forfeits	154,987	-	-	-	-
Other	1,629	3,000	35,944	25,354	13,212
Total Operating Revenues	<u>1,049,633</u>	<u>3,279,966</u>	<u>90,151</u>	<u>2,037,573</u>	<u>233,471</u>
OPERATING EXPENSES:					
Employee expenses	342,516	1,505,828	64,167	814,027	110,092
Supplies and services	611,786	859,664	200,160	958,512	205,812
Depreciation	819,346	1,193,905	69,840	231,882	1,019,924
Total Operating Expenses	<u>1,773,648</u>	<u>3,559,397</u>	<u>334,167</u>	<u>2,004,421</u>	<u>1,335,828</u>
OPERATING INCOME (LOSS)	<u>(724,015)</u>	<u>(279,431)</u>	<u>(244,016)</u>	<u>33,152</u>	<u>(1,102,357)</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes	-	-	-	-	-
Operating grants	-	-	279,984	-	31,229
Use of monies and property	19,050	15,028	41,605	11,560	85,889
Interest expense	-	(7,573)	(2,927)	(12,813)	-
Gain (loss) on disposition of capital assets	-	-	4,640,337	5,816	-
Total Non-operating Revenues (Expenses)	<u>19,050</u>	<u>7,455</u>	<u>4,958,999</u>	<u>4,563</u>	<u>117,118</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(704,965)</u>	<u>(271,976)</u>	<u>4,714,983</u>	<u>37,715</u>	<u>(985,239)</u>
Capital contributions	44,388	599,274	-	422,999	93,759
Transfers in	-	-	-	-	30,000
Transfers out	-	-	(2,100,000)	-	-
Change in net position	<u>(660,577)</u>	<u>327,298</u>	<u>2,614,983</u>	<u>460,714</u>	<u>(861,480)</u>
Total net position - beginning, as restated	<u>16,808,863</u>	<u>16,555,758</u>	<u>2,472,072</u>	<u>1,292,078</u>	<u>15,843,091</u>
Total net position - ending	<u>\$ 16,148,286</u>	<u>\$ 16,883,056</u>	<u>\$ 5,087,055</u>	<u>\$ 1,752,792</u>	<u>\$ 14,981,611</u>

(continued)

ENTERPRISE FUNDS

<u>PUBLIC TRANSIT</u>	<u>SOLID WASTE</u>	<u>TRANSLOAD</u>	<u>RIVER'S EDGE</u>	<u>TOTAL NON-MAJOR ENTERPRISE BUNDS</u>
\$ 378,632	\$ 6,979,126	\$ -	\$ 488,604	\$ 14,303,030
-	-	-	-	154,987
132	-	-	3,572	82,843
<u>378,764</u>	<u>6,979,126</u>	<u>-</u>	<u>492,176</u>	<u>14,540,860</u>
3,760,726	2,772,474	-	222,520	9,592,350
2,980,315	2,743,170	5,421	511,459	9,076,299
923,535	712,631	600,258	147,652	5,718,973
<u>7,664,576</u>	<u>6,228,275</u>	<u>605,679</u>	<u>881,631</u>	<u>24,387,622</u>
(7,285,812)	750,851	(605,679)	(389,455)	(9,846,762)
4,303,719	-	-	-	4,303,719
4,002,823	-	-	-	4,314,036
31,737	21,276	5,000	-	231,145
-	(29,494)	-	-	(52,807)
-	-	(872,594)	-	3,773,559
<u>8,338,279</u>	<u>(8,218)</u>	<u>(867,594)</u>	<u>-</u>	<u>12,569,652</u>
1,052,467	742,633	(1,473,273)	(389,455)	2,722,890
-	-	-	47,089	1,207,509
-	-	-	331,995	361,995
-	-	-	-	(2,100,000)
<u>1,052,467</u>	<u>742,633</u>	<u>(1,473,273)</u>	<u>(10,371)</u>	<u>2,192,394</u>
8,719,879	3,077,923	18,636,120	1,644,732	85,050,516
<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>

CITY OF DAVENPORT

**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022**

	BUSINESS-TYPE ACTIVITIES -			
	<u>PARKING SYSTEM</u>	<u>CLEANWATER</u>	<u>PUBLIC HOUSING</u>	<u>GOLF COURSES</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 1,010,779	\$ 3,338,029	\$ 57,061	\$ 2,259,417
Cash paid to suppliers for goods and services	(557,628)	(882,069)	(221,129)	(961,823)
Cash paid to employees for services	(391,425)	(1,595,143)	(119,343)	(946,881)
Other operating revenue	1,629	3,000	35,944	25,354
Net Cash Provided by (Used for) Operating Activities	<u>63,355</u>	<u>863,817</u>	<u>(247,467)</u>	<u>376,067</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds (repayments) to other funds	-	(115,944)	-	-
Grants	-	-	347,194	-
Property tax	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(2,100,000)	-
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>(115,944)</u>	<u>(1,752,806)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from general obligation bonds	-	-	-	-
Proceeds from general obligation bond premium	-	-	-	-
Proceeds from the sale of capital assets	-	-	5,929,169	5,816
Acquisition and construction of capital assets	(5,018)	(355,119)	-	(335,236)
Principal paid on long-term debt	-	(159,575)	(90,000)	-
Interest paid on long-term debt	-	(7,948)	(3,193)	(11,901)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,018)</u>	<u>(522,642)</u>	<u>5,835,976</u>	<u>(341,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and other investment income	19,050	11,103	28,010	11,390
Net Cash provided by Investing Activities	<u>19,050</u>	<u>11,103</u>	<u>28,010</u>	<u>11,390</u>
Net increase (decrease) in Cash and Cash Equivalents	77,387	236,334	3,863,713	46,136
CASH AND CASH EQUIVALENTS-BEGINNING	<u>-</u>	<u>2,307,294</u>	<u>1,058,111</u>	<u>24,000</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 77,387</u>	<u>\$ 2,543,628</u>	<u>\$ 4,921,824</u>	<u>\$ 70,136</u>

ENTERPRISE FUNDS

AIRPORT	PUBLIC TRANSIT	SOLID WASTE	TRANSLOAD FACILITY	RIVER'S EDGE	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ 213,057	\$ 350,461	\$ 6,913,704	\$ -	\$ 487,404	\$ 14,629,912
(210,521)	(3,069,192)	(2,737,782)	(4,136)	(517,658)	(9,161,938)
(119,395)	(3,773,987)	(3,011,301)	-	(300,808)	(10,258,283)
13,212	132	-	-	3,572	82,843
<u>(103,647)</u>	<u>(6,492,586)</u>	<u>1,164,621</u>	<u>(4,136)</u>	<u>(327,490)</u>	<u>(4,707,466)</u>
-	-	-	-	-	(115,944)
31,229	2,647,117	-	-	-	3,025,540
-	4,315,388	-	-	-	4,315,388
30,000	-	-	-	331,995	361,995
-	-	-	-	-	(2,100,000)
<u>61,229</u>	<u>6,962,505</u>	<u>-</u>	<u>-</u>	<u>331,995</u>	<u>5,486,979</u>
-	-	835,000	-	-	835,000
-	-	102,454	-	-	102,454
-	-	-	224,481	-	6,159,466
-	(103,855)	(666,900)	-	-	(1,466,128)
(33,116)	(32,625)	(651,742)	-	-	(967,058)
(125)	-	(128,595)	-	-	(151,762)
<u>(33,241)</u>	<u>(136,480)</u>	<u>(509,783)</u>	<u>224,481</u>	<u>-</u>	<u>4,511,972</u>
<u>81,197</u>	<u>26,505</u>	<u>16,621</u>	<u>5,000</u>	<u>-</u>	<u>198,876</u>
<u>81,197</u>	<u>26,505</u>	<u>16,621</u>	<u>5,000</u>	<u>-</u>	<u>198,876</u>
5,538	359,944	671,459	225,345	4,505	5,490,361
<u>2,593</u>	<u>2,892,681</u>	<u>3,221,539</u>	<u>171,441</u>	<u>2,641</u>	<u>9,680,300</u>
<u>\$ 8,131</u>	<u>\$ 3,252,625</u>	<u>\$ 3,892,998</u>	<u>\$ 396,786</u>	<u>\$ 7,146</u>	<u>\$ 15,170,661</u>

(continued)

CITY OF DAVENPORT

**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2022**

	BUSINESS-TYPE ACTIVITIES -			
	<u>PARKING SYSTEM</u>	<u>CLEANWATER</u>	<u>PUBLIC HOUSING</u>	<u>GOLF COURSES</u>
NET				
<u>CASH PROVIDED BY (USED FOR) OPERATING</u>				
Operating income (loss)	\$ (724,015)	\$ (279,431)	\$ (244,016)	\$ 33,152
Adjustments to Reconcile Operating income (loss) to Net Cash				
Provided by (Used for) Operating Activities:				
Depreciation	819,346	1,193,905	69,840	231,882
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(37,225)	61,063	32,339	(314)
Increase in lease receivable	-	-	-	(8,125)
Increase in prepaids and inventories	-	(1)	-	-
Decrease in pension related deferred outflows	20,093	49,863	14,712	42,482
Decrease in OPEB related deferred outflows	729	3,405	214	1,191
Increase (decrease) in accounts payable/accrued liabilities	64,825	(16,097)	(56,511)	245,889
Decrease in net pension liability	(241,934)	(765,263)	(109,821)	(594,682)
Decrease in total OPEB liability	(16,285)	(76,048)	(4,784)	(26,609)
Decrease in unearned revenue	-	-	(2,385)	-
Increase in lease related deferred inflows	-	-	-	7,199
Increase in pension related deferred inflows	156,661	604,015	46,729	409,427
Increase in OPEB related deferred inflows	21,160	98,813	6,216	34,575
Decrease in deferred amount on refunding	-	(10,407)	-	-
Total Adjustments	<u>787,370</u>	<u>1,143,248</u>	<u>(3,451)</u>	<u>342,915</u>
NET CASH PROVIDED BY (USED FOR) OPERATING				
 ACTIVITIES	<u>\$ 63,355</u>	<u>\$ 863,817</u>	<u>\$ (247,467)</u>	<u>\$ 376,067</u>
<u>SCHEDULE OF NON-CASH INVESTING, CAPITAL AND</u>				
<u>FINANCING ACTIVITIES</u>				
Acquisition of capital assets through capital contributions	\$ 44,388	\$ 599,274	\$ -	\$ 422,999
Contribution of capital assets by municipality	(44,388)	(115,705)	-	(422,999)
Contribution of capital assets by subdividers	-	(364,571)	-	-
Contribution of capital assets by state and federal governments	-	(118,998)	-	-

ENTERPRISE FUNDS

<u>AIRPORT</u>	<u>PUBLIC TRANSIT</u>	<u>SOLID WASTE</u>	<u>TRANSLOAD FACILITY</u>	<u>RIVER'S EDGE</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>
\$ (1,102,357)	\$ (7,285,812)	\$ 750,851	\$ (605,679)	\$ (389,455)	\$ (9,846,762)
1,019,924	923,535	712,631	600,258	147,652	5,718,973
26,326	4,677	(65,422)	-	(1,200)	20,244
(264,895)	(108,709)	-	-	-	(381,729)
-	(30,025)	-	-	-	(30,026)
5,944	144,412	126,479	-	35,591	439,576
306	6,364	6,064	-	336	18,609
(731)	(4,053)	16,662	1,285	(2,139)	249,130
(69,022)	(1,811,859)	(1,546,134)	-	(217,610)	(5,356,325)
(6,827)	(142,131)	(135,447)	-	(7,495)	(415,626)
-	(16,984)	-	-	-	(19,369)
231,367	92,845	-	-	-	331,411
50,286	1,550,476	1,122,944	-	97,092	4,037,630
8,871	184,678	175,993	-	9,738	540,044
(2,839)	-	-	-	-	(13,246)
<u>998,710</u>	<u>793,226</u>	<u>413,770</u>	<u>601,543</u>	<u>61,965</u>	<u>5,139,296</u>
\$ (103,647)	\$ (6,492,586)	\$ 1,164,621	\$ (4,136)	\$ (327,490)	\$ (4,707,466)
\$ 93,759	\$ -	\$ -	\$ -	\$ 47,089	\$ 1,207,509
(93,759)	-	-	-	(47,089)	(723,940)
-	-	-	-	-	(364,571)
-	-	-	-	-	(118,998)

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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, 2022**

ASSETS	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Current assets:				
Cash and cash equivalents	\$ 14,075,486	\$ 10,584,899	\$ -	\$ 24,660,385
Accounts receivable	42,329	7,291	-	49,620
Interest receivable	27,826	27,006	-	54,832
Prepays	-	75,741	525,605	601,346
Total current assets	<u>14,145,641</u>	<u>10,694,937</u>	<u>525,605</u>	<u>25,366,183</u>
Noncurrent assets:				
Capital assets:				
Improvements other than buildings	-	-	3,356,755	3,356,755
Equipment and vehicles	-	-	5,076,518	5,076,518
Less accumulated depreciation	-	-	(5,762,478)	(5,762,478)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,670,795</u>	<u>2,670,795</u>
Total assets	<u>14,145,641</u>	<u>10,694,937</u>	<u>3,196,400</u>	<u>28,036,978</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	10,186	93,389	116,506	220,081
OPEB related deferred outflows	2,708	25,886	30,074	58,668
Total deferred outflow of resources	<u>12,894</u>	<u>119,275</u>	<u>146,580</u>	<u>278,749</u>
LIABILITIES				
LIABILITIES:				
Current liabilities:				
Wages payable	4,705	49,060	60,411	114,176
Accounts payable	253,547	203,597	54,524	511,668
Compensated absences	6,471	81,988	86,202	174,661
Claims and judgments	948,629	8,486,588	-	9,435,217
Interfund payable	-	-	368,989	368,989
Total current liabilities	<u>1,213,352</u>	<u>8,821,233</u>	<u>570,126</u>	<u>10,604,711</u>
Noncurrent liabilities:				
Compensated absences	56	711	748	1,515
Claims and judgments	-	3,812,815	-	3,812,815
Other postemployment benefits liability	22,564	276,256	291,919	590,739
Net pension liability	1,326	12,160	15,170	28,656
Total noncurrent liabilities	<u>23,946</u>	<u>4,101,942</u>	<u>307,837</u>	<u>4,433,725</u>
Total liabilities	<u>1,237,298</u>	<u>12,923,175</u>	<u>877,963</u>	<u>15,038,436</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	51,333	470,633	587,135	1,109,101
OPEB related deferred inflows	9,421	88,749	109,680	207,850
Total deferred inflows of resources	<u>60,754</u>	<u>559,382</u>	<u>696,815</u>	<u>1,316,951</u>
NET POSITION				
Investment in capital assets	-	-	2,670,795	2,670,795
Unrestricted (deficit)	12,860,483	(2,668,345)	(902,593)	9,289,545
Total net position (deficit)	<u>\$ 12,860,483</u>	<u>\$ (2,668,345)</u>	<u>\$ 1,768,202</u>	<u>\$ 11,960,340</u>

CITY OF DAVENPORT**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION****For the Fiscal Year Ended June 30, 2022**

	<u>EMPLOYEE INSURANCE</u>	<u>RISK MANAGEMENT</u>	<u>INFORMATION MANAGEMENT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES:				
Charges for services	\$ 18,608,852	\$ 6,716,793	\$ 2,716,636	\$ 28,042,281
Other	<u>1,726,855</u>	<u>1,017,802</u>		<u>2,744,657</u>
Total Operating Revenues	<u>20,335,707</u>	<u>7,734,595</u>	<u>2,716,636</u>	<u>30,786,938</u>
OPERATING EXPENSES:				
Employee expenses	97,930	1,011,334	1,381,491	2,490,755
Supplies and services	18,476,393	5,678,286	1,367,386	25,522,065
Depreciation	<u>-</u>	<u>-</u>	<u>450,432</u>	<u>450,432</u>
Total Operating Expenses	<u>18,574,323</u>	<u>6,689,620</u>	<u>3,199,309</u>	<u>28,463,252</u>
OPERATING INCOME (LOSS)	1,761,384	1,044,975	(482,673)	2,323,686
NON-OPERATING REVENUES:				
Use of monies and property	<u>83,074</u>	<u>80,626</u>	<u>-</u>	<u>163,700</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	1,844,458	1,125,601	(482,673)	2,487,386
Capital contributions	-	-	217,838	217,838
Transfers in	<u>-</u>	<u>64,157</u>	<u>-</u>	<u>64,157</u>
Change in net position	<u>1,844,458</u>	<u>1,189,758</u>	<u>(264,835)</u>	<u>2,769,381</u>
Total net position (deficit) - beginning	<u>11,016,025</u>	<u>(3,858,103)</u>	<u>2,033,037</u>	<u>9,190,959</u>
Total net position (deficit) - ending	<u>\$ 12,860,483</u>	<u>\$ (2,668,345)</u>	<u>\$ 1,768,202</u>	<u>\$ 11,960,340</u>

CITY OF DAVENPORT

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022**

	<u>EMPLOYEE INSURANCE</u>	<u>RISK MANAGEMENT</u>	<u>INFORMATION MANAGEMENT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 18,599,274	\$ 6,712,817	\$ 2,716,636	28,028,727
Cash paid to suppliers for goods and services	(18,770,835)	(5,701,019)	(1,490,369)	(25,962,223)
Cash paid to employees for services	(98,979)	(1,081,282)	(1,336,641)	(2,516,902)
Other operating revenue	1,726,855	1,017,802	-	2,744,657
Net Cash provided by (used for) Operating Activities	<u>1,456,315</u>	<u>948,318</u>	<u>(110,374)</u>	<u>2,294,259</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Repayments to other funds	-	-	110,374	110,374
Transfers in	-	64,157	-	64,157
Net Cash provided for Non-Capital Financing Activities	<u>-</u>	<u>64,157</u>	<u>110,374</u>	<u>174,531</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and investment income	59,550	58,539	-	118,089
Net increase in Cash and Cash Equivalents	1,515,865	1,071,014	-	2,586,879
CASH AND CASH EQUIVALENTS- BEGINNING	<u>12,559,621</u>	<u>9,513,885</u>	<u>-</u>	<u>22,073,506</u>
CASH AND CASH EQUIVALENTS- ENDING	<u>\$ 14,075,486</u>	<u>\$ 10,584,899</u>	<u>\$ -</u>	<u>\$ 24,660,385</u>

CITY OF DAVENPORT

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2022**

	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,761,384	\$ 1,044,975	\$ (482,673)	\$ 2,323,686
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	-	-	450,432	450,432
Change in assets and liabilities:				
Increase in accounts receivable	(9,578)	(3,976)	-	(13,554)
Decrease (increase) in prepaids	-	9,442	(19,468)	(10,026)
Decrease in pension related deferred outflows	4,005	44,225	27,281	75,511
Decrease in OPEB related deferred outflows	290	2,621	3,297	6,208
Decrease in accounts payable/accrued liabilities	(292,676)	(18,420)	(76,006)	(387,102)
Decrease in net pension liability	(56,656)	(580,891)	(581,904)	(1,219,451)
Decrease in total OPEB liability	(6,473)	(58,541)	(73,632)	(138,646)
Increase in pension related deferred inflows	47,608	432,817	546,625	1,027,050
Increase in OPEB related deferred inflows	8,411	76,066	95,674	180,151
Total Adjustments	<u>(305,069)</u>	<u>(96,657)</u>	<u>372,299</u>	<u>(29,427)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 1,456,315</u>	<u>\$ 948,318</u>	<u>\$ (110,374)</u>	<u>\$ 2,294,259</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Acquisition of capital assets through capital contributions	\$ -	\$ -	\$ 217,838	\$ 217,838
Contribution of capital assets by municipality	-	-	(217,838)	(217,838)

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STATISTICAL SECTION

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)

	<u>2022</u>	<u>2021</u>	<u>Fiscal Year</u> <u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 192,105,853	\$ 183,244,094	\$ 177,491,171	\$ 165,833,362	\$ 167,799,457
Restricted	54,191,139	46,034,491	37,422,572	33,895,475	28,188,439
Unrestricted	(22,603,369)	(38,033,387)	(43,255,484)	(35,069,406)	(42,349,525)
Total governmental activities net position	<u>\$ 223,693,623</u>	<u>\$ 191,245,198</u>	<u>\$ 171,658,259</u>	<u>\$ 164,659,431</u>	<u>\$ 153,638,371</u>
Business-type activities					
Net investment in capital assets	\$ 162,578,770	\$ 178,584,624	\$ 169,923,585	\$ 168,189,352	\$ 160,153,176
Restricted	4,256,990	3,732,294	2,904,072	2,289,024	2,734,362
Unrestricted	34,758,938	11,372,312	14,971,910	12,006,584	8,064,123
Total business-type activities net position	<u>\$ 201,594,698</u>	<u>\$ 193,689,230</u>	<u>\$ 187,799,567</u>	<u>\$ 182,484,960</u>	<u>\$ 170,951,661</u>
Primary government					
Net investment in capital assets	\$ 354,684,623	\$ 361,828,718	\$ 347,414,756	\$ 334,022,714	\$ 327,952,633
Restricted	58,448,129	49,766,785	40,326,644	36,184,499	30,922,801
Unrestricted	12,155,569	(26,661,075)	(28,283,574)	(23,062,822)	(34,285,402)
Total primary government net position	<u>\$ 425,288,321</u>	<u>\$ 384,934,428</u>	<u>\$ 359,457,826</u>	<u>\$ 347,144,391</u>	<u>\$ 324,590,032</u>

	2017	2016	Fiscal Year 2015	2014	2013
\$	160,607,820	\$ 132,744,626	\$ 157,084,943	\$ 145,746,153	\$ 140,160,840
	24,930,751	19,896,007	16,152,056	29,555,409	32,606,806
	(35,638,914)	(31,101,106)	(52,363,648)	(8,126,653)	(18,726,532)
\$	<u>149,899,657</u>	<u>\$ 121,539,527</u>	<u>\$ 120,873,351</u>	<u>\$ 167,174,909</u>	<u>\$ 154,041,114</u>
\$	159,855,757	\$ 158,399,016	\$ 131,173,938	\$ 124,953,410	\$ 124,901,380
	3,923,153	3,461,195	4,146,716	4,610,003	4,904,259
	4,928,502	5,485,544	1,009,918	5,295,999	2,491,018
\$	<u>168,707,412</u>	<u>\$ 167,345,755</u>	<u>\$ 136,330,572</u>	<u>\$ 134,859,412</u>	<u>\$ 132,296,657</u>
\$	320,463,577	\$ 291,143,642	\$ 288,258,881	\$ 270,699,563	\$ 265,062,220
	28,853,904	23,357,202	20,298,772	34,165,412	37,511,065
	(30,710,412)	(25,615,562)	(51,353,730)	(2,830,654)	(16,235,514)
\$	<u>318,607,069</u>	<u>\$ 288,885,282</u>	<u>\$ 257,203,923</u>	<u>\$ 302,034,321</u>	<u>\$ 286,337,771</u>

CITY OF DAVENPORT

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 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	\$ 10,870,243
Public safety	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	40,631,720
Public works	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	25,908,915
Culture and recreation	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	11,670,469
Community and economic development	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	13,491,393
Interest on long-term debt	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	6,865,979
Total governmental activities expenses	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	109,438,719
Business-type activities:										
Sewer operations	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	17,751,082
Parking system	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	1,947,343
Rivercenter	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	2,684,311
Public transit	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	6,222,902
Public housing	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	1,202,506
Golf courses	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	1,844,454
Airport	1,331,056	1,332,883	1,841,672	981,049	1,030,450	982,356	790,378	690,092	611,884	784,792
Solid waste	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	5,187,482
Clean water (1)	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	2,806,621
Transload	1,478,273	610,024	579,411	524,290	525,744	524,924	434,003	-	-	-
River's Edge	851,689	908,553	952,699	846,514	848,648	799,436	808,738	900,627	806,140	746,906
Total business-type activities expenses	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	41,178,399
Total primary government expenses	\$ 186,323,313	\$ 191,996,504	\$ 194,712,035	\$ 193,397,089	\$ 189,954,753	\$ 163,065,082	\$ 161,609,303	\$ 168,467,496	\$ 159,522,054	\$ 150,617,118
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 3,595,092
Public safety	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	2,821,608
Public works	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	4,382,205
Culture and recreation	1,444,893	1,506,787	650,640	1,277,057	1,537,648	1,015,055	859,124	380,929	593,369	800,025
Community and economic development	742,631	556,735	1,008,234	1,640,594	2,102,038	778,980	1,337,828	167,130	457,258	1,467,138
Operating grants and contributions	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	16,301,238
Capital grant and contributions	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	5,828,458
Total governmental activities program revenues	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	35,245,764
Business-type activities:										
Charges for services:										
Sewer operations	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	16,654,087
Parking system	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	1,463,314
Rivercenter	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	1,485,292
Public transit	378,632	289,486	316,547	455,642	410,881	399,774	479,037	494,410	533,804	515,210
Public housing	54,207	478,681	463,424	466,141	467,588	475,951	437,150	454,434	424,386	431,454
Golf courses	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	1,576,808
Airport	220,259	216,562	184,977	207,752	207,143	208,418	192,412	193,518	187,444	206,821
Solid waste	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	5,227,041
Clean water	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	2,315,651
Transload (1)	-	-	-	-	-	-	-	-	-	-
River's Edge	488,604	149,858	193,303	211,410	260,454	263,196	289,056	312,180	237,388	184,325
Operating grants and contributions	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	1,725,748
Capital grant and contributions	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	310,850
Total business-type activities program revenues	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	32,096,692
Total primary government program revenues	\$ 100,568,925	\$ 100,519,532	\$ 91,993,883	\$ 108,383,792	\$ 102,443,818	\$ 93,320,767	\$ 85,155,167	\$ 88,068,018	\$ 78,434,560	\$ 67,342,456

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (74,192,955)
Business-type activities	(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)	(9,081,707)
Total primary government net expense	\$ (85,754,388)	\$ (91,476,972)	\$ (102,718,152)	\$ (85,013,297)	\$ (87,510,935)	\$ (69,744,315)	\$ (76,454,136)	\$ (80,399,478)	\$ (81,087,494)	\$ (83,274,662)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 68,022,655
Local option sales tax	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	15,210,804
Hotel/motel tax	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	2,170,593
Franchise tax	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	3,077,428
Investment earnings	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	1,036,972
Gain on sale of capital assets	213,622	50,987	45,279	18,626	-	125,781	320,726	-	17,355	1,634,804
Miscellaneous	56,228	13,407	54,487	24,907	10,598	44,318	80,787	12,363	52,581	34,114
Transfers	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)	(502,762)
Total governmental activities	117,855,595	108,667,715	101,518,854	100,229,306	95,577,688	93,081,532	71,301,694	89,010,598	90,205,314	90,684,608
Business-type activities:										
Property taxes (public transit)	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	3,580,415
Investment earnings	415,907	941,209	895,632	995,496	903,465	613,634	548,823	616,868	618,220	660,890
Gain on sale of capital assets	4,684,183	6,700	935	28,625	3,785	-	-	-	61,731	25,446
Loss on donation of capital assets	-	-	-	-	-	-	-	141	-	-
Miscellaneous	173,572	160,376	458,349	562,168	455,438	631,302	902,323	1,380,690	545,287	2,048,686
Transfers	(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	502,762
Total business-type activities	8,153,317	7,875,102	7,132,733	7,338,350	6,810,005	6,384,570	26,510,390	8,531,674	6,578,730	6,818,199
Total primary government	\$ 126,008,912	\$ 116,542,817	\$ 108,651,587	\$ 107,567,656	\$ 102,387,693	\$ 99,466,102	\$ 97,812,084	\$ 97,542,272	\$ 96,784,044	\$ 97,502,807
Change in Net Position										
Governmental activities	\$ 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	\$ 16,491,653
Business-type activities	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	(2,263,508)
Total primary government	\$ 40,254,524	\$ 25,065,845	\$ 5,933,435	\$ 22,554,359	\$ 14,876,758	\$ 29,721,787	\$ 21,357,948	\$ 17,142,794	\$ 15,696,550	\$ 14,228,145

(1) Newly acquired facility in fiscal year 2016

CITY OF DAVENPORT

FUND BALANCES (DEFICITS), GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 1,313,065	\$ 1,161,992	\$ 1,068,024	\$ 794,665	\$ 11,234
Restricted	6,325,814	5,456,560	4,392,781	4,776,810	4,785,569
Assigned	15,611,134	3,802,462	5,164,742	5,179,769	4,460,502
Unassigned	13,635,434	20,577,570	12,589,015	12,028,594	11,548,794
Total General Fund	<u>\$ 36,885,447</u>	<u>\$ 30,998,584</u>	<u>\$ 23,214,562</u>	<u>\$ 22,779,838</u>	<u>\$ 20,806,099</u>
All Other Governmental funds					
Nonspendable	\$ 65,321	\$ 61,150	\$ 69,667	\$ 47,916	\$ 95,167
Restricted	76,857,307	69,637,288	56,778,609	53,598,434	48,927,536
Committed	2,927,276	3,197,986	3,646,880	2,754,028	2,244,583
Unassigned	(35,331)	(376)	(27,500)	(782,368)	(549,263)
Total All Other Governmental funds	<u>\$ 79,814,573</u>	<u>\$ 72,896,048</u>	<u>\$ 60,467,656</u>	<u>\$ 55,618,010</u>	<u>\$ 50,718,023</u>

Fiscal Year				
2017	2016	2015	2014	2013
\$ 7,312	\$ 4,477	\$ 5,446	\$ 5,440	\$ 2,949
4,711,470	5,384,949	5,896,292	5,999,441	5,476,184
3,883,192	3,384,228	1,585,151	778,856	555,034
10,403,236	9,199,764	8,889,540	8,536,778	7,582,938
<u>\$ 19,005,210</u>	<u>\$ 17,973,418</u>	<u>\$ 16,376,429</u>	<u>\$ 15,320,515</u>	<u>\$ 13,617,105</u>
\$ 26,708	\$ 1,000	\$ 22,875	\$ 5,868	\$ -
51,635,020	49,153,408	28,690,404	37,530,085	32,686,164
1,259,380	1,272,303	1,191,168	1,184,409	1,103,032
-	(1,320,264)	-	(344,161)	(600,249)
<u>\$ 52,921,108</u>	<u>\$ 49,106,447</u>	<u>\$ 29,904,447</u>	<u>\$ 38,376,201</u>	<u>\$ 33,188,947</u>

CITY OF DAVENPORT

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Revenues					
Taxes	\$ 114,680,669	\$ 109,270,091	\$ 101,347,774	\$ 98,411,530	\$ 95,111,814
Special assessments	120,648	18,388	142,819	36,345	42,346
Licenses and permits	3,463,214	2,680,553	2,239,474	2,098,620	2,566,236
Intergovernmental	31,590,642	36,793,762	31,648,556	39,777,745	36,504,330
Charges for services	4,458,703	3,562,432	4,068,388	4,171,852	4,614,938
Use of monies and property	1,814,739	1,904,510	1,988,919	2,162,073	1,834,766
Fines and forfeits	1,955,730	1,743,177	1,863,841	1,901,288	2,466,534
Loan repayments	968,173	1,416,342	531,235	771,645	1,120,466
Other	2,262,359	2,682,689	2,368,917	5,000,892	4,078,207
Total revenues	161,314,877	160,071,944	146,199,923	154,331,990	148,339,637
Expenditures					
General government	13,434,346	11,578,900	10,925,360	10,500,207	10,108,244
Public safety	51,428,371	50,683,164	49,817,865	48,004,412	44,803,202
Public works	18,632,477	18,646,620	18,484,871	18,916,458	17,783,827
Culture and recreation	14,039,997	12,577,899	12,543,932	12,694,237	12,463,193
Community and economic development	17,120,192	14,347,011	13,123,954	12,385,853	15,499,334
Capital outlay	30,583,925	28,020,781	32,735,220	36,171,748	36,299,217
Debt service					
Principal	18,605,684	23,420,000	29,249,915	16,822,040	35,014,370
Interest	5,091,842	5,451,585	5,766,900	5,907,917	6,123,022
Bond issuance expense	131,680	227,367	163,533	181,253	202,229
Total expenditures	169,068,514	164,953,327	172,811,550	161,584,125	178,296,638
Excess of revenues over (under) expenditures	(7,753,637)	(4,881,383)	(26,611,627)	(7,252,135)	(29,957,001)
Other Financing Sources (Uses)					
Bond issuance	17,180,000	17,940,000	15,630,000	14,435,000	23,020,000
Loan Proceeds	-	-	-	-	-
Discount on debt issued	-	-	-	-	-
Premium on debt issued	2,683,664	3,044,532	-	1,614,944	1,858,063
Refunding bonds issued	6,760,000	5,294,666	11,690,000	-	6,705,000
Payment to refunded bond escrow agent	(7,780,000)	-	-	-	-
Sale of capital assets	306,890	918,300	43,105	35,165	10,440
Transfers in	24,549,192	19,231,217	19,060,399	19,971,392	16,897,002
Transfers out	(23,189,285)	(21,745,675)	(20,907,507)	(21,930,640)	(18,935,700)
Total other financing sources (uses)	20,510,461	24,683,040	25,515,997	14,125,861	29,554,805
Net change in fund balances	\$ 12,756,824	\$ 19,801,657	\$ (1,095,630)	\$ 6,873,726	\$ (402,196)
Debt service as a percentage of noncapital expenditures	16.49%	20.27%	23.32%	15.94%	26.53%

		Fiscal Year							
		2017	2016	2015	2014	2013			
\$	92,937,007	\$	90,241,335	\$	90,499,909	\$	90,421,947	\$	88,262,578
	27,565		27,648		38,992		96,245		93,757
	2,460,734		2,366,468		2,017,908		1,749,752		1,619,350
	37,703,136		32,846,621		32,296,554		25,530,812		22,837,172
	4,080,837		4,132,842		3,963,968		4,051,619		4,210,684
	1,150,080		1,094,433		1,213,198		1,176,460		1,036,972
	1,505,531		2,513,779		2,050,224		1,931,967		1,740,494
	806,461		832,955		907,318		1,065,290		860,284
	2,811,356		2,390,338		3,078,817		4,108,428		3,659,461
	<u>143,482,707</u>		<u>136,446,419</u>		<u>136,066,888</u>		<u>130,132,520</u>		<u>124,320,752</u>
	9,747,945		9,623,464		9,692,385		8,820,719		8,601,095
	43,460,139		43,927,733		42,149,652		41,216,850		40,160,927
	17,378,533		16,862,825		18,030,045		17,557,791		15,288,713
	12,146,481		11,689,298		11,267,593		11,281,713		10,975,613
	10,849,112		12,645,088		10,370,910		13,853,663		10,629,873
	33,983,635		42,999,366		31,737,839		15,247,456		17,188,086
	36,501,330		16,690,365		26,622,260		16,024,785		16,241,175
	6,583,971		5,452,856		6,004,485		6,101,313		6,987,409
	345,283		463,321		192,668		249,658		216,403
	<u>170,996,429</u>		<u>160,354,316</u>		<u>156,067,837</u>		<u>130,353,948</u>		<u>126,289,294</u>
	<u>(27,513,722)</u>		<u>(23,907,897)</u>		<u>(20,000,949)</u>		<u>(221,428)</u>		<u>(1,968,542)</u>
	14,345,000		31,205,000		12,995,000		14,850,000		12,382,000
	290,000		-		-		-		-
	-		-		-		-		-
	2,082,980		3,367,176		1,207,558		2,405,596		482,773
	17,135,000		13,080,000		-		10,335,000		2,310,000
	-		-		-		(18,735,000)		(17,900,000)
	362,148		345,941		15,451		17,355		2,016,593
	18,102,057		16,061,991		15,775,415		12,026,555		14,170,133
	<u>(19,957,010)</u>		<u>(19,353,222)</u>		<u>(17,408,315)</u>		<u>(13,787,414)</u>		<u>(14,636,170)</u>
	<u>32,360,175</u>		<u>44,706,886</u>		<u>12,585,109</u>		<u>7,112,092</u>		<u>(1,174,671)</u>
\$	<u>4,846,453</u>	\$	<u>20,798,989</u>	\$	<u>(7,415,840)</u>	\$	<u>6,890,664</u>	\$	<u>(3,143,213)</u>
	30.29%		18.39%		24.50%		18.32%		20.55%

CITY OF DAVENPORT

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

		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>
2011	2013	4,011,589	1,566,209	139,106		24,753	287,690
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

		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>
2011	2013	2,033,254	1,566,209	139,106		14,243	216,271
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

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

<u>Other</u>	<u>Gross valuation</u>	<u>Less military exemption</u>	<u>Net valuation</u>	<u>Total direct tax rate</u>
2,832	6,032,179	(9,707)	6,022,472	16.78%
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%

<u>Other</u>	<u>Gross valuation</u>	<u>Less military exemption</u>	<u>Net valuation</u>
2,832	3,971,915	(9,705)	3,962,210
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

CITY OF DAVENPORT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

(rate per \$1,000 of assessed value)

City Direct Rates

<u>Fiscal</u> <u>Year</u>	<u>General</u>	<u>Tort</u> <u>Liability</u>	<u>Trust &</u> <u>Agency</u>	<u>Library (1)</u>	<u>Transit</u>	<u>Emergency</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
2013	8.10	0.25	4.93	0.27	0.91	0.27	2.05	16.78
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

Source: City of Davenport Finance Department

Overlapping Rates

<u>Scott County</u>	<u>Davenport Schools</u>	<u>Area IX College</u>	<u>Other</u>	<u>Total</u>
6.30	17.05	0.92	0.38	41.43
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

CITY OF DAVENPORT

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>Percentage of Levy</u>
2013	72,248,709	70,098,272	97.02%
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	89,753,164	87,990,288	98.04%

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

CITY OF DAVENPORT

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Name of Property	Property type	2022 Taxable Valuation	Rank	% of taxable value	2013 Taxable Valuation	Rank	% of taxable value
Mid American Energy	Utility	\$ 124,901,175	1	2.47%	\$ 220,245,823	1	5.68%
Rhythm City Casino LLC	Commercial	57,200,787	3	1.13%			
Macerich North Park Mall LLC/SDG Macerich Properties	Shopping Center	38,552,175	6	0.76%	58,460,300	2	1.51%
Iowa-American Water Co.	Utility	41,733,199	5	0.83%	48,091,181	3	1.24%
Sterilite Corporation	Commercial	57,721,581	2	1.14%			
Kraft Heinz Foods Company	Commercial	43,545,339	4	0.86%			
THF Davenport North Development	Realty	28,771,524	7	0.57%	18,465,500	10	0.48%
John Deere Construction	Commercial	28,106,784	8	0.56%			
Genesis Health Systems	Commercial	24,449,804	9	0.48%			
Putnam Landlord LLC	Commercial	21,597,080	10	0.43%			
Gulf Investments LLC	Utility				24,760,600	4	0.64%
Deere & Company	Manufacturing				23,567,200	6	0.61%
Senior Star Investments I LLC	Retirement Home				23,717,322	5	0.61%
ARCP JDDPTIA01 LLC	Commercial				19,868,300	7	0.51%
MFR-XI Alexis LLC	Commercial				19,374,430	8	0.50%
MRF PARTNERS XII LLC	Commercial				18,578,420	9	0.48%
Total		<u>\$ 466,579,448</u>		<u>9.24%</u>	<u>\$ 475,129,076</u>		<u>12.24%</u>

Source: Scott County Auditor.

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 General Obligation Debt	Other Long-term Debt	General Obligation Bonds	Other Long-term Debt	Capital Lease			
2013	165,485	-	311	45,934	9,798	-	221,528	5.14%	2,222
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%	2,473
2022	158,173	-	124	56,887	32,197	-	247,381	unavailable	2,482

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)

<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>
2013	211,419	(19,697)	191,722	4.84%	1,923
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

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, 2022
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable to City</u>	<u>Share of Overlapping Debt</u>
Scott County	25,509,268	49.81%	12,706,166
Eastern Iowa Community College	37,445,000	30.00%	<u>11,233,500</u>
Subtotal, overlapping debt			<u>23,939,666</u>
City direct debt			<u>158,300,730</u>
Total direct and overlapping debt			<u><u>\$ 182,240,396</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.

CITY OF DAVENPORT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 306,921,649	\$ 307,269,293	\$ 312,585,544	\$ 318,401,799
Total net debt applicable to limit	<u>221,979,300</u>	<u>205,587,350</u>	<u>189,866,175</u>	<u>223,801,529</u>
Legal debt margin	\$ 84,942,349	\$ 101,681,943	\$ 122,719,369	\$ 94,600,270
Total net debt applicable to the limit as a percentage of debt limit	72.32%	66.91%	60.74%	70.29%

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

Source: City of Davenport Finance Department.

Legal debt margin calculation for Fiscal Year 2022

Assessed valuation	\$	7,728,110,392	
Debt limit (5% of assessed value)			\$ 386,405,520
Debt applicable to limit:			
General Obligation Bonds		202,240,000	
Tax Increment Financing Rebate Agreements subject to li		4,288,000	
Total G.O. Indebtedness			<u>206,528,000</u>
Legal debt margin			<u><u>\$ 179,877,520</u></u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 323,975,819	\$ 330,626,114	\$ 362,147,694	\$ 362,087,373	\$ 383,418,646	\$ 386,405,520
<u>221,949,505</u>	<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>
\$ 102,026,314	\$ 113,597,090	\$ 149,346,306	\$ 150,734,717	\$ 175,391,517	\$ 179,877,520
68.51%	65.64%	58.76%	58.37%	54.26%	53.45%

CITY OF DAVENPORT

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<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>
2013	99,685	4,428,007,700	44,420	15,990	6.5%
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	N/A (1)	N/A (1)	15,234	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**

Employer	12/31/21			12/31/12		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Genesis Medical Centers	4,700	1	4.94%	4,900	1	7.88%
Davenport Community Schools	2,209	2	2.32%	2,500	2	4.02%
Arconic/ALCOA	2,000	3	2.10%	2,250	3	3.62%
John Deere Davenport Works	2,000	3	2.10%			
Tri-City Electric Co.	1,200	5	1.26%			
City of Davenport	1,135	6	1.19%	1,138	5	1.83%
Nestle Purina PetCare Company	1,000	7	1.05%			
Cobham Mission Systems	950	8	1.00%			
Kraft Heinz/Oscar Mayer	724	9	0.76%	1,500	4	2.41%
MidAmerican Energy Company	720	10	0.76%	1,025	7	1.65%
Von Maur	700	11	0.74%	560	14	0.90%
Eastern Iowa Community College	685	12	0.72%	1,016	8	1.63%
APAC Teleservices			0.00%	900	9	1.45%
United Parcel Service	640	13	0.67%	590	13	0.95%
Wells Fargo-Davenport Region	610	14	0.64%	716	10	1.15%
Rhythm City Casino/Isle Capri	525	15	0.55%	1,050	6	1.69%
Sears Manufacturing	500	16	0.53%	600	12	0.96%
Scott County	489	17	0.51%	500	15	0.80%
Per Mar Security	460	18	0.48%			
AT&T	375	19	0.39%	610	11	0.98%
St. Ambrose University			0.00%	467	16	0.75%
	<u>21,622</u>		<u>22.73%</u>	<u>20,322</u>		<u>32.67%</u>

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

Source: Large Employer websites

CITY OF DAVENPORT

**FULL-TIME & PART-TIME EMPLOYEES BY FUNCTION
LAST TEN CALENDAR YEARS
June 30, 2022**

FUNCTION/PROGRAM	2021		2020		2019		2018		2017	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
PUBLIC SAFETY										
Police	187	-	190	-	191	19	191	20	181	22
Fire	136	-	134	-	135	-	134	-	133	-
PUBLIC WORKS	299	32	297	49	293	55	290	59	291	46
CULTURE & RECREATION										
Leisure Facilities and Services	21	297	19	291	19	274	20	313	18	308
Library	42	30	40	36	41	37	39	39	40	40
COMMUNITY & ECONOMIC DEVELOPMENT	17	1	18	1	22	-	21	-	24	-
GENERAL GOVERNMENT										
Mayor	2	-	2	-	2	-	2	-	2	-
Council	1	10	1	10	1	10	1	10	-	10
Finance	25	2	21	1	23	1	24	-	24	-
Information Technology	10	-	9	-	8	-	8	1	7	1
Administration	6	-	5	-	6	1	6	1	8	1
Legal	4	-	4	-	4	-	4	-	4	-
Human Resources	7	2	7	1	7	1	6	2	4	1
Civil Rights	4	-	4	-	4	1	4	-	4	1
Total	<u>761</u>	<u>374</u>	<u>751</u>	<u>389</u>	<u>756</u>	<u>399</u>	<u>750</u>	<u>445</u>	<u>740</u>	<u>430</u>

(1) In 2012 Part-time employees who will be re-hired the next season are remaining as employees from year to year and not being terminated and re-hired. This explains the increase in part-time employees.

Source: City of Davenport Department of Human Resources.

2016		2015		2014		2013		2012	
FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
180	25	186	23	186	24	189	26	189	24
136	-	142	-	143	-	138	1	138	-
288	45	287	50	289	48	290	45	296	56
19	290	18	218	17	209	18	257	21	231 (1)
39	40	39	36	37	35	39	39	40	42
22	-	23	-	20	2	24	2	23	2
2	-	2	-	2	-	2	-	1	1
-	10	-	10	-	10	-	10	-	10
22	1	23	1	24	-	25	2	25	1
8	1	8	2	8	1	8	2	7	2
7	1	5	4	6	4	5	8	6	7
4	-	4	-	4	-	4	-	4	-
5	1	5	2	6	2	6	2	5	2
4	1	4	3	4	3	4	1	4	1
<u>736</u>	<u>415</u>	<u>746</u>	<u>349</u>	<u>746</u>	<u>338</u>	<u>752</u>	<u>395</u>	<u>759</u>	<u>379</u>

CITY OF DAVENPORT

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2022**

FUNCTION/PROGRAM	FISCAL YEAR				
	2022	2021	2020	2019	2018
PUBLIC SAFETY					
Fire calls answered	19,183	17,450	16,137	16,443	18,363
Police-arrests	5,528	4,323	6,134	4,936	6,244
Construction permits issued	3,264	6,602	4,352	2,726	2,515
PUBLIC WORKS					
Refuse collected (tons)	32,478	31,854	34,810	32,652	29,996
Gallons of wastewater processed (in millions)	7,510	9,391	11,394	15,541	9,919
Yard waste composted (cu yds)	78,128	97,160	81,398	78,829	80,720
Citibus ridership	333,129	396,848	612,414	584,273	622,937
Utility service customers	39,402	38,942	39,065	38,540	38,140
CULTURE & RECREATION					
Rounds of golf played	63,208	62,245	56,006	49,031	57,380
Swimming pools attendance	17,724	5,221	-	24,005	20,212
Recreation programs available	748	452	541	700	720
Recreation program enrollment	28,172	17,450	7,490	14,064	13,811
Library - walk-in patrons served	231,616	129,823	278,605	367,486	372,431
COMMUNITY & ECONOMIC DEVELOPMENT					
Planning & zoning-site plan reviews	115	119	80	68	35
Floodplain Development Reviews	79	140	191	81	-
Households assisted with rental assistance	923	1,084	1,054	963	1,001

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.

FISCAL YEAR				
2017	2016	2015	2014	2013
18,741	18,056	16,690	16,373	16,467
5,963	5,944	6,887	7,632	5,072
2,873	3,142	2,395	2,602	2,483
26,331	27,907	27,197	26,920	26,759
11,525	12,200	10,494	8,541	9,855
155,373	136,197	110,723	101,373	109,972
659,155	1,278,115	1,503,419	1,362,174	1,407,131
38,970	39,800	39,800	39,500	39,000
57,785	63,671	64,701	64,063	64,029
16,302	28,398	24,026	28,191	28,170
795	768	943	984	845
12,378	11,502	6,130	5,733	6,342
388,185	428,684	445,272	481,592	463,971
18	26	35	36	40
-	-	-	-	-
913	897	867	842	825

CITY OF DAVENPORT

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2022**

FUNCTION/PROGRAM	FISCAL YEAR				
	2022	2021	2020	2019	2018
PUBLIC SAFETY					
Police cars	121	119	129	125	122
Fire stations	7	7	7	7	7
Fire trucks	16	16	16	16	16
PUBLIC WORKS					
Streets (miles)	710	708	707	711	703
Traffic signals	172	172	172	171	167
Street lights	9,730	9,730	9,720	9,712	9,712
Refuse collection trucks	26	30	30	30	30
Buses	25	25	30	27	25
CULTURE & RECREATION					
Golf courses	3	3	3	3	3
Acres of parks	1,990	1,990	1,981	1,981	1,981
Swimming pools	3	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.

FISCAL YEAR				
2017	2016	2015	2014	2013
117	115	109	105	104
7	7	7	7	7
16	16	16	16	16
703	701	695	695	695
166	166	166	166	166
9,712	9,712	9,708	9,708	9,703
31	29	32	32	32
21	22	22	22	21
3	3	3	3	3
1,981	1,981	1,981	1,981	1,913
3	3	3	3	3
3	3	3	3	3



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