



CITY OF DAVENPORT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2020

CITY OF DAVENPORT, IOWA
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:
Finance Department
Accounting Division

INTRODUCTORY SECTION

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INTRODUCTORY SECTION

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December 4, 2020

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, we hereby issue the Comprehensive Annual Financial Report of the City of Davenport for the fiscal year ended June 30, 2020.

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, management of the City 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, 2020 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 that the City's financial statements for the fiscal year ended June 30, 2020 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, 2020 provided no instances of material weaknesses in the internal control over compliance or 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 2010 population of 379,690. Davenport had an official 2010 population of 99,685.

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 it is 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 percent. 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 2020 was 11.1%. Of the 194,173 persons in the labor force in June 2020, 172,596 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 57% residential, 2% multi-residential, 35% commercial, 5% industrial properties, and 1% other. The tax base is not concentrated; the largest taxpayer accounts for 2.96% of total value, and the remaining nine leading taxpayers account for just 7.42% of taxable value. More detailed information on permits and principal taxpayers can be found in the statistical section of this report.

The City of Davenport has attracted the development of a long list of new residential projects. A total of ten (10) multi-family projects have either been completed, underway, or planned to begin in 2020/2021. These projects total over \$102M in private investment into Davenport and represent 667 new units. Six of these ten projects are located in Downtown Davenport. The construction of a new, state-of-the-art YMCA, located in downtown Davenport, is currently underway at a cost of \$22M.

Budget Challenges. Recent years' budget processes have presented challenges imposed by the current local, state, and national economies, including: state-shared revenue reductions; lower investment income due to lower returns in the recent-years markets; state-mandated increases in public safety pension costs; increasing costs of healthcare; and increasing costs of liability and property insurance. However, main economic indicators have been increasing over the last few years and continue to remain strong.

The General Fund includes most of the City's services including 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 76% 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 \$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 2.5% annually over the last ten fiscal years. For the upcoming FY 2021, total assessed value increased by 5.9%, while taxable values increased 3.4%.

In 2013, the Iowa Legislature passed Senate File 295, which included a number of components that continues 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 FY 2020, the State legislature has fully funded revenues lost due to the 10% commercial rollback for Iowa municipalities. However, the City expects that this backfill amount may be reduced or eliminated in future years.

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 3.8% over the last ten years. State-mandated contributions to the statewide fire and police pension system decreased slightly from their 2015 highs, but remain high for historical comparison. Compared to the FY 2011 contribution rate, the FY 2020 rate was \$2.0 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 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 has been successful in transitioning the City's gaming operation onto land. These non-property-tax revenues are two options that could help diversify revenues.

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

2020. 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 2021 Capital Improvement Program are as follows:

- Street resurfacing, full depth patching & reconstruction | \$10.3 million
- Continue 53rd Street reconstruction | \$1 million (project total \$11.6 million)
- Veterans Memorial Parkway trail extension | \$.8 million
- River Heritage park riverwalk extension | \$1 million
- Sanitary sewer lining, construction and repair | \$7.9 million
- Continue disinfection of treatment plant | \$7 million (project total \$12.7 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 37th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual 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. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for the FY 2021 Budget document. This is the 26th consecutive year that the City has received this award. In order 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 preparation of this report on a timely and accurate basis could not have been accomplished without the services of the entire staff of the Finance Department and the auditors. We would like to express our appreciation to all of those who assisted and contributed to its preparation accordingly. We especially wish to thank the Accounting Division staff for all of their efforts in the preparation of this report. We would also like to thank the Mayor and City Council for their policy direction and support in planning and overseeing the financial operations 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
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Davenport
Iowa

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

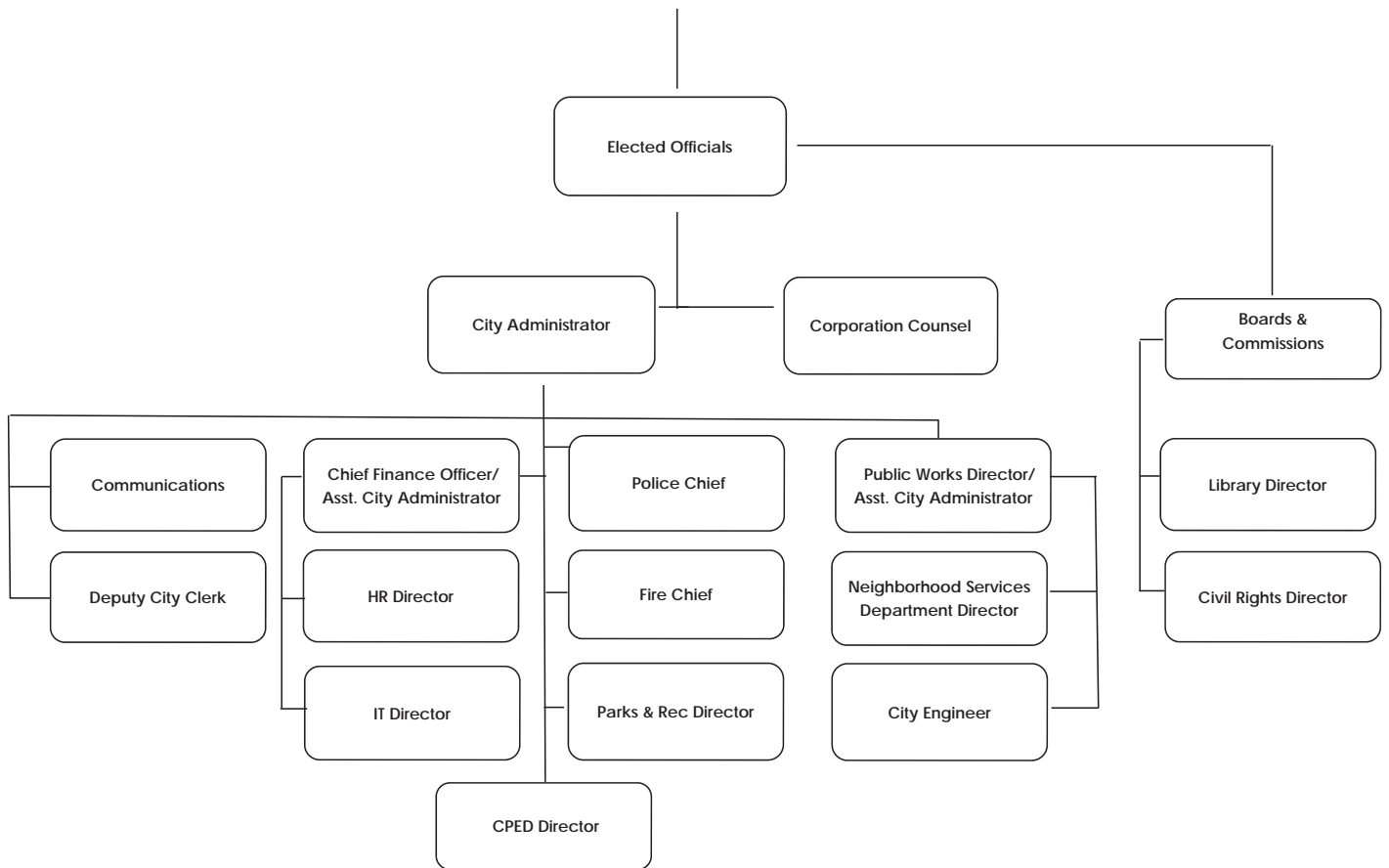
June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FY 2020 ORGANIZATIONAL CHART

CITIZENS OF DAVENPORT



CITY OF DAVENPORT

CITY OFFICIALS

June 30, 2020

<u>OFFICIAL TITLE</u>	<u>OFFICIAL</u>	<u>TERM EXPIRATION DATE OF ELECTED OFFICIALS</u>
<u>Elected Officials</u>		
Mayor	Mike J. Matson	1/22
Alderman at Large	Kyle W. Gripp	1/22
Alderman at Large	James J. Condon	1/22
Alderman First Ward	Richard L. Dunn	1/22
Alderman Second Ward	Maria P. Dickman	1/22
Alderman Third Ward	Marion Meginnis	1/22
Alderman Fourth Ward	Raymond A. Ambrose	1/22
Alderman Fifth Ward	Matt Dohrmann	1/22
Alderman Sixth Ward	Ben Jobgen	1/22
Alderman Seventh Ward	Patrick Peacock	1/22
Alderman Eighth Ward	Judith Lee	1/22

Administration

City Administrator Corrin B. Spiegel

Department Directors

Civil Rights	Latrice L. Lacey
Community and Economic Development	Bruce E. Berger
Finance	Mallory L. Merritt
Fire	Michael P. Carlsten
Human Resources	Vacant
Information Technology	Cory J. Smith
Legal	Thomas D. Warner
Neighborhood Services	Richard Oswald
Parks and Recreation	Chad B. Dyson
Library	Amy Groskopf
Police	Paul M. Sikorski
Public Works	Nicole E. Gleason

FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Davenport, Iowa as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Davenport, Iowa, as of June 30, 2020, 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the City has begun recording a note receivable that originated in a prior year in the Debt Service Fund and the Governmental Activities, and accordingly, has restated the related fund balance and net position as of June 30, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Davenport, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report, under separate cover, dated December 3, 2020, on our consideration of the City of Davenport, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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".

Dubuque, Iowa
December 3, 2020



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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 financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers 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 vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

Overall, the City continues to maintain a strong financial position. Main economic indicators are trending positively; however, some pressure endures due to other governmental mandates.

- The assets and deferred outflows of resources of the City of Davenport exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$359,458 (net position).
- The City of Davenport's total net position increased by \$5,933 during fiscal year 2020.
- At the close of the current fiscal year, the City of Davenport's governmental funds reported combined fund balances of \$83,682, a decrease of \$1,096 in comparison with the prior year. Approximately 15.0% of this amount (\$12,562) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$17,754, or approximately 22.9% of total general fund expenditures.

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

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Davenport's basic financial statements. The City of Davenport'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 of Davenport's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Davenport'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 useful indicator of whether the financial position of the City of Davenport is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during FY 2020. 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 of Davenport 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 governmental activities of the City of Davenport include public safety, public works, culture and recreation, community and economic development, and general government. The business-type activities of the City of Davenport 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 itself (known as the primary government). The government-wide financial statements can be found on pages 14 through 17 of this report.

Fund financial statements. A fund is a grouping of related accounts that is 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 of Davenport can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Davenport maintains fourteen (14) 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, Road Use Tax Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other nine nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 statement has been provided to demonstrate legal compliance in the required supplementary information section.

The basic governmental fund financial statements can be found on pages 18 through 25 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 the 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 the government-wide financial statements, only in more detail. In the basic financial statements, the proprietary fund financial statements provide separate information for the parking system, sewer operations, RiverCenter/Adler Theatre, and clean water as these are considered to be major funds of the City of Davenport. Data from the other seven 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 26 through 37 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 own programs. The accounting used for fiduciary funds is much like

that used for proprietary funds. The City has three agency funds. The basic agency fund financial statements can be found on page 38 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full 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 74 of this report.

Supplementary information. The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal services funds, and agency funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 90 through 111 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 2019 and 2020 are presented below. In Davenport, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$359,458 an increase of 3.5%, at the close of the fiscal year ended June 30, 2020.

City of Davenport’s Net Position

	Governmental Activities		Business-type activities		Total	
	<u>2020</u> (as restated)	<u>2019</u> (not restated)	<u>2020</u> (not restated)	<u>2019</u> (not restated)	<u>2020</u> (as restated)	<u>2019</u> (not restated)
Current and other assets	\$ 212,359	\$ 203,477	\$ 45,379	\$ 41,422	\$ 257,738	\$ 244,899
Capital assets	315,795	310,382	244,084	240,124	559,879	550,506
Total assets	<u>528,154</u>	<u>513,859</u>	<u>289,463</u>	<u>281,546</u>	<u>817,617</u>	<u>795,405</u>
Deferred outflows of resources	18,798	19,147	2,327	2,488	21,125	21,635
Noncurrent liabilities						
outstanding	233,256	231,580	85,657	86,077	318,913	317,657
Other liabilities	54,320	52,711	12,096	10,355	66,416	63,066
Total liabilities	<u>287,576</u>	<u>284,291</u>	<u>97,753</u>	<u>96,432</u>	<u>385,329</u>	<u>380,723</u>
Deferred inflows of resources	87,719	84,057	6,238	5,116	93,957	89,173
Net position:						
Net invested in capital assets	177,491	165,833	169,924	168,189	347,415	334,022
Restricted	37,422	33,895	2,904	2,289	40,326	36,184
Unrestricted (deficit)	(43,255)	(35,069)	14,972	12,007	(28,283)	(23,062)
Total net position	<u>\$ 171,658</u>	<u>\$ 164,659</u>	<u>\$ 187,800</u>	<u>\$ 182,485</u>	<u>\$ 359,458</u>	<u>\$ 347,144</u>

By far, the largest 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, \$40,326 (12.8 percent) 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, as well as for its separate governmental and business-type activities, in the amounts of \$147,472, \$125,527 and \$21,945 respectively.

The City of Davenport’s total assets increased by \$22,212 or 2.8 percent from 2019 to \$817,617 mainly due to an increase in capital assets of roads, sewers, and the construction of a new runway at the City’s airport. Current and other assets increased by \$12,839 partially due to an increase of \$3,576 in property tax revenues due to an increase of

3.4 percent in taxable values. Deferred outflows of resources decreased by \$510 or 2.4 percent largely due to the change of pension related deferred outflows.

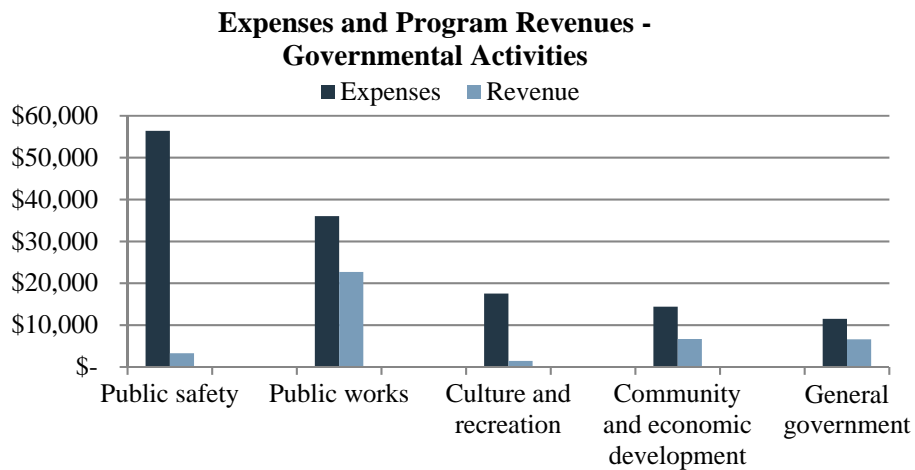
Total liabilities of the City of Davenport increased by \$4,606 or 1.2 percent from 2019 to \$385,329. Non-current liabilities increased by \$2,229, which is a result of an increase in pension liability of \$3,339. Deferred inflows of resources increased by \$4,784 or 5.4 percent largely due to the increase of \$3,020 in succeeding year property tax for reasons mentioned above.

City of Davenport's Changes in Net Position

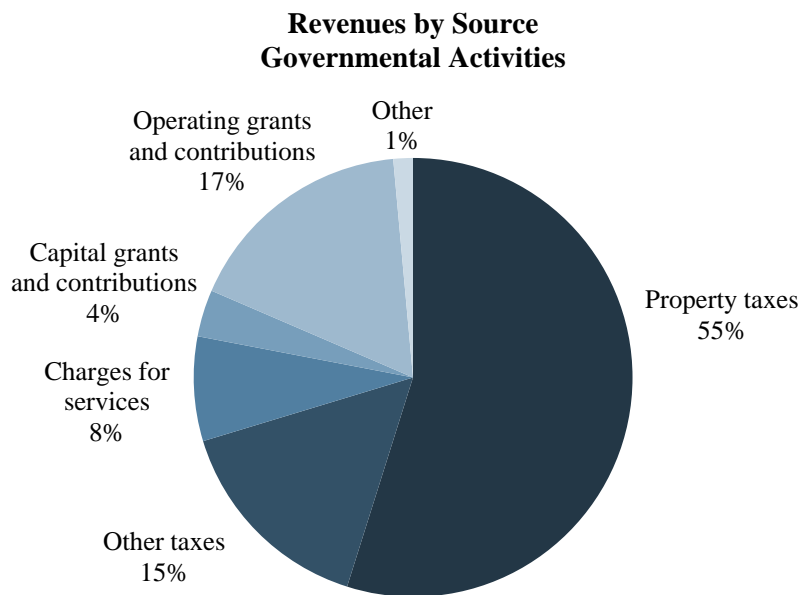
	Governmental Activities		Business-type Activities		Total	
	<u>2020</u> (as restated)	<u>2019</u> (not restated)	<u>2020</u> (not restated)	<u>2019</u> (not restated)	<u>2020</u> (as restated)	<u>2019</u> (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 11,074	\$ 14,484	\$ 40,677	\$ 41,088	\$ 51,751	\$ 55,572
Operating grants and contributions	24,591	21,421	4,105	3,124	28,696	24,545
Capital grants and contributions	4,982	16,355	6,564	11,912	11,546	28,267
General revenues:						
Property taxes	78,978	75,543	3,993	3,852	82,971	79,395
Other taxes	22,238	24,381	-	-	22,238	24,381
Other	2,089	2,206	1,355	1,586	3,444	3,792
Total revenues	143,952	154,390	56,694	61,562	200,646	215,952
Expenses:						
Public safety	56,410	50,491	-	-	56,410	50,491
Public works	36,030	40,840	-	-	36,030	40,840
Culture and recreation	17,529	20,002	-	-	17,529	20,002
Community and economic development	14,384	13,593	-	-	14,384	13,593
General government	11,490	10,842	-	-	11,490	10,842
Interest on long-term debt	5,705	5,701	-	-	5,705	5,701
Parking system	-	-	1,715	1,750	1,715	1,750
Sewer operations	-	-	21,943	21,512	21,943	21,512
RiverCenter	-	-	5,336	6,270	5,336	6,270
Public transit	-	-	7,717	7,685	7,717	7,685
Public housing	-	-	1,287	1,340	1,287	1,340
Golf courses	-	-	1,969	1,959	1,969	1,959
Airport	-	-	1,842	981	1,842	981
Curbside recycling	-	-	6,304	6,162	6,304	6,162
Clean water	-	-	3,519	2,899	3,519	2,899
Transload	-	-	579	524	579	524
Riversedge	-	-	953	847	953	847
Total expenses	141,548	141,469	53,164	51,929	194,712	193,398
Increase/(decrease) in net position before transfers	2,404	12,921	3,530	9,633	5,934	22,554
Transfers	(1,785)	(1,900)	1,785	1,900	-	-
Increase in net position	619	11,021	5,315	11,533	5,934	22,554
Net position-beginning as restated	171,039	153,638	182,485	170,952	353,524	324,590
Net position-ending	\$ 171,658	\$ 164,659	\$ 187,800	\$ 182,485	\$ 359,458	\$ 347,144

Governmental activities. Governmental activities increased the City’s net position by \$2,404, before transfers. This is a decrease of \$10,517 from 2019, due in part to a proportionate increase of expenses and revenues. The expenditures remained stable with a slight increase of \$79 and revenues decreased by \$10,438. The public safety function had an increase of expenses of \$5,919 mostly due to pension-related expenses. The public works function had a decrease in expenses of \$4,810 from FY 2019 to FY 2020 due to the City’s record flooding experienced in FY 2019 and not in FY 2020.

Certain revenues are generated that are specific to governmental program activities. These totaled \$40,647. 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 \$11,613 is mostly due to a decrease in capital grants and contributions in the amount of \$11,373 due to street projects and a new runway being completed and funded in FY 2019.



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



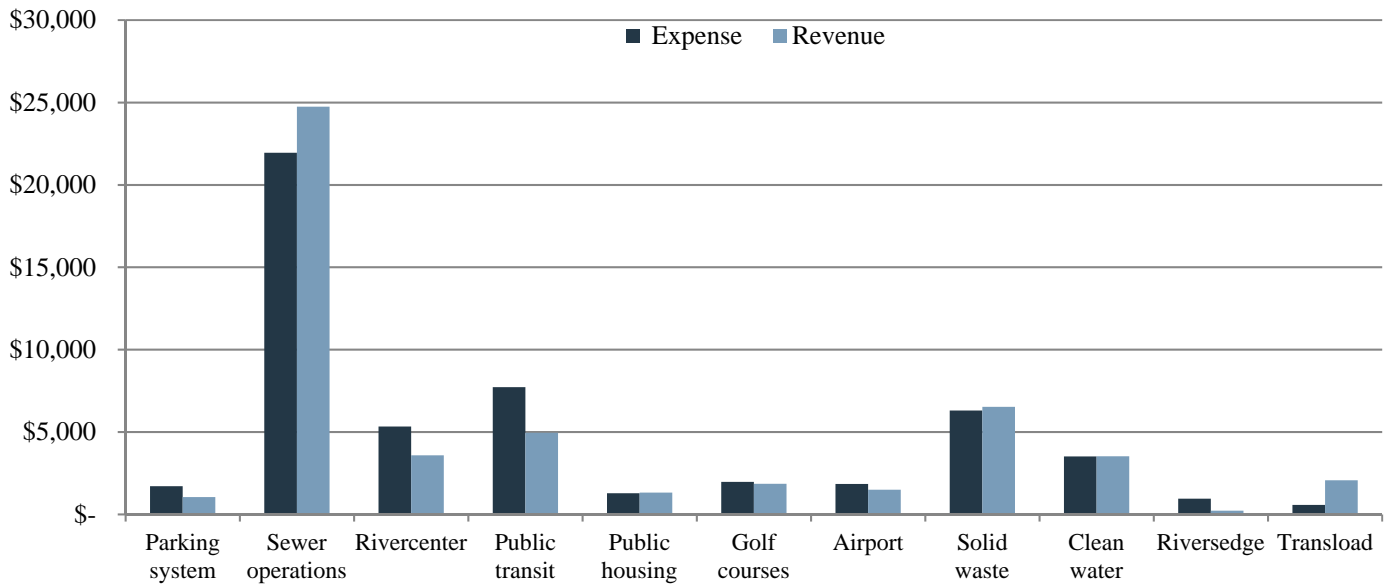
Total governmental activities’ revenues for FY 2020 were \$143,952, a decrease of \$10,438 from FY 2019. This is primarily due to grant-funded projects completed in FY 2019 and new projects starting in FY 2020 which have yet to be completed.

Business-type activities. Business-type activities increased the City of Davenport’s net position by \$3,530, before transfers. The increase in net position is partially due to an increase of operating grants and contributions of \$981, attributed to the transit fund receiving addition funding due to COVID-19.

Total business-type activities revenue for the fiscal year was \$56,694 a decrease of \$4,868 from the prior year. The decrease is partially due to the RiverCenter completing projects in FY 2019, mostly funded by contributions.

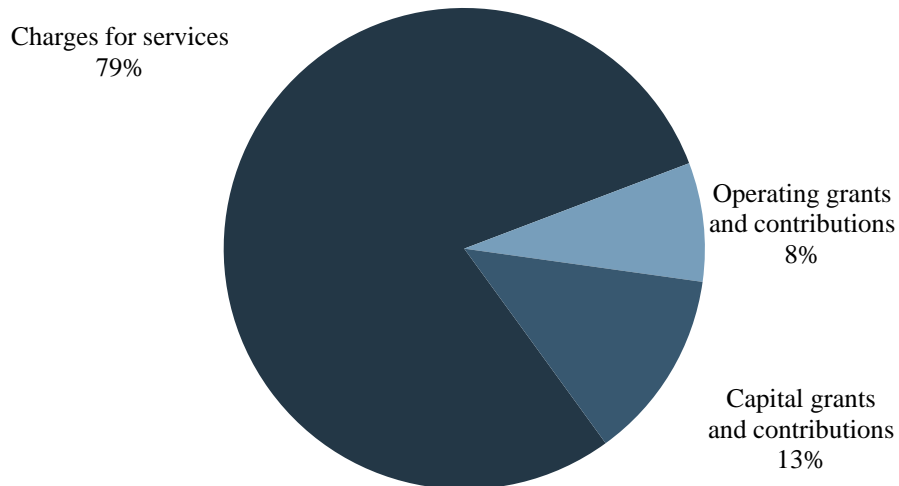
The graph below shows a comparison between the business-type activity expenditures and program revenues.

**Expenses and Program Revenue -
Business-type Activities**



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

**Revenues by Source -
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 useful in assessing the City of Davenport's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year 2020, the City of Davenport's governmental funds reported combined ending fund balances of \$83,682, a decrease of \$1,096 in comparison with the prior year. The decrease during the year is due to a decrease in grant funded projects. The City's general fund observed an increase of \$435 due to planned fund balance growth, the local option sales tax fund had an increase of \$446 due to an increase in revenues, the road use tax fund had an increase of \$1,305 as a result of postponement of projects due to COVID-19, the debt service fund had an increase of \$2,615 partially due to an increase in property tax revenues previously mentioned, and the non-major governmental funds decreased by \$218. Approximately 15.0 percent of this total amount, \$12,562, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is non-spendable (represents pre-paid and inventory amounts) (\$1,138); restricted by grantors and other legal restrictions (\$61,171); committed by the City Council for revolving loans and the riverfront improvement commission (\$3,647); and assigned by the Finance Director for future projects (\$5,165).

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 the current fiscal year 2020, unassigned fund balance of the General Fund was \$12,589, while total fund balance was \$23,215. 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 16.2 percent of total General Fund expenditures and 25.0 percent of General Fund expenditures excluding the specific purpose funds, while total fund balance represents 29.9 percent of the total expenditures.

The total fund balance of the City of Davenport's General Fund increased by \$435 during the current fiscal year and the unassigned fund balance increased by \$560. 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. Fund balances at June 30 cover the City's cash flow needs prior to the collection of 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 \$17,982, all of which is 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 \$2,615 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.

The Local Option Sales Tax Fund accounts for the proceeds of a local option sales tax and has a fund balance of \$9,656. The State of Iowa provides for a one-cent local option sales tax. Davenport voters approved the tax in 1988, and the referendum directs 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 \$446, due to an increase in sales tax collected.

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. The road use tax fund has a total fund balance of \$2,625,755.

The Capital Projects Fund has a fund balance of \$14,613, due to unspent bond proceeds. The net decrease in fund balance during the current year in the Capital Projects Fund was \$5,678.

Proprietary funds. The City of Davenport's proprietary funds provide the same type of 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 76 through 78.

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

- The total original revenue budget of \$224,269 was increased to \$248,847, an increase of \$24,578. 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 \$14,097. There were special revenue grant rollovers and new grants amounting to \$1,209.
- The total original expenditure budget of \$252,921 was increased to \$304,581, an increase of \$51,660. In the community and economic development category, \$1,317 was carried forward for on-going grants and budgeted for new grants. In the capital outlay category, \$21,236 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 \$16,566 were not accrued or received due to construction projects not completed and special revenue grants not yet spent.
- In the other revenue category, there was \$12,782 of transfers not made, due to the "not completed" status of some capital projects.
- In the community and economic development expenditure category, \$2,393 was not spent in special revenue funds and will be carried forward. In the capital outlay category, \$36,715 of expenditures were budgeted and not spent, due to construction projects not completed. In the business type category, \$7,053 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 76 and 77 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 \$77,066 was increased to \$79,911, an increase of \$2,846. In the intergovernmental revenue category, federal grants in the amount of \$638, and state grants in the amount of \$70, subsequent to original budget adoption are included as both revenues and expenditures.
- The total original expenditure budget of \$77,035 was increased to \$80,761, an increase of \$3,727. Police forfeiture and seizure monies of \$141 held as reserved General Fund balance at June 30, 2019 were included in amendments in order to authorize the expenditure during FY 2020. Culture and recreation expenditures were amended to include grants carried forward of \$225 and new grants received of \$708 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 2020 was \$435, a positive variance from the budgeted change (\$1,950) of \$2,385.
- 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 \$937 were a part of the positive variance and a reservation of General Fund balance at June 30, 2020.

Capital Asset 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, 2020, amounts to \$559,879 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and vehicles, sanitary sewers, bridges, traffic signals, storm sewers, and streets and roads. The City of Davenport's investment in capital assets rose slightly. At June 30, 2020, and June 30, 2019 the depreciable capital assets of the City were 47% and 46%. 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 2020 include the following:

Governmental activities

- Street and road work completed by the City, \$10,095
- Fire trucks and equipment, \$3,083
- Police patrol cars and equipment, \$607
- Street equipment, \$931
- Miracle Field Park, \$774
- Skybridge windows, \$469
- Freight House deck, \$365

Business-type activities

- Sanitary sewers built by City of Davenport, \$4,425
- Storm sewers built by City of Davenport, \$1,707
- Storm sewer equipment, \$536
- 3 new buses, \$1,295
- Transit equipment and vehicles, \$534
- Airport runway reconstruction, \$7,445
- Transload rail spur and interchange, \$3,194

Additional information on the City of Davenport's capital assets can be found in Note 6 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 19,597	\$ 19,252	\$ 12,969	\$ 12,969	\$ 32,566	\$ 32,221
Buildings	125,193	124,601	127,337	127,358	252,530	251,959
Improvements other than buildings	33,129	31,821	36,101	27,614	69,230	59,435
Sanitary sewers	-	-	157,402	152,737	157,402	152,737
Equipment and vehicles	52,382	46,757	48,565	45,556	100,947	92,313
Bridges	11,284	11,148	-	-	11,284	11,148
Traffic signals	10,332	10,238	-	-	10,332	10,238
Storm sewers	-	-	29,165	28,097	29,165	28,097
Paving	305,604	295,653	1,637	1,637	307,241	297,290
Seawalls	2,685	2,685	-	-	2,685	2,685
Tunnels	54	54	-	-	54	54
Construction in progress	7,586	3,842	24,174	27,644	31,760	31,486
Accumulated depreciation	(252,051)	(235,668)	(193,266)	(183,488)	(445,317)	(419,156)
Total	\$ 315,795	\$ 310,383	\$ 244,084	\$ 240,124	\$ 559,879	\$ 550,507

Long-term debt. At the end of the current fiscal year, the City of Davenport had total bonded debt outstanding of \$207,435. Of this amount, \$124,675 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 64 of this report.

City of Davenport's Outstanding Debt

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 151,425	\$ 153,240	\$ 56,010	\$ 57,110	\$ 207,435	\$ 210,350

The City of Davenport's total debt decreased by \$2,915 during the current fiscal year. New debt issuance of \$40,290 during the year was less than the debt retired of \$43,205. 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 84 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 \$207,435, and other debt subject to the debt limitation of \$3,918, which is significantly less than the City's current debt limitation of \$362,087.

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 9 in the notes to the financial statements.

Economic Factors and Current and Future Budgets

The City's General Fund receives approximately 75% 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 1.5% annually over the last ten fiscal years. For FY 2020, taxable assessed valuations increased 4.8% from FY 2019.

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 FY 2020, the State legislature has fully-funded revenues lost due to the 10% commercial rollback for Iowa municipalities. However, the City expects that this backfill amount may be reduced or eliminated in future years.

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 4.1% per year over the last ten years. State-mandated contributions to the state-wide fire and police pension system decreased slightly from the FY 2015 highs, but remain high for historical comparison. Compared to the FY 2010 contribution rate, the FY 2020 rate was \$2.3 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 FY 2013. The levy increase also funds increases in the City's self-funded health insurance costs.

The City has six bargaining groups; in the state of Iowa, wages and general wage increases are a mandatory subject of bargaining under state statutes. In FY 2013, and in an effort to reduce overall costs, all City personnel received a 0% GWI but continued to receive negotiated wage scale step increases. General wage increases were 2.0% in FY 2015, an effectual increase of 2.0% in FY 2016, 2.0% in FY 2017, 2.0% in FY 2018, 2.0% in FY 2019, 2.5% for police, and an effectual increase of 3.0% for Fire, 1.0% in FY 2020, 2.5% for police and 1.5% for fire and will be 1% in FY 2021 and 3% for fire and 2% for police. 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.

The City maintains a strong and stable financial condition, but budgetary monitoring and forecasting is ongoing. If financial pressures occur, the City has flexibility to deploy numerous different 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 in order to balance the General Fund budget.

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.

CITY OF DAVENPORT**STATEMENT OF NET POSITION****June 30, 2020**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current assets:			
Cash and investments	\$ 81,194,835	\$ 16,588,024	\$ 97,782,859
Delinquent property taxes receivable	3,207,076	131,942	3,339,018
Succeeding year property taxes receivable	81,590,334	4,163,975	85,754,309
Other taxes receivable	2,566,306	-	2,566,306
Special assessments	1,102,891	-	1,102,891
Accounts receivable, net	2,411,100	10,755,710	13,166,810
Accrued interest receivable, net	276,229	52,260	328,489
Internal balances	(609,006)	609,006	-
Due from other governments	4,636,960	453,787	5,090,747
Inventory	1,007,143	261,786	1,268,929
Prepaid items	742,165	51,153	793,318
Loans receivable - net	1,720,365	-	1,720,365
Total unrestricted current assets	<u>179,846,398</u>	<u>33,067,643</u>	<u>212,914,041</u>
Noncurrent assets:			
Loans receivable - net	15,833,284	-	15,833,284
Restricted cash and cash equivalents	16,679,583	12,311,031	28,990,614
Capital assets:			
Land	19,596,591	12,969,267	32,565,858
Buildings	125,193,588	127,337,209	252,530,797
Improvements other than buildings	33,129,126	36,100,645	69,229,771
Sanitary sewers	-	157,402,364	157,402,364
Equipment and vehicles	52,381,999	48,565,354	100,947,353
Bridges	11,283,740	-	11,283,740
Traffic signals	10,331,664	-	10,331,664
Storm sewers	-	29,164,435	29,164,435
Streets and roads	305,603,907	1,637,383	307,241,290
Seawalls	2,685,288	-	2,685,288
Tunnels	54,326	-	54,326
Construction in progress	7,585,951	24,173,807	31,759,758
Accumulated depreciation	(252,051,209)	(193,266,107)	(445,317,316)
Total capital assets	<u>315,794,971</u>	<u>244,084,357</u>	<u>559,879,328</u>
Total noncurrent assets	<u>348,307,838</u>	<u>256,395,388</u>	<u>604,703,226</u>
Total assets	<u>\$ 528,154,236</u>	<u>\$ 289,463,031</u>	<u>\$ 817,617,267</u>
DEFERED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	17,856,223	2,131,701	19,987,924
OPEB related deferred outflows	942,173	195,600	1,137,773
Total deferred outflows of resources	<u>18,798,396</u>	<u>2,327,301</u>	<u>21,125,697</u>

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 10,811,653	\$ 811,867	\$ 11,623,520
Contracts payable	1,368,665	-	1,368,665
Accrued wages payable	2,926,529	625,888	3,552,417
Accrued compensated absences	4,139,175	767,571	4,906,746
Claims and judgments	8,584,473	-	8,584,473
Accrued interest payable	432,739	202,475	635,214
General obligation bonds payable	17,050,000	6,485,000	23,535,000
Unearned revenue - other	8,934,011	1,100,840	10,034,851
Note payable	-	1,200,458	1,200,458
Total	54,247,245	11,194,099	65,441,344
Current liabilities payable from restricted assets:			
Accounts payable	41,523	-	41,523
Deposits payable	-	565,542	565,542
Notes payable	31,079	336,000	367,079
Total current liabilities payable from restricted assets	72,602	901,542	974,144
Total current liabilities	54,319,847	12,095,641	66,415,488
Noncurrent liabilities:			
Accrued compensated absences	39,277	7,282	46,559
Claims and judgments	3,795,061	-	3,795,061
Other postemployment benefits liability	19,706,793	4,184,349	23,891,142
Net pension liability	68,276,381	8,106,271	76,382,652
Note payable	155,395	21,476,139	21,631,534
General obligation bonds payable, net	140,180,094	51,882,940	192,063,034
Special assessment with government commitment	1,102,891	-	1,102,891
Total noncurrent liabilities	233,255,892	85,656,981	318,912,873
Total liabilities	287,575,739	97,752,622	385,328,361
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	81,590,334	4,163,975	85,754,309
Deferred amount on refunding	923,736	524,503	1,448,239
Pension related deferred inflows	4,356,483	1,372,714	5,729,197
OPEB related deferred inflows	848,081	176,951	1,025,032
Total deferred inflows of resources	87,718,634	6,238,143	93,956,777
NET POSITION			
Net investment in capital assets	177,491,171	169,923,585	347,414,756
Restricted:			
Local option sales tax	9,607,397	-	9,607,397
Library	937,468	-	937,468
Police seizure	166,150	-	166,150
Debt retirement	21,726,312	-	21,726,312
Road use tax	2,625,755	-	2,625,755
Community development act	568,334	-	568,334
Municipal improvement districts	907,502	-	907,502
Section 8	58,276	-	58,276
Home investment partnership projects	655,094	-	655,094
Youth Sports	29,944	-	29,944
Equipment replacement	-	2,904,072	2,904,072
Other grants	140,340	-	140,340
Unrestricted (deficit)	(43,255,484)	14,971,910	(28,283,574)
Total net position	\$ 171,658,259	\$ 187,799,567	\$ 359,457,826

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, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Public safety	\$ 56,410,040	\$ 2,650,668	\$ 22,121	\$ 612,369
Public works	36,029,837	4,582,583	13,725,398	4,370,207
Culture and recreation	17,528,407	650,640	776,570	-
Community and economic development	14,383,795	1,008,234	5,648,822	-
General government	11,490,434	2,182,149	4,417,880	-
Interest on long-term debt	5,705,154	-	-	-
Total governmental activities	<u>141,547,667</u>	<u>11,074,274</u>	<u>24,590,791</u>	<u>4,982,576</u>
Business-type activities:				
Parking system	1,715,247	1,051,270	-	-
Sewer operations	21,943,330	24,170,245	-	570,838
RiverCenter	5,335,790	3,132,207	-	448,665
Public transit	7,717,525	316,547	3,215,623	1,418,786
Public housing	1,286,605	463,424	854,655	-
Golf courses	1,969,193	1,717,258	-	139,010
Airport	1,841,672	184,977	34,350	1,278,348
Solid waste	6,303,819	6,528,061	-	-
Clean water	3,519,077	2,919,772	-	608,967
Transload	579,411	-	-	2,066,406
River's Edge	952,699	193,303	-	33,530
Total business-type activities	<u>53,164,368</u>	<u>40,677,064</u>	<u>4,104,628</u>	<u>6,564,550</u>
Total government	<u>\$ 194,712,035</u>	<u>\$ 51,751,338</u>	<u>\$ 28,695,419</u>	<u>\$ 11,547,126</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

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>
\$ (53,124,882)	\$ -	\$ (53,124,882)
(13,351,649)	-	(13,351,649)
(16,101,197)	-	(16,101,197)
(7,726,739)	-	(7,726,739)
(4,890,405)	-	(4,890,405)
(5,705,154)	-	(5,705,154)
<u>(100,900,026)</u>	<u>-</u>	<u>(100,900,026)</u>
-	(663,977)	(663,977)
-	2,797,753	2,797,753
-	(1,754,918)	(1,754,918)
-	(2,766,569)	(2,766,569)
-	31,474	31,474
-	(112,925)	(112,925)
-	(343,997)	(343,997)
-	224,242	224,242
-	9,662	9,662
-	1,486,995	1,486,995
-	(725,866)	(725,866)
<u>-</u>	<u>(1,818,126)</u>	<u>(1,818,126)</u>
<u>(100,900,026)</u>	<u>(1,818,126)</u>	<u>(102,718,152)</u>
69,429,376	-	69,429,376
9,548,179	-	9,548,179
-	3,992,658	3,992,658
16,569,408	-	16,569,408
2,199,875	-	2,199,875
3,468,490	-	3,468,490
1,988,919	895,632	2,884,551
45,279	935	46,214
54,487	458,349	512,836
(1,785,159)	1,785,159	-
<u>101,518,854</u>	<u>7,132,733</u>	<u>108,651,587</u>
618,828	5,314,607	5,933,435
<u>171,039,431</u>	<u>182,484,960</u>	<u>353,524,391</u>
<u>\$ 171,658,259</u>	<u>\$ 187,799,567</u>	<u>\$ 359,457,826</u>

CITY OF DAVENPORT

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2020**

ASSETS	GENERAL FUND	LOCAL OPTION SALES TAX FUND
Cash and investments	\$ 23,466,416	\$ 9,648,116
Receivables:		
Property taxes:		
Delinquent	2,005,794	-
Succeeding year	64,550,503	-
Other taxes	945,458	1,433,041
Accounts	798,502	42,207
Special assessments	-	74,463
Loans, net	-	-
Interest	101,351	-
Interfund receivable	289,712	-
Due from other governments	296,431	-
Inventory	1,007,143	-
Prepays	60,881	48,265
Restricted assets-cash and investments	-	-
TOTAL ASSETS	\$ 93,522,191	\$ 11,246,092
LIABILITIES		
Wages payable	\$ 2,421,521	\$ 78,698
Accounts payable	2,089,338	112,649
Contracts payable	-	-
Payable from restricted assets	-	-
Interfund payable	59,944	1,325,580
Unearned revenue	6,196	-
Note payable	-	-
Matured bonds payable	-	-
Matured interest payable	-	-
TOTAL LIABILITIES	4,576,999	1,516,927
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - succeeding year property tax	64,550,503	-
Unavailable revenue - intergovernmental, special assessments and loan	1,180,127	73,503
TOTAL DEFERRED INFLOWS OF RESOURCES	65,730,630	73,503
FUND BALANCES		
Nonspendable	1,068,024	48,265
Restricted	4,392,781	9,607,397
Committed	-	-
Assigned	5,164,742	-
Unassigned	12,589,015	-
TOTAL FUND BALANCES	23,214,562	9,655,662
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 93,522,191	\$ 11,246,092

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

ROAD USE TAX FUND	GENERAL DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,705,198	\$ 11,034,457	\$ 19,592,660	\$ 15,917,280	\$ 81,364,127
-	338,987	-	862,295	3,207,076
-	9,932,425	-	7,107,406	81,590,334
-	-	-	187,807	2,566,306
71,417	-	1,385,482	74,634	2,372,242
-	1,028,428	-	-	1,102,891
-	5,850,000	-	11,703,649	17,553,649
-	93,507	-	32,560	227,418
-	859,825	651,972	-	1,801,509
1,675,989	-	2,526,910	137,630	4,636,960
-	-	-	-	1,007,143
-	-	-	21,402	130,548
-	-	-	41,523	41,523
<u>\$ 3,452,604</u>	<u>\$ 29,137,629</u>	<u>\$ 24,157,024</u>	<u>\$ 36,086,186</u>	<u>\$ 197,601,726</u>
\$ 285,398	\$ -	\$ 4,784	\$ 45,470	\$ 2,835,871
522,557	-	6,685,958	752,363	10,162,865
-	-	1,365,214	3,451	1,368,665
-	-	-	41,523	41,523
-	-	-	-	1,385,524
-	-	-	8,927,815	8,934,011
-	-	-	186,474	186,474
-	20,000	-	-	20,000
-	3,381	-	-	3,381
<u>807,955</u>	<u>23,381</u>	<u>8,055,956</u>	<u>9,957,096</u>	<u>24,938,314</u>
-	9,932,425	-	7,107,406	81,590,334
18,894	1,199,612	1,488,032	3,430,692	7,390,860
<u>18,894</u>	<u>11,132,037</u>	<u>1,488,032</u>	<u>10,538,098</u>	<u>88,981,194</u>
-	-	-	21,402	1,137,691
2,625,755	17,982,211	14,613,036	11,950,210	61,171,390
-	-	-	3,646,880	3,646,880
-	-	-	-	5,164,742
-	-	-	(27,500)	12,561,515
<u>2,625,755</u>	<u>17,982,211</u>	<u>14,613,036</u>	<u>15,590,992</u>	<u>83,682,218</u>
<u>\$ 3,452,604</u>	<u>\$ 29,137,629</u>	<u>\$ 24,157,024</u>	<u>\$ 36,086,186</u>	<u>\$ 197,601,726</u>



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**CITY OF DAVENPORT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total governmental fund balances	\$ 83,682,218
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.	312,335,074
Assets are not available to pay for current-period expenditures are reported as a deferred inflow of resources in governmental funds.	7,390,860
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.	5,432,955
Internal service funds activities allocated to business-type activities	(735,279)
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	17,572,425
Deferred inflows of resources	(4,156,706)
	<u>13,415,719</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	906,614
Deferred inflows of resources	(817,351)
	<u>89,263</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	(4,021,707)
Accrued interest payable	(429,358)
General Obligation bonds payable, special assessments, and loan payable, net	(158,312,985)
Deferred amounts on refunding	(923,736)
Other post employment benefits liability	(19,054,619)
Pension liability	(67,210,146)
	<u>(249,952,551)</u>
Net position of governmental activities	<u>\$ 171,658,259</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, 2020**

	GENERAL FUND	LOCAL OPTION SALES TAX FUND	ROAD USE TAX FUND	GENERAL DEBT SERVICE FUND
REVENUES:				
Taxes	\$ 66,042,040	\$ 18,692,154	\$ -	\$ 9,379,016
Special assessments	-	118,084	-	24,735
Licenses and permits	2,064,778	-	174,696	-
Intergovernmental	5,175,448	-	13,485,975	569,364
Charges for services	3,827,728	77,502	-	-
Use of monies and property	943,080	8,521	-	426,966
Fines and forfeits	1,863,841	-	-	-
Loan repayments	-	-	-	-
Other	732,508	41,100	1,052,071	169,000
Total Revenues	<u>80,649,423</u>	<u>18,937,361</u>	<u>14,712,742</u>	<u>10,569,081</u>
EXPENDITURES:				
Current:				
Public safety	49,325,192	492,673	-	-
Public works	3,975,563	1,917,355	12,591,953	-
Culture and recreation	12,239,189	169,302	-	-
Community and economic development	1,431,834	312,502	-	-
General government	10,706,934	59,840	-	3,000
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	24,949,915
Interest	-	-	-	4,769,460
Bond issuance costs	-	-	-	52,343
Total Expenditures	<u>77,678,712</u>	<u>2,951,672</u>	<u>12,591,953</u>	<u>29,774,718</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,970,711</u>	<u>15,985,689</u>	<u>2,120,789</u>	<u>(19,205,637)</u>
OTHER FINANCING SOURCES (USES):				
Bond issuance	-	-	-	-
Sale of capital assets	23,065	17,040	3,000	-
Transfers in	327,500	-	-	11,148,213
Transfers out	(2,886,552)	(15,556,662)	(818,751)	(793,042)
Refunding bond issuance	-	-	-	11,465,000
Total net Other Financing Sources (Uses)	<u>(2,535,987)</u>	<u>(15,539,622)</u>	<u>(815,751)</u>	<u>21,820,171</u>
NET CHANGE IN FUND BALANCES	434,724	446,067	1,305,038	2,614,534
FUND BALANCES -BEGINNING	<u>22,779,838</u>	<u>9,209,595</u>	<u>1,320,717</u>	<u>15,367,677</u> *
FUND BALANCES - ENDING	<u>\$ 23,214,562</u>	<u>\$ 9,655,662</u>	<u>\$ 2,625,755</u>	<u>\$ 17,982,211</u>

* as restated

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

CAPITAL PROJECTS FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 7,234,564	\$ 101,347,774
-	-	142,819
-	-	2,239,474
5,937,685	6,480,084	31,648,556
-	163,158	4,068,388
-	610,352	1,988,919
-	-	1,863,841
-	531,235	531,235
253,315	120,923	2,368,917
<u>6,191,000</u>	<u>15,140,316</u>	<u>146,199,923</u>
-	-	49,817,865
-	-	18,484,871
-	135,441	12,543,932
-	11,379,618	13,123,954
-	155,586	10,925,360
32,735,220	-	32,735,220
115,000	4,185,000	29,249,915
-	997,440	5,766,900
110,162	1,028	163,533
<u>32,960,382</u>	<u>16,854,113</u>	<u>172,811,550</u>
<u>(26,769,382)</u>	<u>(1,713,797)</u>	<u>(26,611,627)</u>
15,630,000	-	15,630,000
-	-	43,105
5,461,736	2,122,950	19,060,399
-	(852,500)	(20,907,507)
-	225,000	11,690,000
<u>21,091,736</u>	<u>1,495,450</u>	<u>25,515,997</u>
(5,677,646)	(218,347)	(1,095,630)
<u>20,290,682</u>	<u>15,809,339</u>	<u>84,777,848</u>
<u>\$ 14,613,036</u>	<u>\$ 15,590,992</u>	<u>\$ 83,682,218</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, 2020

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

Net change in fund balances: total governmental funds \$ (1,095,630)

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	22,639,552
Depreciation	<u>(17,103,962)</u>
	<u>5,535,590</u>

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

Proceeds from sale of capital assets	(43,105)
Loss on sale of capital asset	<u>(2,172)</u>
	<u>(45,277)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (2,293,550)

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)	(25,230,173)
Repayment of bond principal	29,249,915
Interest on long-term debt	61,746
	<u>4,081,488</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	(109,383)
Other postemployment benefits	(991,875)
Pension expense	<u>(5,348,606)</u>
	(6,449,864)

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. 886,071

Change in net position of governmental activities \$ 618,828

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

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2020

ASSETS	BUSINESS-TYPE ACTIVITIES -		
	PARKING SYSTEM	SEWER OPERATIONS	RIVERCENTER
Current assets:			
Cash and cash equivalents	\$ 2,947	\$ 9,694,981	\$ 1,165,814
Receivables:			
Property taxes:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	7,667	7,058,173	149,237
Interest	345	38,655	-
Due from other governments	-	227,957	-
Inventory	-	-	38,625
Prepays	-	-	51,153
Total current assets	<u>10,959</u>	<u>17,019,766</u>	<u>1,404,829</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	10,458,194	-
Capital assets:			
Land	3,547,368	849,435	2,625,230
Buildings	26,615,470	36,534,763	32,224,033
Improvements other than buildings	206,544	389,718	88,550
Sanitary sewers	-	157,402,364	-
Paving	1,140,885	263,373	84,121
Equipment and vehicles	545,473	25,928,850	1,280,532
Storm sewers	-	-	-
Less accumulated depreciation	(14,470,734)	(106,935,781)	(16,186,280)
Construction in progress	-	21,730,342	2,047,456
Total noncurrent assets	<u>17,585,006</u>	<u>146,621,258</u>	<u>22,163,642</u>
Total assets	<u>17,595,965</u>	<u>163,641,024</u>	<u>23,568,471</u>
DEFERED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	52,725	863,982	2,297
OPEB related deferred outflows	3,550	83,294	-
Total deferred outflows of resources	<u>56,275</u>	<u>947,276</u>	<u>2,297</u>
LIABILITIES			
LIABILITIES:			
Current liabilities:			
Wages payable	11,804	229,269	-
Accounts payable	35,853	317,204	58,686
Accrued interest payable	3,200	188,062	2,504
Compensated absences	22,284	351,076	-
Claims and judgments	-	-	-
Interfund payable	-	110	-
Unearned revenue	-	-	1,005,457
Note payable - current	-	973,000	-
General obligation bonds - current	940,000	4,850,000	70,000
Total	<u>1,013,141</u>	<u>6,908,721</u>	<u>1,136,647</u>
Current liabilities payable from restricted assets:			
Deposits payable	-	526,297	-
Note payable - current	-	336,000	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>862,297</u>	<u>-</u>
Total current liabilities	<u>1,013,141</u>	<u>7,771,018</u>	<u>1,136,647</u>
Noncurrent liabilities:			
Compensated absences	211	3,331	-
Claims and judgments	-	-	-
Other postemployment benefits liability	92,194	1,811,227	4,289
Net pension liability	224,926	3,367,571	25,386
Note payable - long term	-	20,417,133	-
General obligation bonds -long term, net	18,383	48,432,063	910,864
Total noncurrent liabilities	<u>335,714</u>	<u>74,031,325</u>	<u>940,539</u>
Total liabilities	<u>1,348,855</u>	<u>81,802,343</u>	<u>2,077,186</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	-	-	-
Deferred amount on refunding	15,490	457,198	-
Pension related deferred inflows	28,666	508,071	3,084
OPEB related deferred inflows	3,276	75,585	-
Total deferred inflows of resources	<u>47,432</u>	<u>1,040,854</u>	<u>3,084</u>
NET POSITION			
Net investment in capital assets	16,611,133	66,628,347	21,182,778
Restricted for equipment replacement	-	2,904,072	-
Unrestricted (deficit)	(355,180)	12,212,684	307,720
Total net position	<u>\$ 16,255,953</u>	<u>\$ 81,745,103</u>	<u>\$ 21,490,498</u>

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

ENTERPRISE FUNDS			
CLEAN WATER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
\$ 2,624,129	\$ 3,100,153	\$ 16,588,024	\$ 16,468,768
-	131,942	131,942	-
-	4,163,975	4,163,975	-
847,274	2,693,359	10,755,710	38,858
7,581	5,679	52,260	48,811
-	225,830	453,787	-
-	223,161	261,786	-
-	-	51,153	611,617
<u>3,478,984</u>	<u>10,544,099</u>	<u>32,458,637</u>	<u>17,168,054</u>
-	1,852,837	12,311,031	-
204,051	5,743,183	12,969,267	-
-	31,962,943	127,337,209	-
902,065	34,513,768	36,100,645	3,281,754
-	-	157,402,364	-
-	149,004	1,637,383	-
1,628,928	19,181,571	48,565,354	4,983,845
29,164,435	-	29,164,435	-
(16,793,854)	(38,879,458)	(193,266,107)	(4,805,702)
348,817	47,192	24,173,807	-
<u>15,454,442</u>	<u>54,571,040</u>	<u>256,395,388</u>	<u>3,459,897</u>
<u>18,933,426</u>	<u>65,115,139</u>	<u>288,854,025</u>	<u>20,627,951</u>
170,914	1,041,783	2,131,701	283,798
19,616	89,140	195,600	35,559
<u>190,530</u>	<u>1,130,923</u>	<u>2,327,301</u>	<u>319,357</u>
58,244	326,571	625,888	90,658
59,934	340,190	811,867	648,788
2,951	5,758	202,475	-
63,249	330,962	767,571	155,271
-	-	-	8,584,473
126,163	-	126,273	289,712
-	95,383	1,100,840	-
-	227,458	1,200,458	-
185,000	440,000	6,485,000	-
<u>495,541</u>	<u>1,766,322</u>	<u>11,320,372</u>	<u>9,768,902</u>
-	39,245	565,542	-
-	-	336,000	-
-	39,245	901,542	-
<u>495,541</u>	<u>1,805,567</u>	<u>12,221,914</u>	<u>9,768,902</u>
600	3,140	7,282	1,474
-	-	-	3,795,061
364,306	1,912,333	4,184,349	652,174
667,938	3,820,450	8,106,271	1,066,235
-	1,059,006	21,476,139	-
1,043,289	1,478,341	51,882,940	-
<u>2,076,133</u>	<u>8,273,270</u>	<u>85,656,981</u>	<u>5,514,944</u>
<u>2,571,674</u>	<u>10,078,837</u>	<u>97,878,895</u>	<u>15,283,846</u>
-	4,163,975	4,163,975	-
41,263	10,552	524,503	-
117,125	715,768	1,372,714	199,777
17,689	80,401	176,951	30,730
<u>176,077</u>	<u>4,970,696</u>	<u>6,238,143</u>	<u>230,507</u>
14,184,890	51,316,437	169,923,585	3,459,897
-	-	2,904,072	-
2,191,315	(119,908)	14,236,631	1,973,058
<u>\$ 16,376,205</u>	<u>\$ 51,196,529</u>	<u>\$ 187,064,288</u>	<u>\$ 5,432,955</u>



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**CITY OF DAVENPORT
RECONCILIATION OF ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total enterprise funds net position \$ 187,064,288

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. 77,947

Adjustments to reflect the consolidation of prior years internal service fund activities related to enterprise funds. 657,332

Net position of business-type activities \$ 187,799,567

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, 2020**

	<u>BUSINESS-TYPE ACTIVITIES -</u>		
	<u>PARKING SYSTEM</u>	<u>SEWER OPERATIONS</u>	<u>RIVERCENTER</u>
OPERATING REVENUES:			
Charges for services	\$ 977,983	\$ 24,170,245	\$ 3,132,207
Fines and forfeits	73,287	-	-
Other	71	102,444	132,132
Total Operating Revenues	<u>1,051,341</u>	<u>24,272,689</u>	<u>3,264,339</u>
OPERATING EXPENSES:			
Employee expenses	324,265	6,838,287	-
Supplies and services	541,266	7,039,043	4,010,389
Depreciation	789,852	6,284,953	1,119,571
Total Operating Expenses	<u>1,655,383</u>	<u>20,162,283</u>	<u>5,129,960</u>
OPERATING INCOME (LOSS)	<u>(604,042)</u>	<u>4,110,406</u>	<u>(1,865,621)</u>
NON-OPERATING REVENUES (EXPENSES):			
Taxes	-	-	-
Non-operating grants	-	-	-
Use of monies and property	15,168	411,928	-
Interest expense	(36,277)	(1,861,790)	(23,605)
Gain (loss) on disposition of capital assets	-	-	(137,563)
Total Non-operating Revenues (Expenses)	<u>(21,109)</u>	<u>(1,449,862)</u>	<u>(161,168)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(625,151)</u>	<u>2,660,544</u>	<u>(2,026,789)</u>
Capital contributions	-	570,838	448,665
Transfers in	704,437	-	834,655
Transfers out	-	(61,949)	-
Change in net position	<u>79,286</u>	<u>3,169,433</u>	<u>(743,469)</u>
Total net position - beginning	<u>16,176,667</u>	<u>78,575,670</u>	<u>22,233,967</u>
Total net position - ending	<u>\$ 16,255,953</u>	<u>\$ 81,745,103</u>	<u>\$ 21,490,498</u>

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

ENTERPRISE FUNDS

<u>CLEAN WATER</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS</u>
\$ 2,919,772	\$ 9,403,570	\$ 40,603,777	\$ 26,835,834
-	-	73,287	-
62	223,638	458,347	1,263,265
<u>2,919,834</u>	<u>9,627,208</u>	<u>41,135,411</u>	<u>28,099,099</u>
1,625,125	8,927,391	17,715,068	2,517,756
707,364	7,630,228	19,928,290	24,921,800
1,112,770	3,388,650	12,695,796	605,127
<u>3,445,259</u>	<u>19,946,269</u>	<u>50,339,154</u>	<u>28,044,683</u>
<u>(525,425)</u>	<u>(10,319,061)</u>	<u>(9,203,743)</u>	<u>54,416</u>
-	3,992,658	3,992,658	-
-	4,104,628	4,104,628	-
50,383	418,153	895,632	320,427
(35,436)	(28,385)	(1,985,493)	-
(62,562)	(716,606)	(916,731)	-
<u>(47,615)</u>	<u>7,770,448</u>	<u>6,090,694</u>	<u>320,427</u>
(573,040)	(2,548,613)	(3,113,049)	374,843
608,967	4,936,080	6,564,550	527,228
-	412,154	1,951,246	61,949
-	(104,138)	(166,087)	-
<u>35,927</u>	<u>2,695,483</u>	<u>5,236,660</u>	<u>964,020</u>
<u>16,340,278</u>	<u>48,501,046</u>	<u>181,827,628</u>	<u>4,468,935</u>
<u>\$ 16,376,205</u>	<u>\$ 51,196,529</u>	<u>\$ 187,064,288</u>	<u>\$ 5,432,955</u>



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**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, 2020**

Net change in net position in enterprise funds \$ 5,236,660

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.

77,947

Change in net position of business-type activities

\$ 5,314,607

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

CITY OF DAVENPORT**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020**

	BUSINESS-TYPE ACTIVITIES -	
	PARKING SYSTEM	SEWER OPERATIONS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	\$ 1,055,759	\$ 24,244,801
Cash received from interfund services provided	-	-
Cash paid to suppliers for goods and services	(559,394)	(6,841,073)
Cash paid to employees for services	(300,205)	(6,516,622)
Other operating revenue	71	102,444
Net Cash Provided by (Used for) Operating Activities	<u>196,231</u>	<u>10,989,550</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Proceeds (repayments) to other funds	-	(34,834)
Grants	-	20,328
Property tax	-	-
Transfers in	704,437	-
Transfers out	-	(61,949)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>704,437</u>	<u>(76,455)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
General obligation bonds issuance	-	15,649,785
Acquisition and construction of capital assets	-	(9,813,763)
Principal paid on long-term debt	(940,901)	(13,610,711)
Interest paid on long-term debt	(39,348)	(1,881,627)
Net Cash (Used for) Capital and Related Financing Activities	<u>(980,249)</u>	<u>(9,656,316)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and other investment income	<u>15,209</u>	<u>417,023</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(64,372)	1,673,802
CASH AND CASH EQUIVALENTS-BEGINNING	<u>67,319</u>	<u>18,479,374</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 2,947</u>	<u>\$ 20,153,176</u>

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

ENTERPRISE FUNDS

<u>RIVERCENTER</u>	<u>CLEANWATER</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS</u>
\$ 3,623,006	\$ 3,035,177	\$ 9,457,114	\$ 41,415,857	\$ -
-	-	-	-	26,845,529
(4,156,035)	(667,002)	(7,629,593)	(19,853,097)	(23,172,090)
-	(1,523,227)	(8,498,968)	(16,839,022)	(2,377,974)
<u>132,132</u>	<u>62</u>	<u>223,638</u>	<u>458,347</u>	<u>1,263,265</u>
<u>(400,897)</u>	<u>845,010</u>	<u>(6,447,809)</u>	<u>5,182,085</u>	<u>2,558,730</u>
-	77,030	-	42,196	59,451
-	-	3,907,898	3,928,226	-
-	-	3,901,817	3,901,817	-
834,655	-	412,154	1,951,246	61,949
<u>-</u>	<u>-</u>	<u>(104,138)</u>	<u>(166,087)</u>	<u>-</u>
<u>834,655</u>	<u>77,030</u>	<u>8,117,731</u>	<u>9,657,398</u>	<u>121,400</u>
-	660,000	775,000	17,084,785	-
-	(1,134,200)	(60,495)	(11,008,458)	-
(74,424)	(872,540)	(733,328)	(16,231,904)	-
<u>(23,876)</u>	<u>(36,881)</u>	<u>(29,898)</u>	<u>(2,011,630)</u>	<u>-</u>
<u>(98,300)</u>	<u>(1,383,621)</u>	<u>(48,721)</u>	<u>(12,167,207)</u>	<u>-</u>
<u>-</u>	<u>53,858</u>	<u>418,315</u>	<u>904,405</u>	<u>324,029</u>
335,458	(407,723)	2,039,516	3,576,681	3,004,159
<u>830,356</u>	<u>3,031,852</u>	<u>2,913,474</u>	<u>25,322,375</u>	<u>13,464,609</u>
<u>\$ 1,165,814</u>	<u>\$ 2,624,129</u>	<u>\$ 4,952,990</u>	<u>\$ 28,899,056</u>	<u>\$ 16,468,768</u>

 (continued)

CITY OF DAVENPORT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
For the Fiscal Year Ended June 30, 2020

	BUSINESS-TYPE ACTIVITIES -	
	PARKING SYSTEM	SEWER OPERATIONS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (604,042)	\$ 4,110,406
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	789,852	6,284,953
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	4,489	(46,632)
Decrease (increase) in inventory and prepaids	-	3,111
Decrease in pension related deferred outflow	5,422	105,183
Increase in OPEB related deferred outflows	(2,204)	(49,950)
Increase (decrease) in accounts payable/accrued liabilities	31,332	126,390
Decrease in net pension liability	(9,848)	(191,042)
Increase in total OPEB liability	4,063	92,094
Increase (decrease) in unearned revenue	-	-
Increase in pension related deferred inflows	13,378	259,521
Increase in OPEB related deferred inflows	2,157	48,879
Increase (decrease) in deferred amount on rounding	(38,368)	246,637
Total Adjustments	<u>800,273</u>	<u>6,879,144</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 196,231</u>	<u>\$ 10,989,550</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Acquisition of capital assets through capital contributions	\$ -	\$ 570,838
Contribution of capital assets by municipality	-	(517,519)
Contribution of capital assets by state and federal governments	-	(53,319)
Contribution of capital assets by other	-	-

ENTERPRISE FUNDS

<u>RIVERCENTER</u>	<u>CLEANWATER</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS</u>
\$ (1,865,621)	\$ (525,425)	\$ (10,319,061)	\$ (9,203,743)	\$ 54,416
1,119,571	1,112,770	3,388,650	12,695,796	605,127
(42,889)	115,405	(25,644)	4,729	9,695
(3,323)	80	2,309	2,177	(180,229)
-	24,504	143,757	278,866	40,172
-	(12,268)	(54,162)	(118,584)	(21,193)
(142,323)	58,454	95,238	169,091	1,964,778
-	(44,506)	(261,102)	(506,498)	(72,962)
-	22,618	99,863	218,638	39,073
533,688	-	78,761	612,449	-
-	60,459	354,695	688,053	99,115
-	12,005	53,003	116,044	20,738
-	20,914	(4,116)	225,067	-
<u>1,464,724</u>	<u>1,370,435</u>	<u>3,871,252</u>	<u>14,385,828</u>	<u>2,504,314</u>
\$ (400,897)	\$ 845,010	\$ (6,447,809)	\$ 5,182,085	\$ 2,558,730
\$ 448,665	\$ 608,967	\$ 4,936,080	\$ 6,564,550	\$ 527,228
(448,665)	(503,958)	(1,870,407)	(3,340,549)	(527,228)
-	(65,835)	(3,054,860)	(3,174,014)	-
-	(39,174)	(10,813)	(49,987)	-

CITY OF DAVENPORT

**AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
June 30, 2020**

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and investments	\$ 455,530
Interest receivable	1,272
Total assets	<u>\$ 456,802</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 46,045
Due to other governments	410,757
Total liabilities	<u>\$ 456,802</u>

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

CITY OF DAVENPORT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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 inter-fund 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 measurement focus is upon determination of changes in financial position, rather than upon net income determination. 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) 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

(d) 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.

(e) 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.

(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. The measurement focus is upon determination of net income.

CITY OF DAVENPORT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 (CONTINUED)

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:

- (a) **Parking System Fund** – Accounts for revenue and expenses associated with the City's parking system, which provides both on-street and off-street parking. This fund is a nonmajor fund but the City has elected to report it as a major fund for public interest purposes.
- (b) **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.
- (c) **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.
- (d) **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. This fund qualifies to be a nonmajor fund but the City has elected to report it as a major fund for public interest purposes.

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 account for assets held by the City in a trustee capacity under a formal trust agreement or as an agent for individuals, private organizations, other governmental units and/or other funds. The following is the City's fiduciary fund type:

(a) **Agency Funds**

Agency funds are custodial in nature (assets equal liabilities), and do not involve the measurement of results of operations. The agency funds function primarily as a clearing mechanism for cash resources, which are collected, held as such for brief period, and then disbursed to authorized recipients.

The City has 3 agency funds: Riverfront Task Force that accounts for donations toward the formulation of a plan for riverfront development; Library Gift that accounts for donations to the Davenport Public Library and disbursements as authorized by the Library Board of Trustees and M.D. Petersen Memorial that accounts for annual contributions from the Petersen estate and disbursements designated by the Davenport Levee Improvement Commission.

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. The agency funds do not have a measurement focus, as they record only assets and liabilities. 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 post employment benefits, 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.

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.

CITY OF DAVENPORT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 (CONTINUED)

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, 2020 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 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 for.

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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2019.

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, 2020 was \$16.78 per \$1,000 of assessed valuation.

I. Loans Receivable

Loans receivable, net of allowance, consist partially of \$11,703,649 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 allowances for estimated uncollectible amounts of approximately \$2,381,000 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, 2020, the amount outstanding is \$5,850,000 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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, 2020: unexpended general obligation bond proceeds and other monies restricted to capital outlay of \$7,554,122 and deposits and equipment replacements of \$2,904,072 in the Sewer Enterprise Fund, \$1,813,592 of unexpended bond proceeds in the Solid Waste Enterprise Fund; security deposits of \$37,745 in the Public Housing Fund, security deposits of \$1,500 in the Golf Courses Fund, and loan escrow payments of \$41,523 in the Community Development Act Special Revenue Fund. In governmental activities, there is also \$16,638,060 of unexpended general obligation bond 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:

Buildings	40-50 years
Improvements	10-20 years
Equipment and vehicles	3-15 years
Sanitary sewers	40 years
Streets and roads	10-30 years
Storm sewers	30 years
Traffic signals	20-40 years
Bridges	25-50 years
Seawalls	30-50 years
Tunnels	20-40 years

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 position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from 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.

Q. 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."

R. 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

S. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, 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 was \$5,930,678 and \$1,813,592, respectively. Unspent debt proceeds for the Capital Projects Fund were \$16,638,060. 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 \$9,607,397 for local option sales tax; \$937,468 for library; \$21,726,312 for debt service; \$2,625,755 for road use tax and \$907,502 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.

T. 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.

U. 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.

V. 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.

W. Prepays

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.

X. 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

Y. 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.

2. CONTINGENCIES

A. Litigation

The City records liabilities resulting from claims and legal actions only when they become probable and estimatable. There are several lawsuits pending against the City for various reasons. Liability insurance covers many of the lawsuits for personal injury, property damage and civil rights violations pending against the City.

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.

3. 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 \$127,229,003 and the bank balances were \$128,608,674. As of June 30, 2020, 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 in the Iowa Public Agency Investment Trust is unrated. 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. See next page for credit ratings for U.S. Agency securities.

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.

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

Depository Accounts	\$ 127,229,003
Cash and investments	\$ 97,782,859
Restricted cash and cash equivalents	28,990,614
Cash and investments, Agency Funds	455,530
	<u>\$ 127,229,003</u>

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

4. FUND TRANSFER RECONCILIATION

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

Transfer out:	Transfer in:								
	General Fund	General Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Parking Fund	RiverCenter Fund	Non-major Proprietary Funds	Risk Mgmt Internal Service Fund	Total Transfer
General Fund	\$ -	\$ -	\$ 344,536	\$ 1,418,812	\$ -	\$ 746,050	\$ 377,154	\$ -	\$ 2,886,552
Local Option Sales Tax Fund	-	11,148,213	4,298,449	75,000	-	-	35,000	-	15,556,662
Road Use Tax Fund	-	-	818,751	-	-	-	-	-	818,751
General Debt Service Fund	-	-	-	-	704,437	88,605	-	-	793,042
Sewer Fund	-	-	-	-	-	-	-	61,949	61,949
Other Non-major Proprietary Funds	-	-	-	104,138	-	-	-	-	104,138
Other Non-major Governmental Funds	327,500	-	-	525,000	-	-	-	-	852,500
Total transfer	\$ 327,500	\$ 11,148,213	\$ 5,461,736	\$ 2,122,950	\$ 704,437	\$ 834,655	\$ 412,154	\$ 61,949	\$ 21,073,594

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.

5. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2020, interfund receivables and payables are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Information Technology Internal Service Fund	\$ 289,712
General Debt Service	Local Option Sales Tax	859,825
Capital Projects	General Fund	59,944
	Sewer Fund	110
	Clean Water Fund	126,163
	Local Option Sales Tax	465,755
		<u>\$ 1,801,509</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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

6. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	BEGINNING BALANCE 07/1/19	ADDITIONS	REDUCTIONS	ENDING BALANCE 06/30/20
GOVERNMENTAL ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 19,251,560	\$ 345,030	\$ -	\$ 19,596,590
Construction in progress	3,841,894	7,420,083	(3,676,026)	7,585,951
Total capital assets, not being depreciated	<u>23,093,454</u>	<u>7,765,113</u>	<u>(3,676,026)</u>	<u>27,182,541</u>
Capital assets being depreciated				
Buildings	124,601,130	690,008	(97,550)	125,193,588
Improvements other than buildings	31,820,955	1,341,438	(33,269)	33,129,124
Equipment and vehicles	46,757,022	6,865,612	(1,240,636)	52,381,998
Bridges	11,148,080	135,661	-	11,283,741
Traffic Signals	10,237,769	93,894	-	10,331,663
Streets and roads	295,652,827	9,951,079	-	305,603,906
Seawalls	2,685,289	-	-	2,685,289
Tunnels	54,326	-	-	54,326
Total capital assets being depreciated	<u>522,957,398</u>	<u>19,077,692</u>	<u>(1,371,455)</u>	<u>540,663,635</u>
Less accumulated depreciation for:				
Buildings	48,979,725	3,233,715	(57,987)	52,155,453
Improvements other than buildings	19,662,924	1,459,432	(31,456)	21,090,900
Equipment and vehicles	35,579,648	2,929,121	(1,236,733)	37,272,036
Bridges	4,225,045	305,091	-	4,530,136
Traffic signals	7,016,855	239,571	-	7,256,426
Streets and roads	119,463,131	9,455,120	-	128,918,251
Seawalls	706,334	84,323	-	790,657
Tunnels	34,630	2,716	-	37,346
Total accumulated depreciation	<u>235,668,292</u>	<u>17,709,089</u>	<u>(1,326,176)</u>	<u>252,051,205</u>
Total capital assets being depreciated, net	<u>287,289,106</u>	<u>1,368,603</u>	<u>(45,279)</u>	<u>288,612,430</u>
Governmental activities capital assets, net	<u>\$ 310,382,560</u>	<u>\$ 9,133,716</u>	<u>\$ (3,721,305)</u>	<u>\$ 315,794,971</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 12,969,267	\$ -	\$ -	\$ 12,969,267
Construction in progress	27,644,009	9,249,652	(12,719,854)	24,173,807
Total capital assets not being depreciated	<u>40,613,276</u>	<u>9,249,652</u>	<u>(12,719,854)</u>	<u>37,143,074</u>
Capital assets, being depreciated:				
Buildings	127,357,403	353,571	(373,767)	127,337,207
Improvements other than buildings	27,613,640	11,487,446	(3,000,442)	36,100,644
Equipment and vehicles	45,556,273	3,482,067	(472,987)	48,565,353
Sanitary sewer	152,737,218	4,665,146	-	157,402,364
Storm Sewer	28,097,090	1,067,345	-	29,164,435
Streets and roads	1,637,383	-	-	1,637,383
Total capital assets being depreciated	<u>382,999,007</u>	<u>21,055,575</u>	<u>(3,847,196)</u>	<u>400,207,386</u>
Less accumulated depreciation for:				
Buildings	68,036,597	3,600,763	(244,582)	71,392,778
Improvements other than buildings	12,368,097	1,176,604	(2,208,939)	11,335,762
Equipment and vehicles	31,063,802	2,604,085	(464,609)	33,203,278
Sanitary sewer	56,804,527	4,348,309	-	61,152,836
Storm sewer	14,762,516	905,382	-	15,667,898
Streets and roads	452,901	60,652	-	513,553
Total accumulated depreciation	<u>183,488,440</u>	<u>12,695,795</u>	<u>(2,918,130)</u>	<u>193,266,105</u>
Total capital assets, being depreciated, net	<u>199,510,567</u>	<u>8,359,780</u>	<u>(929,066)</u>	<u>206,941,281</u>
Business-type activities capital assets, net	<u>\$ 240,123,843</u>	<u>\$ 17,609,432</u>	<u>\$ (13,648,920)</u>	<u>\$ 244,084,355</u>

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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

Governmental activities:	
General government	\$ 707,867
Community & economic development	39,811
Public works	11,138,540
Public safety	2,058,478
Culture & recreation	3,159,266
Internal service assets are charged to the various functions based on their usage of the assets	605,127
Total depreciation expense-governmental activities	<u>\$17,709,089</u>
Business-type activities:	
Parking systems	\$ 789,852
Sewer operations	6,284,953
RiverCenter	1,119,570
Public transit	748,580
Public housing	256,961
Golf courses	131,291
Airport	788,985
Solid Waste	754,252
Clean Water Utility	1,112,770
Rivers Edge	134,942
Transload	573,639
Total depreciation expense-business-type activities	<u>\$12,695,795</u>

The City has active construction projects as of June 30, 2020. 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:

Projects	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Streets/Improvements	\$ 18,144,370	\$ 12,506,384
Sanitary Sewer/WPCP	15,638,008	15,361,794
Parks	20,636	300,547
Neighborhood Projects	23,009	218,830
Public Buildings	1,384,102	1,431,923
Total	<u>\$ 35,210,125</u>	<u>\$ 29,819,478</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, 2020 in the amount of \$2,419,144 which includes solid waste vehicles, road salt and parks and recreation equipment.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

7. 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. Below is a summary of amounts reported by the City as of and for the year ended June 30, 2020:

	<u>IPERS</u>	<u>MFPRSI</u>	<u>Total</u>
Deferred Outflow of Resources	\$ 6,668,384	\$ 13,319,540	\$ 19,987,924
Deferred Inflow of Resources	(4,121,960)	(1,607,237)	(5,729,197)
Net Pension Liability	(25,352,785)	(51,029,867)	(76,382,652)
Pension Expense	(4,517,011)	(10,528,750)	(15,045,761)

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, anytime 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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

Contributions - 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 2020, 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, 2020 were \$3,124,419.

Net Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$25,352,785 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's collective proportion was 0.4378222 percent which was an increase of 0.012935 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$4,517,011. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 70,285	\$ (911,554)
Change of assumptions	2,715,646	-
Net difference between projected and actual earnings on pension plan investments	-	(2,856,954)
Changes in proportion and differences between City contributions and the City's proportionate share of contributions	<u>758,034</u>	<u>(353,452)</u>
Total deferred amounts to be recognized in pension expense in future periods	3,543,965	(4,121,960)
City contributions subsequent to the measurement date	<u>3,124,419</u>	-
Total	<u>\$ 6,668,384</u>	<u>\$ (4,121,960)</u>

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

\$3,124,419 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, 2021. 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:

<u>Year ended June 30,</u>	<u>Total</u>
2021	\$ 521,113
2022	(527,625)
2023	(248,925)
2024	(321,849)
2025	(709)
	<u>\$(577,995)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019 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, 2019 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 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:

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Domestic equity	22.0%	5.60%
International equity	15.0%	6.08%
Global smart beta equity	3.0%	5.82%
Core-plus fixed income	27.0%	1.71%
Public credit	3.5%	3.32%
Public real assets	7.0%	2.81%
Cash	1.0%	-0.21%
Private equity	11.0%	10.13%
Private real estate	7.5%	4.76%
Private credit	3%	3.01%
Total	100%	

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.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
City’s proportionate share of the net pension liability:	\$ 45,018,362	\$ 25,352,785	\$ 8,857,515

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, 2020, 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

CITY OF DAVENPORT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 (CONTINUED)

(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, 2020.

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 24.41% for the year ended June 30, 2020.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

The City's contributions to MFPRSI for the year ended June 30, 2020 were \$6,045,972.

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 Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2020.

Net Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions
At June 30, 2020, the City reported a liability of \$51,029,867 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's proportion was 7.779814% which was an increase of 0.027723% from its proportions measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$10,528,750. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,757,202	\$ (477,512)
Change of assumptions	2,562,117	(222,098)
Net difference between projected and actual earnings on pension plan investments	2,811,552	-
Changes in proportion and differences between City contributions and the City's proportionate share of contributions	<u>142,697</u>	<u>(907,627)</u>
Total deferred amounts to be recognized in pension expense in future periods	7,273,568	(1,607,237)
City contributions subsequent to the measurement date	<u>6,045,972</u>	-
Total	<u>\$ 13,319,540</u>	<u>\$ (1,607,237)</u>

\$6,045,972 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, 2021. 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:

<u>Year ended June 30,</u>	<u>Total</u>
2021	\$ 2,989,902
2022	151,464
2023	1,330,430
2024	1,115,250
2025	79,280
	<u>\$ 5,666,326</u>

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

Actuarial Assumptions The total pension liability in the June 30, 2019, 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

Mortality rates as of June 30, 2019 were based on RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap		5.5%
Small Cap		5.8%
International Large Cap		7.3%
Core Plus Fixed Income		3.3%
Emerging Markets		9.0%
Emerging Market Debt		6.3%
Master Limited Partnerships		9.0%
Core Investments	40.0%	
Private Equity	15.0%	9.0%
Private Core Real Estate		6.0%
Private Non-Core Real Estate		8.0%
Real Estate	10.0%	
Tactical Asset Allocation	35.0%	6.4%
	<u>100.0%</u>	

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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 the net pension liability:	\$ 83,085,571	\$ 51,029,867	\$ 24,481,470

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, 2020, 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 1/2.

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, 2020, 2019 and 2018 were \$2,285,896, \$2,343,344, and \$2,123,957 respectively.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

8. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities, including premiums, for the year ended June 30, 2020 (numbers shown in thousands):

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 152,184	\$ 27,273	\$ (29,135)	\$ 150,322	\$ 17,050
Special Assessment Debt	1,056	47	-	1,103	-
Premium on issuance	8,523	-	(1,615)	6,908	-
Total Bonds Payable	161,763	27,320	(30,750)	158,333	17,050
Compensated Absences	4,052	5,143	(5,017)	4,178	39
Other post employment benefits payable	18,665	1,042	-	19,707	-
Net pension liability	64,431	3,845	-	68,276	-
Notes and loans from direct borrowings and direct placements	333	-	(146)	187	31
	<u>\$ 249,244</u>	<u>\$ 37,350</u>	<u>\$ (35,913)</u>	<u>\$ 250,681</u>	<u>\$ 17,120</u>
Business-type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 57,110	\$ 12,970	\$ (14,070)	\$ 56,010	\$ 6,485
Premium on issuance	3,428	-	(1,070)	2,358	-
Total Bonds Payable	60,538	12,970	(15,140)	58,368	6,485
Compensated Absences	691	1,305	(1,221)	775	7
Other post employment benefits payable	3,965	219	-	4,184	-
Net pension liability	8,613	-	(507)	8,106	-
Notes from direct borrowings and direct placements	19,990	4,116	(1,093)	23,013	1,536
	<u>\$ 93,797</u>	<u>\$ 18,610</u>	<u>\$ (17,961)</u>	<u>\$ 94,446</u>	<u>\$ 8,028</u>

The City is obligated for the Special Assessment Debt with governmental commitment debt service payments.

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end \$156,745 of internal service funds compensated absences, \$652,174 of other post-employment benefits, and \$1,066,235 of net pension liability are included in the above amounts. The governmental activities' compensated absences, other post employment benefits and net pension liability are generally liquidated by the fund incurring the expense. The General Fund of the city includes a trust and agency fund that is used to levy taxes to pay for and liquidate compensated absences and other post-employment benefits.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

General obligation bonds payable at June 30, 2020, is comprised of the following individual issues:

	Outstanding Balance June 30, 2020 (in thousands of dollars)
A. Matured bonds not presented for payment.	\$ 20
B. \$19,560,000 2013A General Obligation Streets, Sewers, Buildings, Solid Waste, Clean Water, Tax Increment Financing and Equipment serial bonds due in annual payments of \$575,000 to \$2,830,000 through June 1, 2032; interest at 2.0 to 3.25 percent (\$1,930,000, \$6,320,000, \$330,000 and \$528,000 in principal and interest thereon are being serviced by the Tax Increment Financing District Debt Service Fund, Sewer Enterprise Fund, Solid Waste Enterprise Fund and Clean Water Fund, respectively).	11,010
C. \$23,125,000 2014A General Obligation Streets, Sewers, Buildings, Solid Waste, Public Housing, Tax Increment Financing, Equipment and Refunding serial bonds due in annual installments of \$1,030,000 to \$1,825,000 through June 1, 2029; interest at 3.0 to 5.0 percent (\$330,000, \$6,465,000, \$1,315,000 and \$130,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund, Sewer Enterprise Fund, Solid Waste Enterprise Fund and Public Housing Enterprise Fund, respectively).	14,225
D. \$10,950,000 Crossover Refunding of \$5,990,000 of General Obligation Bonds, Series 2007A maturing June 1, 2016 through 2023, \$5,795,000 of General Obligation Bonds, Series 2008C maturing June 1, 2016 through 2023 due in annual installments of \$765,000 to \$1,755,000 through June 1, 2023; interest at 3.0% to 5.0% (\$980,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund).	3,305
E. \$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).	11,330
F. \$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).	33,375

CITY OF DAVENPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 (CONTINUED)

G.	\$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).	3,385
H.	\$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).	4,360
I.	\$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).	17,180
J.	\$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.	5,850
K.	\$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).	10,020
L.	\$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%.	25,855

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

M.	\$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%.	6,725
N.	\$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.)	20,505
O.	\$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%. The City refunded these bonds to reduce its total debt service payments over the next 5 years by \$143,800 and obtain a net economic gain (difference between the present values of the debt service payments on the old and new) of \$135,784.	40,290
	Total general obligation bonds and special assessment debt	207,435
	General obligation bonds serviced by Enterprise Funds	(56,010)
	General obligation bonds and special assessment debt reported in Governmental Activities	\$151,425

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 \$56,010,000. Debt abated by special assessment collections is accounted for in the governmental activities as Special Assessment Debt with Governmental Commitment in the amount of \$1,102,891. The debt to be abated by municipal improvement district taxes is accounted for in the governmental activities in the amount of \$70,000. These abated bonds, including interest thereon, are included in the above schedule and represent a contingent liability against the City's full faith and credit. 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, 2020, the statutory limit for the City was \$362,087,373 providing a debt margin of \$150,734,717.

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 semi annually commencing December 1, 2010. Principal repayment is annually each June 1 commencing June 1, 2012. As of June 30, 2020, 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 269,000	\$ 237,900
2022	278,000	229,830
2023	287,000	221,490
2024	296,000	212,880
2025	306,000	204,000
2026-2030	1,686,000	876,180
2031-2035	1,978,000	606,270
2036-2040	2,320,000	289,740
2041	510,000	15,300
	<u>\$ 7,930,000</u>	<u>\$ 2,893,590</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, 2020 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

The note is expected to be paid as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 277,000	\$ 31,058
2022	280,000	28,980
2023	283,000	26,880
2024	286,000	24,758
2025	288,000	22,612
2026-2030	1,485,000	80,213
2031-2034	1,242,000	23,400
	<u>\$ 4,141,000</u>	<u>\$ 237,901</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, 2020, the City had drawn \$6,817,349 of which \$1,278,000 in principal payments have been made resulting in a note payable balance of \$5,539,349 as of June 30, 2020. 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 336,000	\$ 109,550
2022	343,000	103,670
2023	349,000	97,667
2024	356,000	91,560
2025	364,000	85,330
2026-2030	1,930,000	328,580
2031-2035	2,130,000	152,845
2036	452,000	7,910
	<u>\$ 6,260,000</u>	<u>\$ 977,112</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, 2020, the City had drawn \$4,115,784 resulting in a note payable balance of \$4,115,784. 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.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

The below schedule is based on an estimated draw schedule. During the construction phase the City is required to follow the amortization schedule provided below:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 427,000	\$ 127,000
2022	436,000	174,302
2023	445,000	166,670
2024	454,000	158,882
2025	463,000	150,938
2026-2030	2,456,000	629,930
2031-2035	2,711,000	406,280
2036-2040	2,995,000	159,337
	<u>\$ 10,387,000</u>	<u>\$ 1,973,339</u>

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>
2021	\$ 31,079
2022	31,079
2023	31,079
2024	31,079
2025	31,079
2026	31,080
	<u>\$ 186,475</u>

The City was awarded \$37,100 from the Iowa Department of Natural Resources, Solid Waste Alternatives Program (SWAP) for single-stream recycling outreach programs (note payable). The award includes a \$20,000 forgivable loan and a \$17,100 zero-interest loan. The City has entered an agreement with the Scott County Solid Waste Commission (SCWC) as the single stream recycling is a community effort. The first payment was due in October 2016 and the final payment was due in July 2020. All payments have been made and the SCWC is waiting for the official closeout letter granting forgiveness of the loan.

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:

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

<u>Year ending June 30</u>	<u>Principal</u>
2021	\$ 194,838
2022	194,838
2023	194,838
2024	194,838
2025	194,838
2026-2027	210,708
	<u>\$ 1,184,898</u>

The City entered into a financing agreement for \$290,000 to purchase lighting for Modern Woodmen Ballpark. The agreement calls for annual principal payment commencing July 1, 2018 at 0 percent interest. The loan was paid back in fiscal year 2020, as per the agreement.

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 2020 all payments have been made timely. The loan is expected to be repaid as follows:

<u>Year ending June 30</u>	<u>Principal</u>
2021	\$ 32,620
2022	32,620
2023	16,325
	<u>\$ 81,565</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
	2021	\$ 17,030	\$ 5,107	\$ 6,485
2022	15,670	4,375	5,680	1,622
2023	16,005	3,817	5,810	1,419
2024	15,445	3,257	5,890	1,215
2025	13,240	2,699	5,705	908
2026-2030	52,385	7,982	19,210	2,782
2031-2034	21,630	1,292	7,230	445
	151,405	28,529	56,010	10,284
Matured	20	2	-	-
Totals	<u>\$ 151,425</u>	<u>\$ 28,531</u>	<u>\$ 56,010</u>	<u>\$ 10,284</u>

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

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

9. 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 \$12,000,000 for 2020. 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 \$1,217,591 as of June 30, 2020 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 2020. 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, \$7,366,882 of the claims payable as of June 30, 2020 is considered current and due within one year.

Changes in reported liabilities for the fiscal years ended June 30, 2019 and 2020 are summarized as follows:

	Employee Insurance Fund	Risk Management Fund	Total
Liabilities at June 30, 2018	\$ 1,434,559	\$ 8,220,396	\$ 9,654,955
Claims and changes in estimates during fiscal year 2019	14,241,164	3,845,401	18,086,565
Claim payments	(14,375,750)	(2,751,390)	(17,127,140)
Liabilities at June 30, 2019	1,299,973	9,314,407	10,614,380
Claims and changes in estimates during fiscal year 2020	14,151,330	5,477,565	19,628,895
Claim payments	(14,233,712)	(3,630,029)	(17,863,741)
Liabilities at June 30, 2020	\$ 1,217,591	\$ 11,161,943	\$ 12,379,534

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

10. OTHER POST EMPLOYMENT 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 Statement No. 75. 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 \$563,683 through their required contribution of \$1,039 per month for single health coverage, \$1,660 per month for single plus one health coverage and \$2,320 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, 2020, the following employees were covered by the benefit terms:

Active participants	756
Retired participants	44
	<u>800</u>

Changes in the Total OPEB Liability:	Total OPEB Liability
Balance as of July 1, 2019	\$ 22,629,887
Changes for the year:	
Service cost	1,845,432
Benefit changes	(415,035)
Difference between expected and actual experience	(764,189)
Interest	775,135
Changes in assumptions or other inputs	786,232
Contributions and payments made	(966,320)
Net changes	<u>1,261,255</u>
Balance as of June 30, 2020	<u>\$23,891,142</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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability	\$ 25,474,145	\$ 23,891,142	\$ 22,358,931

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

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 (6.5 percent decreasing to 2.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 4.5 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (6.5% decreasing to 2.5%)	Current Discount Rate (7.5% decreasing to 3.5%)	1% Increase Rate (8.5% decreasing to 4.5%)
Total OPEB Liability	\$ 21,242,494	\$ 23,891,142	\$ 27,005,409

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2020, the City recognized OPEB expense of \$1,246,590. At June 30, 2020, the City reported deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ 1,137,773	\$ 1,025,032

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 Outflows of Resources
2020	\$ 7,377
2021	7,377
2022	7,377
2023	7,377
2024	7,377
Thereafter	75,858
	<u>\$ 112,743</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, 2020 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	2.45%
Health care cost trend rates	7.5% for 2021 decreasing 0.50% per year to an ultimate rate of 3.5%
Mortality rates	PubG-2010 projected to 2019 using scale MP2019 for general. PubS-2010 projected to 2019 using scale MP2019 for Police and Fire

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

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

11. 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 of Davenport evaluated each of its funds at June 30, 2020 and classified fund balances into the following five categories:

Nonspendable – items that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted – items that are restricted by external parties such as creditors or imposed by grants, laws or enabling legislation. The city has legal restrictions on amounts collected by property tax levies, on forfeiture/seizure collections and on unspent bond proceeds. The City has restrictions by grantors for the balance of program income.

Committed – items that have been committed by formal action by the entity’s “highest level of decision-making authority”, which are City Council resolutions. The commitment of fund balances took place on May 18, 2011. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – items the Chief Financial Officer assigns as specific projects or purposes have been identified, as the City’s fund balance policy states. This power was granted by the City Council on May 18, 2011.

Unassigned – any balances that have no restrictions on them. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

The City’s policy on fund balance of the general fund, excluding the other specific-use funds, is that the unassigned fund balance will be maintained at 10 to 15 percent of the operating requirements. The current fund balance is within policy guidelines.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

Fund balances:	General Fund	Major Special Revenue Local Option Sales Tax Fund	Major Special Revenue Road Use Tax Fund	Major Debt Service Fund	Major Capital Projects Fund	Non major special revenue funds	Non major debt service fund	Total
Nonspendable:								
Prepays	\$ 60,881	\$ 48,265	\$ -	\$ -	\$ -	\$ 21,402	\$ -	\$ 130,548
Inventory	1,007,143	-	-	-	-	-	-	1,007,143
	1,068,024	48,265	-	-	-	21,402	-	1,137,691
Restricted for:								
Debt Service	-	-	-	17,982,211	-	-	9,590,720	27,572,931
Capital Projects	-	-	-	-	14,613,036	-	-	14,613,036
Police Non-recurring	166,150	-	-	-	-	-	-	166,150
Library	937,468	-	-	-	-	-	-	937,468
Employee Benefits Community	3,289,163	-	-	-	-	-	-	3,289,163
Development Block Grant projects	-	-	-	-	-	568,334	-	568,334
HUD Section 8 rents	-	-	-	-	-	58,276	-	58,276
Municipal Improvement projects	-	-	-	-	-	907,502	-	907,502
Youth Sports	-	-	-	-	-	29,944	-	29,944
Road Use Tax projects	-	-	2,625,755	-	-	-	-	2,625,755
Home Investment Partnership	-	-	-	-	-	655,094	-	655,094
Other grants	-	-	-	-	-	140,340	-	140,340
Local Option Sales Tax	-	9,607,397	-	-	-	-	-	9,607,397
	4,392,781	9,607,397	2,625,755	17,982,211	14,613,036	2,359,490	9,590,720	61,171,390
Committed for:								
Riverfront Improvement projects	-	-	-	-	-	81,561	-	81,561
Revolving Loans	-	-	-	-	-	3,565,319	-	3,565,319
	-	-	-	-	-	3,646,880	-	3,646,880
Assigned for:								
Library projects	197,805	-	-	-	-	-	-	197,805
Public Safety projects	1,810,244	-	-	-	-	-	-	1,810,244
Parks projects	15,214	-	-	-	-	-	-	15,214
Reforestation	35,477	-	-	-	-	-	-	35,477
City Hall projects	448,442	-	-	-	-	-	-	448,442
River Center projects	1,572,540	-	-	-	-	-	-	1,572,540
Next year budgeted deficits	1,085,020	-	-	-	-	-	-	1,085,020
	5,164,742	-	-	-	-	-	-	5,164,742
Unassigned:	12,589,015	-	-	-	-	(27,500)	-	12,561,515
Total Fund Balance:	\$ 23,214,562	\$ 9,655,662	\$ 2,625,755	\$ 17,982,211	\$ 14,613,036	\$ 6,000,272	\$ 9,590,720	\$ 83,682,218

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

12. TAX ABATEMENT DISCLOSURE

Governmental Accounting Standards Board Statement No. 77 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.

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, 2020, the City abated approximately \$2,740,000 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, 2020, the City abated approximately \$333,000 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, 2020, the City abated approximately of \$109,000 in local option sales tax.

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

13. RESTATEMENT OF BEGINNING FUND BALANCE AND BEGINNING NET POSITION

Included in our 2009C GO Bonds was debt for the Scott Emergency Communications Center. Scott County is making payments to us and it is being reported as a liability of the County. At the time of the debt issuance and remitting the funds to the County, we reported an expenditure, instead of a receivable. No receivable either at the fund level or government-wide has been recorded. We were reporting revenue each year for the reimbursement.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

The restatement is for the Debt Service Fund to record the June 30, 2019 receivable and increase beginning equity by \$6,380,000.

General Debt Service fund balance, June 30, 2019, as previously reported:	\$ 8,987,677
Note receivable	<u>6,380,000</u>
General Debt Service fund balance, June 30, 2019, as restated:	<u><u>15,367,677</u></u>
Governmental Activities net position, June 30, 2019, as previously reported:	164,659,431
Note receivable	<u>6,380,000</u>
Governmental Activities net position, June 30, 2019, as restated:	<u><u>\$ 171,039,431</u></u>

14. SUBSEQUENT EVENTS

On August 28, 2020, 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.

On October 28, 2020, the City issued \$21,675,000 Series 2020B General Obligation Bonds. The proceeds will be used for street improvements, sewer improvements, city facility improvements and community planning.

15. CONTINGENCIES

Due to COVID 19, the City of Davenport 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.

16. ADOPTED AND PENDING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

CITY OF DAVENPORT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 (CONTINUED)**

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning with its fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

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

CITY OF DAVENPORT

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

Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

	GOVERNMENTAL FUNDS ACTUAL	PROPRIETARY FUNDS ACTUAL	TOTAL ACTUAL
REVENUES:			
Taxes	\$ 101,347,774	\$ 3,992,658	\$ 105,340,432
Special assessments	142,819	-	142,819
Licenses and permits	2,239,474	-	2,239,474
Intergovernmental	31,648,556	4,104,628	35,753,184
Charges for services	4,068,388	67,439,611	71,507,999
Use of monies and property	1,988,919	1,216,059	3,204,978
Fines and forfeits	1,863,841	73,287	1,937,128
Loan repayments	531,235	-	531,235
Other	2,368,917	1,721,612	4,090,529
Total Revenues	<u>146,199,923</u>	<u>78,547,855</u>	<u>224,747,778</u>
EXPENDITURES:			
Current:			
Public safety	49,817,865	-	49,817,865
Public works	18,484,871	-	18,484,871
Culture and recreation	12,543,932	-	12,543,932
Community and economic development	13,123,954	-	13,123,954
General government	10,925,360	-	10,925,360
Capital outlay	32,735,220	-	32,735,220
Debt service:			
Principal retirement	29,249,915	-	29,249,915
Interest	5,766,900	-	5,766,900
Bond issuance costs	163,533	-	163,533
Business type activities	-	67,068,407	67,068,407
	<u>172,811,550</u>	<u>67,068,407</u>	<u>239,879,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(26,611,627)</u>	<u>11,479,448</u>	<u>(15,132,179)</u>
OTHER FINANCING SOURCES (USES), NET	<u>25,515,997</u>	<u>1,847,108</u>	<u>27,363,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(1,095,630)	13,326,556	12,230,926
BALANCES BEGINNING OF YEAR, as restated	<u>84,777,848</u>	<u>91,319,554</u>	<u>176,097,402</u>
BALANCES END OF YEAR	<u>\$ 83,682,218</u>	<u>\$ 104,646,110</u>	<u>\$ 188,328,328</u>

See note to Required Supplementary Information

<u>BUDGETED AMOUNTS</u>			
<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL TO ACTUAL VARIANCE</u>
\$ 105,850,250	\$ 105,929,249		\$ (588,817)
32,500	32,500		110,319
2,015,300	2,011,600		227,874
35,566,943	52,318,973		(16,565,789)
69,894,476	70,334,448		1,173,551
1,898,310	1,904,310		1,300,668
1,061,000	1,661,000		276,128
985,000	876,022		(344,787)
6,965,482	13,778,688		(9,688,159)
<u>224,269,261</u>	<u>248,846,790</u>		<u>(24,099,012)</u>
47,503,471	50,067,408		249,543
19,659,449	19,988,088		1,503,217
13,396,896	14,579,537		2,035,605
15,990,613	19,228,911		6,104,957
11,307,643	11,584,343		658,983
48,214,169	69,449,778		36,714,558
-			
17,095,994	29,165,994		(83,921)
5,658,801	5,766,900		-
-	163,533		-
74,093,494	84,586,180		17,517,773
<u>252,920,530</u>	<u>304,580,672</u>		<u>64,700,715</u>
<u>(28,651,269)</u>	<u>(55,733,882)</u>		<u>40,601,703</u>
<u>28,448,250</u>	<u>40,145,000</u>		<u>(12,781,895)</u>
(203,019)	(15,588,882)		27,819,808
<u>155,987,094</u>	<u>169,717,402</u>		<u>6,380,000</u>
<u>\$ 155,784,075</u>	<u>\$ 154,128,520</u>		<u>\$ 34,199,808</u>

CITY OF DAVENPORT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-BUDGETARY REPORTING
JUNE 30, 2020**

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 \$51,660,142. The budget amendment is reflected in the final budgeted amounts. The principal portion of the debt service function budget was exceeded by \$83,921 due to a budget omission of a payment.

	<u>Budgetary Basis</u>	<u>Adjustments</u>	<u>Adjusted Basis</u>
Revenues	\$ 224,747,778	-	\$ 224,747,778
Expenditures/expenses	<u>239,879,957</u>	<u>13,300,923</u>	<u>253,180,880</u>
Net	(15,132,179)	(13,300,923)	(28,433,102)
Other financing sources, net	27,363,105	6,175,047	33,538,152
Beginning fund balance/ net position	<u>176,097,402</u>	<u>94,977,009</u>	<u>271,074,411</u>
Ending fund balance/ net position	\$ <u><u>188,328,328</u></u>	<u><u>87,851,133</u></u>	\$ <u><u>276,179,461</u></u>

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:			
Service cost	\$ 1,845	\$ 1,530	\$ 1,489
Benefit changes	(415)	-	-
Difference between expected and actual experience	(764)	-	-
Interest	775	783	741
Changes in assumptions or other inputs	786	495	(426)
Contributions and payments made	(966)	(840)	(704)
Net Change in total OPEB liability	\$ 1,261	\$ 1,968	\$ 1,100
Total Liability, beginning	<u>22,630</u>	<u>20,662</u>	<u>19,562</u>
Total OPEB Liability, ending	<u><u>\$ 23,891</u></u>	<u><u>\$ 22,630</u></u>	<u><u>\$ 20,662</u></u>
Covered payroll	52,191	50,222	48,624
Total OPEB liability as percentage of covered payroll	45.78%	45.06%	42.49%

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%

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.

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 3,124	\$ 3,142	\$ 2,854	\$ 2,759	\$ 2,706
Contributions in relation to the statutorily required contributions	<u>(3,124)</u>	<u>(3,142)</u>	<u>(2,854)</u>	<u>(2,759)</u>	<u>(2,706)</u>
Contribution deficiency (excess)		-	-	-	-
City's covered payroll	\$ 33,098	\$ 33,289	\$ 31,957	\$ 30,891	\$ 30,307
Contributions as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%	8.93%

See note to Required Supplementary Information - IPERS pension liability

2015	2014	2013	2012	2011
\$ 2,679	\$ 2,667	\$ 2,568	\$ 2,514	\$ 2,114
(2,679)	(2,667)	(2,568)	(2,514)	(2,114)
-	-	-	-	-
\$ 29,996	\$ 29,880	\$ 29,619	\$ 31,152	\$ 30,396
8.93%	8.93%	8.67%	8.07%	6.95%

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's proportion of the net pension liability	0.4378222%	0.4248875%	0.4126429%	0.4200566%
City's proportionate share of the net pension liability	\$ 25,353	\$ 26,888	\$ 27,487	\$ 26,435
City's covered payroll	\$ 33,289	\$ 31,957	\$ 30,891	\$ 30,307
City's proportionate share of the net pension liability as a percentage of its covered payroll	76.16%	84.14%	88.98%	87.22%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	81.23%	81.82%

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.

<u>2016</u>		<u>2015</u>	
June 30, 2015		June 30, 2014	
	0.437825%		0.456666%
\$	21,631	\$	18,111
\$	29,996	\$	29,880
	72.11%		60.61%
	85.19%		87.61%



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CITY OF DAVENPORT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-IPERS PENSION LIABILITY JUNE 30, 2020

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 3.00 percent to 2.60 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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 6,046	\$ 6,143	\$ 5,807	\$ 5,747	\$ 6,090
Contributions in relation to the statutorily required contributions	<u>(6,046)</u>	<u>(6,143)</u>	<u>(5,807)</u>	<u>(5,747)</u>	<u>(6,090)</u>
Contribution deficiency (excess)	-	-	-	-	-
City's covered payroll	\$ 24,768	\$ 23,607	\$ 22,612	\$ 22,170	\$ 21,930
Contributions as a percentage of covered payroll	24.41%	26.02%	25.68%	25.92%	27.77%

See note to Required Supplementary Information - MFPRSI pension liability.

2015	2014	2013	2012	2011
\$ 6,445	\$ 6,292	\$ 5,330	\$ 5,320	\$ 4,023
(6,445)	(6,292)	(5,330)	(5,320)	(4,023)
-	-	-	-	-
\$ 21,194	\$ 20,891	\$ 20,406	\$ 21,486	\$ 20,216
30.41%	30.12%	26.12%	24.76%	19.90%

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension liability	7.7798140%	7.7520910%	7.8139830%	8.1133690%	8.0960530%	8.2312780%
City's proportionate share of the net pension liability	\$ 51,030	\$ 46,156	\$ 45,827	\$ 50,730	\$ 47,007	\$ 38,534
City's covered payroll	\$ 23,607	\$ 22,612	\$ 22,170	\$ 21,930	\$ 21,194	\$ 20,891
City's proportionate share of the net pension liability as a percentage of its covered payroll	216.16%	204.12%	206.71%	231.33%	221.79%	184.45%
Plan fiduciary net position as a percentage of the total pension liability	79.94%	81.07%	80.60%	78.20%	83.04%	86.27%

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.

CITY OF DAVENPORT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION- MFPRSI
PENSION LIABILITY
JUNE 30, 2020**

Changes of benefit terms:

There were no significant changes to the benefit terms.

Changes of assumptions:

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period of July 1, 2007 to June 30, 2017. 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.



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COMBINING STATEMENTS, AND SCHEDULES

Non - Major Governmental Funds

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, 2020**

ASSETS	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	RIVERFRONT IMPROVEMENT FUND	MUNICIPAL IMPROVEMENT DISTRICTS	REVOLVING LOANS
Cash and investments	\$ 552,399	\$ 132,647	\$ 56,576	\$ 1,235,205	\$ 3,569,092
Receivables:					
Property taxes:					
Delinquent	-	-	-	176,881	-
Succeeding year	-	-	-	1,107,407	-
Other Taxes	-	-	-	-	-
Accounts	-	36,664	37,970	-	-
Loans	2,654,626	-	-	-	751,459
Interest	-	210	38	3,295	7,494
Due from other governments	98,859	-	-	-	-
Prepays	-	21,402	-	-	-
Restricted assets-cash and investments	41,523	-	-	-	-
TOTAL ASSETS	\$ 3,347,407	\$ 190,923	\$ 94,584	\$ 2,522,788	\$ 4,328,045
LIABILITIES					
Wages payable	16,062	13,350	4,683	-	-
Accounts payable	66,862	2,973	8,340	397,960	11,267
Contracts payable	-	-	-	-	-
Note payable	-	-	-	-	-
Payable from restricted assets	41,523	-	-	-	-
Unearned revenue	-	94,922	-	-	751,459
TOTAL LIABILITIES	124,447	111,245	13,023	397,960	762,726
DEFERRED INFLOWS OF RESOURCES					
Succeeding year property tax	-	-	-	1,107,407	-
Unavailable revenue	2,654,626	-	-	109,919	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,654,626	-	-	1,217,326	-
FUND BALANCES					
Nonspendable fund balance	\$ -	21,402	\$ -	\$ -	\$ -
Restricted fund balance	568,334	58,276	-	907,502	-
Committed fund balance	-	-	81,561	-	3,565,319
Unassigned fund balance	-	-	-	-	-
TOTAL FUND BALANCES	568,334	79,678	81,561	907,502	3,565,319
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,347,407	\$ 190,923	\$ 94,584	\$ 2,522,788	\$ 4,328,045

HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 682,317	\$ 125,300	\$ 33,755	\$ 9,529,989	\$ 15,917,280
-	-	-	685,414	862,295
-	-	-	5,999,999	7,107,406
-	-	-	187,807	187,807
-	-	-	-	74,634
8,074,636	222,928	-	-	11,703,649
-	-	-	21,523	32,560
23,731	15,040	-	-	137,630
-	-	-	-	21,402
-	-	-	-	41,523
<u>\$ 8,780,684</u>	<u>\$ 363,268</u>	<u>\$ 33,755</u>	<u>\$ 16,424,732</u>	<u>\$ 36,086,186</u>
1,902	5,662	3,811	-	45,470
45,601	-	-	219,360	752,363
3,451	-	-	-	3,451
-	-	-	186,474	186,474
-	-	-	-	41,523
8,074,636	6,798	-	-	8,927,815
<u>8,125,590</u>	<u>12,460</u>	<u>3,811</u>	<u>405,834</u>	<u>9,957,096</u>
-	-	-	5,999,999	7,107,406
-	237,968	-	428,179	3,430,692
-	<u>237,968</u>	-	<u>6,428,178</u>	<u>10,538,098</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,402
655,094	140,340	29,944	9,590,720	11,950,210
-	-	-	-	3,646,880
-	(27,500)	-	-	(27,500)
<u>655,094</u>	<u>112,840</u>	<u>29,944</u>	<u>9,590,720</u>	<u>15,590,992</u>
<u>\$ 8,780,684</u>	<u>\$ 363,268</u>	<u>\$ 33,755</u>	<u>\$ 16,424,732</u>	<u>\$ 36,086,186</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, 2020**

	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	RIVERFRONT IMPROVEMENT FUND	MUNICIPAL IMPROVEMENT DISTRICTS	REVOLVING LOANS
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 1,419,888	\$ -
Intergovernmental	1,038,248	3,932,589	-	153,651	-
Use of monies and property	43,932	1,379	254,289	21,627	54,511
Charges for services	-	96,452	-	-	-
Loan repayments	337,447	-	-	-	27,303
Other	-	29,199	90,724	-	-
Total Revenues	<u>1,419,627</u>	<u>4,059,619</u>	<u>345,013</u>	<u>1,595,166</u>	<u>81,814</u>
EXPENDITURES:					
Current:					
Culture and recreation	-	-	-	-	-
Community and economic development	1,365,920	4,242,923	299,252	1,585,685	82,223
General government	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	65,000	-
Interest	-	-	-	6,750	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>1,365,920</u>	<u>4,242,923</u>	<u>299,252</u>	<u>1,657,435</u>	<u>82,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>53,707</u>	<u>(183,304)</u>	<u>45,761</u>	<u>(62,269)</u>	<u>(409)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	525,000	104,138	75,000	-	1,350,000
Transfers out	-	-	(52,500)	-	(525,000)
Refunding bond issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>104,138</u>	<u>22,500</u>	<u>-</u>	<u>825,000</u>
NET CHANGE IN FUND BALANCES	<u>578,707</u>	<u>(79,166)</u>	<u>68,261</u>	<u>(62,269)</u>	<u>824,591</u>
FUND BALANCES - BEGINNING	<u>(10,373)</u>	<u>158,844</u>	<u>13,300</u>	<u>969,771</u>	<u>2,740,728</u>
FUND BALANCES - ENDING	<u>\$ 568,334</u>	<u>\$ 79,678</u>	<u>\$ 81,561</u>	<u>\$ 907,502</u>	<u>\$ 3,565,319</u>

HOME INVESTMENT PARTNERSHIP	MISCELLANEOUS GRANTS	YOUTH SPORTS	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 5,814,676	\$ 7,234,564
169,196	1,076,860	-	109,540	6,480,084
75,283	4,219	-	155,112	610,352
-	-	66,706	-	163,158
159,386	7,099	-	-	531,235
-	-	1,000	-	120,923
<u>403,865</u>	<u>1,088,178</u>	<u>67,706</u>	<u>6,079,328</u>	<u>15,140,316</u>
-	-	135,441	-	135,441
783,465	245,591	-	2,774,559	11,379,618
-	155,586	-	-	155,586
-	-	-	4,120,000	4,185,000
-	-	-	990,690	997,440
-	-	-	1,028	1,028
<u>783,465</u>	<u>401,177</u>	<u>135,441</u>	<u>7,886,277</u>	<u>16,854,113</u>
<u>(379,600)</u>	<u>687,001</u>	<u>(67,735)</u>	<u>(1,806,949)</u>	<u>(1,713,797)</u>
-	68,812	-	-	2,122,950
-	-	-	(275,000)	(852,500)
-	-	-	225,000	225,000
-	68,812	-	(50,000)	1,495,450
(379,600)	755,813	(67,735)	(1,856,949)	(218,347)
1,034,694	(642,973)	97,679	11,447,669	15,809,339
<u>\$ 655,094</u>	<u>\$ 112,840</u>	<u>\$ 29,944</u>	<u>\$ 9,590,720</u>	<u>\$ 15,590,992</u>



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Non-Major Enterprise Funds

Public Housing Fund – Accounts for revenue and expenses associated with the Heritage High-Rise housing facility for the elderly, handicapped and disabled 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.

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.

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.

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

ASSETS	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
Current assets:			
Cash and cash equivalents	\$ 662,802	\$ 13,500	\$ -
Receivables:			
Property taxes:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	22,687	13,891	4,103
Interest	1,187	90	-
Inventory	-	-	-
Due from other governments	416	-	34,350
Total current assets	687,092	27,481	38,453
Noncurrent assets:			
Restricted cash and cash equivalents	37,745	1,500	-
Capital assets:			
Land	526,071	1,263,102	749,356
Buildings	8,566,416	540,423	2,614,587
Improvements other than buildings	200,000	2,719,806	22,148,804
Paving	131,163	10,953	-
Equipment and vehicles	321,678	1,541,288	189,874
Less accumulated depreciation	(7,880,809)	(4,008,249)	(8,651,399)
Construction in progress	-	13,662	-
Total noncurrent assets	1,902,264	2,082,485	17,051,222
Total assets	2,589,356	2,109,966	17,089,675
DEFERED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	23,799	121,874	16,239
OPEB related deferred outflows	2,278	7,054	1,537
Total deferred outflows of resources	26,077	128,928	17,776
LIABILITIES			
LIABILITIES:			
Current liabilities:			
Wages payable	6,935	53,832	4,466
Accounts payable	7,467	25,577	2,419
Accrued interest payable	308	-	600
Compensated absences	5,399	32,827	4,093
Unearned revenue	2,385	-	-
Note payable-current	-	-	-
General obligation bonds - current	10,000	-	30,000
Total current liabilities	32,494	112,236	41,578
Current liabilities payable from restricted assets:			
Deposits payable	37,745	1,500	-
Noncurrent liabilities:			
Compensated absences	51	311	39
Other postemployment benefits liability	48,181	177,459	24,193
Net pension liability	99,272	532,922	61,147
Note payable	-	-	-
General obligation bonds - long term	90,000	-	146,577
Total noncurrent liabilities	237,504	710,692	231,956
Total liabilities	307,743	824,428	273,534
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	-	-	-
Deferred charge on refunding	-	-	10,552
Pension related deferred inflows	10,586	61,498	10,651
OPEB related deferred inflows	2,062	6,054	1,425
Total deferred inflows of resources	12,648	67,552	22,628
NET POSITION			
Net investment in capital assets	1,764,519	2,080,985	16,864,093
Unrestricted	530,523	(734,071)	(52,804)
Total net position	\$ 2,295,042	\$ 1,346,914	\$ 16,811,289

ENTERPRISE FUNDS

<u>PUBLIC TRANSIT</u>	<u>SOLID WASTE</u>	<u>TRANSLOAD</u>	<u>RIVER'S EDGE</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>
\$ 512,183	\$ 1,738,078	170,225	\$ 3,365	\$ 3,100,153
131,942	-	-	-	131,942
4,163,975	-	-	-	4,163,975
28,372	2,624,306	-	-	2,693,359
-	4,402	-	-	5,679
223,161	-	-	-	223,161
191,064	-	-	-	225,830
<u>5,250,697</u>	<u>4,366,786</u>	<u>170,225</u>	<u>3,365</u>	<u>10,544,099</u>
-	1,813,592	-	-	1,852,837
1,599,288	-	1,605,366	-	5,743,183
6,501,407	24,888	11,946,185	1,769,037	31,962,943
514,235	-	8,082,070	848,853	34,513,768
6,888	-	-	-	149,004
9,695,417	7,032,620	-	400,694	19,181,571
(9,676,221)	(4,958,427)	(2,568,511)	(1,135,842)	(38,879,458)
-	-	-	33,530	47,192
<u>8,641,014</u>	<u>3,912,673</u>	<u>19,065,110</u>	<u>1,916,272</u>	<u>54,571,040</u>
<u>13,891,711</u>	<u>8,279,459</u>	<u>19,235,335</u>	<u>1,919,637</u>	<u>65,115,139</u>
462,485	356,635	-	60,751	1,041,783
38,048	38,694	-	1,529	89,140
<u>500,533</u>	<u>395,329</u>	<u>-</u>	<u>62,280</u>	<u>1,130,923</u>
149,040	102,493	-	9,805	326,571
112,094	178,561	1,191	12,881	340,190
-	4,850	-	-	5,758
121,994	147,422	-	19,227	330,962
92,998	-	-	-	95,383
32,620	194,838	-	-	227,458
-	400,000	-	-	440,000
<u>508,746</u>	<u>1,028,164</u>	<u>1,191</u>	<u>41,913</u>	<u>1,766,322</u>
-	-	-	-	39,245
1,158	1,399	-	182	3,140
802,859	803,526	-	56,115	1,912,333
1,557,219	1,372,539	-	197,351	3,820,450
48,945	1,010,061	-	-	1,059,006
-	1,241,764	-	-	1,478,341
<u>2,410,181</u>	<u>4,429,289</u>	<u>-</u>	<u>253,648</u>	<u>8,273,270</u>
<u>2,918,927</u>	<u>5,457,453</u>	<u>1,191</u>	<u>295,561</u>	<u>10,078,837</u>
4,163,975	-	-	-	4,163,975
-	-	-	-	10,552
343,295	236,915	-	52,823	715,768
34,262	35,230	-	1,368	80,401
<u>4,541,532</u>	<u>272,145</u>	<u>-</u>	<u>54,191</u>	<u>4,970,696</u>
8,559,449	1,066,009	19,065,110	1,916,272	51,316,437
(1,627,664)	1,879,181	169,034	(284,107)	(119,908)
<u>\$ 6,931,785</u>	<u>\$ 2,945,190</u>	<u>\$ 19,234,144</u>	<u>\$ 1,632,165</u>	<u>\$ 51,196,529</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, 2020**

	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
OPERATING REVENUES:			
Charges for services	\$ 463,424	\$ 1,717,258	\$ 184,977
Other	53,617	7,163	12,212
Total Operating Revenues	<u>517,041</u>	<u>1,724,421</u>	<u>197,189</u>
OPERATING EXPENSES:			
Employee expenses	179,528	932,834	122,543
Supplies and services	836,176	891,353	201,559
Depreciation	256,961	131,291	788,985
Total Operating Expenses	<u>1,272,665</u>	<u>1,955,478</u>	<u>1,113,087</u>
OPERATING INCOME (LOSS)	<u>(755,624)</u>	<u>(231,057)</u>	<u>(915,898)</u>
NON-OPERATING REVENUES (EXPENSES):			
Taxes	-	-	-
Operating grants	854,655	-	34,350
Use of monies and property	7,789	8,588	47,347
Interest expense	(3,923)	-	(4,058)
Gain (loss) on disposition of capital assets	-	-	(717,541)
Total Non-operating Revenues (Expenses)	<u>858,521</u>	<u>8,588</u>	<u>(639,902)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	102,897	(222,469)	(1,555,800)
Capital contributions	-	139,010	1,278,348
Transfers in	-	36,710	81,509
Transfers out	(104,138)	-	-
Change in net position	<u>(1,241)</u>	<u>(46,749)</u>	<u>(195,943)</u>
Total net position	<u>2,296,283</u>	<u>1,393,663</u>	<u>17,007,232</u>
Total net position - ending	<u>\$ 2,295,042</u>	<u>\$ 1,346,914</u>	<u>\$ 16,811,289</u>

ENTERPRISE FUNDS

<u>PUBLIC TRANSIT</u>	<u>SOLID WASTE</u>	<u>TRANSLOAD</u>	<u>RIVER'S EDGE</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>
\$ 316,547	\$ 6,528,061	\$ -	\$ 193,303	\$ 9,403,570
427	-	150,219	-	223,638
<u>316,974</u>	<u>6,528,061</u>	<u>150,219</u>	<u>193,303</u>	<u>9,627,208</u>
4,240,604	3,136,959	-	314,923	8,927,391
2,784,890	2,451,982	5,772	458,496	7,630,228
748,580	754,252	573,639	134,942	3,388,650
<u>7,774,074</u>	<u>6,343,193</u>	<u>579,411</u>	<u>908,361</u>	<u>19,946,269</u>
<u>(7,457,100)</u>	<u>184,868</u>	<u>(429,192)</u>	<u>(715,058)</u>	<u>(10,319,061)</u>
3,992,658	-	-	-	3,992,658
3,215,623	-	-	-	4,104,628
12,013	59,049	12,000	271,367	418,153
-	(20,404)	-	-	(28,385)
-	935	-	-	(716,606)
<u>7,220,294</u>	<u>39,580</u>	<u>12,000</u>	<u>271,367</u>	<u>7,770,448</u>
(236,806)	224,448	(417,192)	(443,691)	(2,548,613)
1,418,786	-	2,066,406	33,530	4,936,080
-	-	-	293,935	412,154
-	-	-	-	(104,138)
<u>1,181,980</u>	<u>224,448</u>	<u>1,649,214</u>	<u>(116,226)</u>	<u>2,695,483</u>
<u>5,749,805</u>	<u>2,720,742</u>	<u>17,584,930</u>	<u>1,748,391</u>	<u>48,501,046</u>
<u>\$ 6,931,785</u>	<u>\$ 2,945,190</u>	<u>\$ 19,234,144</u>	<u>\$ 1,632,165</u>	<u>\$ 51,196,529</u>

CITY OF DAVENPORT**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020**

	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 469,059	\$ 1,719,417	\$ 218,036
Cash paid to suppliers for goods and services	(841,850)	(886,655)	(209,423)
Cash paid to employees for services	(173,149)	(883,653)	(116,687)
Other operating revenue	53,617	7,163	12,212
Net Cash Provided by (Used for) Operating Activities	<u>(492,323)</u>	<u>(43,728)</u>	<u>(95,862)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Grants	854,239	-	-
Property tax	-	-	-
Transfers in	-	36,710	81,509
Transfers out	(104,138)	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>750,101</u>	<u>36,710</u>	<u>81,509</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from general obligation bonds	-	-	-
Acquisition and construction of capital assets	-	-	-
Principal paid on long-term debt	(5,000)	-	(34,517)
Interest paid on long-term debt	(3,944)	-	(4,183)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(8,944)</u>	<u>-</u>	<u>(38,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and other investment income	7,218	8,498	47,347
Net Cash provided by Investing Activities	<u>7,218</u>	<u>8,498</u>	<u>47,347</u>
Net increase (decrease) in Cash and Cash Equivalents	256,052	1,480	(5,706)
CASH AND CASH EQUIVALENTS-BEGINNING	<u>444,495</u>	<u>13,520</u>	<u>5,706</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 700,547</u>	<u>\$ 15,000</u>	<u>\$ -</u>

ENTERPRISE FUNDS

PUBLIC TRANSIT	SOLID WASTE	RIVER'S EDGE	TRANSLOAD FACILITY	TOTAL NON-MAJOR ENTERPRISE FUNDS
\$ 454,442	\$ 6,399,665	\$ 195,525	\$ 970	\$ 9,457,114
(2,826,666)	(2,401,373)	(459,045)	(4,581)	(7,629,593)
(4,040,281)	(2,983,416)	(301,782)	-	(8,498,968)
427	-	-	150,219	223,638
<u>(6,412,078)</u>	<u>1,014,876</u>	<u>(565,302)</u>	<u>146,608</u>	<u>(6,447,809)</u>
3,053,659	-	-	-	3,907,898
3,901,817	-	-	-	3,901,817
-	-	293,935	-	412,154
-	-	-	-	(104,138)
<u>6,955,476</u>	<u>-</u>	<u>293,935</u>	<u>-</u>	<u>8,117,731</u>
-	775,000	-	-	775,000
(11,283)	(49,242)	-	30	(60,495)
(32,620)	(661,191)	-	-	(733,328)
-	(21,771)	-	-	(29,898)
<u>(43,903)</u>	<u>42,796</u>	<u>-</u>	<u>30</u>	<u>(48,721)</u>
<u>12,013</u>	<u>59,872</u>	<u>271,367</u>	<u>12,000</u>	<u>418,315</u>
<u>12,013</u>	<u>59,872</u>	<u>271,367</u>	<u>12,000</u>	<u>418,315</u>
511,508	1,117,544	-	158,638	2,039,516
<u>675</u>	<u>2,434,126</u>	<u>3,365</u>	<u>11,587</u>	<u>2,913,474</u>
<u>\$ 512,183</u>	<u>\$ 3,551,670</u>	<u>\$ 3,365</u>	<u>\$ 170,225</u>	<u>\$ 4,952,990</u>

(continued)

CITY OF DAVENPORT**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2020**

	BUSINESS-TYPE ACTIVITIES -		
	<u>PUBLIC HOUSING</u>	<u>GOLF COURSES</u>	<u>AIRPORT</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating (loss) income	\$ (755,624)	\$ (231,057)	\$ (915,898)
Adjustments to Reconcile Operating (loss) income to Net Cash			
Provided by (Used for) Operating Activities:			
Depreciation	256,961	131,291	788,985
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	5,208	2,159	33,059
Decrease (increase) in prepaids and inventories	-	360	-
Increase in pension related deferred outflows	1,850	15,563	2,107
Increase in OPEB related deferred outflows	(1,369)	(4,213)	(1,092)
Increase (decrease) in accounts payable/accrued liabilities	(4,419)	20,145	(3,362)
Decrease in net pension liability	(3,360)	(28,268)	(3,828)
Increase in total OPEB liability	2,525	7,768	2,014
Increase in unearned revenue	-	-	-
Increase in pension related deferred inflows	4,564	38,401	5,200
Increase in OPEB related deferred inflows	1,341	4,123	1,069
Decrease in deferred amount on rounding	-	-	(4,116)
Total Adjustments	<u>263,301</u>	<u>187,329</u>	<u>820,036</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (492,323)</u>	<u>\$ (43,728)</u>	<u>\$ (95,862)</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Acquisition of capital assets through capital contributions	\$ -	\$ 139,010	\$ 1,278,348
Contribution of capital assets by municipality	-	(139,010)	(359,294)
Contribution of capital assets by state and federal governments	-	-	(919,054)
Contribution of capital assets by other	-	-	-

ENTERPRISE FUNDS

<u>PUBLIC TRANSIT</u>	<u>SOLID WASTE</u>	<u>RIVER'S EDGE</u>	<u>TRANSLOAD</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>
<u>\$ (7,457,100)</u>	<u>\$ 184,868</u>	<u>\$ (715,058)</u>	<u>\$ (429,192)</u>	<u>\$ (10,319,061)</u>
748,580	754,252	134,942	573,639	3,388,650
59,134	(128,396)	2,222	970	(25,644)
(1,135)	2,477	607	-	2,309
71,028	47,700	5,509	-	143,757
(23,229)	(23,318)	(941)	-	(54,162)
80	80,429	1,174	1,191	95,238
(129,006)	(86,635)	(10,005)	-	(261,102)
42,829	42,991	1,736	-	99,863
78,761	-	-	-	78,761
175,249	117,690	13,591	-	354,695
22,731	22,818	921	-	53,003
-	-	-	-	(4,116)
<u>1,045,022</u>	<u>830,008</u>	<u>149,756</u>	<u>575,800</u>	<u>3,871,252</u>
<u>\$ (6,412,078)</u>	<u>\$ 1,014,876</u>	<u>\$ (565,302)</u>	<u>\$ 146,608</u>	<u>\$ (6,447,809)</u>
\$ 1,418,786	\$ -	\$ 33,530	\$ 2,066,406	\$ 4,936,080
(238,531)	-	(33,530)	(1,100,042)	(1,870,407)
(1,180,255)	-	-	(955,551)	(3,054,860)
-	-	-	(10,813)	(10,813)



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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, 2020**

ASSETS	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Current assets:				
Cash and cash equivalents	\$ 8,433,803	\$ 8,034,965	\$ -	\$ 16,468,768
Accounts receivable	33,995	1,055	3,808	38,858
Interest receivable	17,921	30,890	-	48,811
Prepays	-	77,449	534,168	611,617
Total current assets	<u>8,485,719</u>	<u>8,144,359</u>	<u>537,976</u>	<u>17,168,054</u>
Noncurrent assets:				
Capital assets:				
Improvements other than buildings	-	-	3,281,754	3,281,754
Equipment and vehicles	-	-	4,983,845	4,983,845
Less accumulated depreciation	-	-	(4,805,702)	(4,805,702)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>3,459,897</u>	<u>3,459,897</u>
Total assets	<u>8,485,719</u>	<u>8,144,359</u>	<u>3,997,873</u>	<u>20,627,951</u>
DEFERED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	13,684	132,518	137,596	283,798
OPEB related deferred outflows	1,727	15,868	17,964	35,559
Total deferred outflow of resources	<u>15,411</u>	<u>148,386</u>	<u>155,560</u>	<u>319,357</u>
LIABILITIES				
LIABILITIES:				
Current liabilities:				
Wages payable	3,812	40,527	46,319	90,658
Accounts payable	277,750	246,057	124,981	648,788
Compensated absences	2,703	72,161	80,407	155,271
Claims and judgments	1,217,591	7,366,882	-	8,584,473
Interfund payable	-	-	289,712	289,712
Total current liabilities	<u>1,501,856</u>	<u>7,725,627</u>	<u>541,419</u>	<u>9,768,902</u>
Noncurrent liabilities:				
Compensated absences	26	685	763	1,474
Claims and judgments	-	3,795,061	-	3,795,061
Other postemployment benefits liability	25,689	301,510	324,975	652,174
Net pension liability	50,163	514,466	501,606	1,066,235
Total noncurrent liabilities	<u>75,878</u>	<u>4,611,722</u>	<u>827,344</u>	<u>5,514,944</u>
Total liabilities	<u>1,577,734</u>	<u>12,337,349</u>	<u>1,368,763</u>	<u>15,283,846</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	8,787	88,684	102,306	199,777
OPEB related deferred inflows	1,141	13,990	15,599	30,730
Total deferred inflows of resources	<u>9,928</u>	<u>102,674</u>	<u>117,905</u>	<u>230,507</u>
NET POSITION				
Investment in capital assets	-	-	3,459,897	3,459,897
Unrestricted (deficit)	6,913,468	(4,147,278)	(793,132)	1,973,058
Total net position (deficit)	<u>\$ 6,913,468</u>	<u>\$ (4,147,278)</u>	<u>\$ 2,666,765</u>	<u>\$ 5,432,955</u>

CITY OF DAVENPORT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2020

	<u>EMPLOYEE INSURANCE</u>	<u>RISK MANAGEMENT</u>	<u>INFORMATION MANAGEMENT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES:				
Charges for services	\$ 18,609,927	\$ 5,725,577	\$ 2,500,330	\$ 26,835,834
Other	1,082,873	180,392	-	1,263,265
Total Operating Revenues	<u>19,692,800</u>	<u>5,905,969</u>	<u>2,500,330</u>	<u>28,099,099</u>
OPERATING EXPENSES:				
Employee expenses	91,952	1,126,093	1,299,711	2,517,756
Supplies and services	16,283,669	7,360,258	1,277,873	24,921,800
Depreciation	-	-	605,127	605,127
Total Operating Expenses	<u>16,375,621</u>	<u>8,486,351</u>	<u>3,182,711</u>	<u>28,044,683</u>
OPERATING INCOME (LOSS)	3,317,179	(2,580,382)	(682,381)	54,416
NON-OPERATING REVENUES:				
Use of monies and property	<u>117,642</u>	<u>202,785</u>	<u>-</u>	<u>320,427</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	3,434,821	(2,377,597)	(682,381)	374,843
Capital contributions	-	-	527,228	527,228
Transfers in	-	61,949	-	61,949
Change in net position	<u>3,434,821</u>	<u>(2,315,648)</u>	<u>(155,153)</u>	<u>964,020</u>
Total net position (deficit) - beginning	<u>3,478,647</u>	<u>(1,831,630)</u>	<u>2,821,918</u>	<u>4,468,935</u>
Total net position (deficit) - ending	<u>\$ 6,913,468</u>	<u>\$ (4,147,278)</u>	<u>\$ 2,666,765</u>	<u>\$ 5,432,955</u>

CITY OF DAVENPORT

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020**

	<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	\$ 18,624,486	\$ 5,724,522	\$ 2,496,521	26,845,529
Cash paid to suppliers for goods and services	(16,237,460)	(5,610,201)	(1,324,429)	(23,172,090)
Cash paid to employees for services	(89,062)	(1,057,369)	(1,231,543)	(2,377,974)
Other operating revenue	1,082,873	180,392	-	1,263,265
Net Cash provided by (used for) Operating Activities	<u>3,380,837</u>	<u>(762,656)</u>	<u>(59,451)</u>	<u>2,558,730</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Repayments to other funds	-	-	59,451	59,451
Transfers in	-	61,949	-	61,949
Net Cash used for Non-Capital Financing Activities	<u>-</u>	<u>61,949</u>	<u>59,451</u>	<u>121,400</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and investment income	116,222	207,807	-	324,029
Net increase (decrease) in Cash and Cash Equivalents	3,497,059	(492,900)	-	3,004,159
CASH AND CASH EQUIVALENTS- BEGINNING	<u>4,936,744</u>	<u>8,527,865</u>	<u>-</u>	<u>13,464,609</u>
CASH AND CASH EQUIVALENTS- ENDING	<u>\$ 8,433,803</u>	<u>\$ 8,034,965</u>	<u>\$ -</u>	<u>\$ 16,468,768</u>

CITY OF DAVENPORT**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2020**

	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)	\$ 3,317,179	\$ (2,580,382)	\$ (682,381)	\$ 54,416
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	-	-	605,127	605,127
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	14,559	(1,055)	(3,809)	9,695
Increase in prepaids	-	(13,135)	(167,094)	(180,229)
Decrease in pension related deferred outflows	1,579	17,961	20,632	40,172
Increase in OPEB related deferred outflows	(881)	(9,545)	(10,767)	(21,193)
Increase in accounts payable/accrued liabilities	44,887	1,784,869	135,022	1,964,778
Decrease in net pension liability	(2,868)	(32,621)	(37,473)	(72,962)
Increase in total OPEB liability	1,624	17,598	19,851	39,073
Increase in pension related deferred inflows	3,896	44,314	50,905	99,115
Increase in OPEB related deferred inflows	862	9,340	10,536	20,738
Total Adjustments	<u>63,658</u>	<u>1,817,726</u>	<u>622,930</u>	<u>2,504,314</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 3,380,837</u>	<u>\$ (762,656)</u>	<u>\$ (59,451)</u>	<u>\$ 2,558,730</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Acquisition of capital assets through capital contributions	\$ -	\$ -	\$ 527,228	\$ 527,228
Contribution of capital assets by municipality	-	-	(527,228)	(527,228)

Fiduciary Fund Types

Riverfront Task Force Fund – Accounts for receipts of donations to be used toward the formation of a plan for riverfront development.

Library Gift Fund – Accounts for donations to the Davenport Library and disbursements, which include the purchase of books, periodicals and equipment as authorized by the Library Board of Directors.

M.D. Petersen Memorial Fund – Accounts for an annual contribution from the Petersen estate and the disbursement for improvements designated by the Davenport Levee Improvement Commission.

CITY OF DAVENPORT**ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2020**

	BALANCE JUNE 30, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30,2020
RIVERFRONT TASK FORCE				
ASSETS:				
Cash and investments	\$ 3,809	\$ 83	\$ 11	\$ 3,881
Interest receivable	13	11	13	11
TOTAL ASSETS	\$ 3,822	\$ 94	\$ 24	\$ 3,892
LIABILITIES:				
Due to other governments	\$ 3,822	\$ 94	\$ 24	\$ 3,892
LIBRARY GIFT				
ASSETS:				
Cash and investments	\$ 391,078	\$ 167,871	\$ 122,075	\$ 436,874
Interest receivable	1,618	1,244	1,618	1,244
TOTAL ASSETS	\$ 392,696	\$ 169,115	\$ 123,693	\$ 438,118
LIABILITIES:				
Accounts payable	\$ 11,634	\$ 83,281	\$ 48,870	\$ 46,045
Due to other governments	381,062	85,834	74,823	392,073
TOTAL LIABILITIES	\$ 392,696	\$ 169,115	\$ 123,693	\$ 438,118
M.D. PETERSEN MEMORIAL				
ASSETS:				
Cash and investments	\$ 2,263	\$ 12,529	\$ 17	\$ 14,775
Interest receivable	8	17	8	17
TOTAL ASSETS	\$ 2,271	\$ 12,546	\$ 25	\$ 14,792
LIABILITIES:				
Due to other governments	\$ 2,271	\$ 12,546	\$ 25	\$ 14,792
TOTAL LIABILITIES	\$ 2,271	\$ 12,546	\$ 25	\$ 14,792
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	\$ 397,150	\$ 180,483	\$ 122,103	\$ 455,530
Interest receivable	1,639	1,272	1,639	1,272
TOTAL ASSETS	\$ 398,789	\$ 181,755	\$ 123,742	\$ 456,802
LIABILITIES:				
Accounts payable	\$ 11,634	\$ 83,281	\$ 48,870	\$ 46,045
Due to other governments	387,155	98,474	74,872	410,757
TOTAL LIABILITIES	\$ 398,789	\$ 181,755	\$ 123,742	\$ 456,802



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STATISTICAL SECTION

Statistical Section

This part of the City of Davenport's comprehensive annual 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 Davenport's overall financial health.

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

Revenue Capacity – These schedules contain information to help the reader assess Davenport's most significant s1

Debt Capacity – These schedules present information to help the reader assess the affordability of Davenport's current levels of outstanding debt and our 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 Davenport's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in Davenport's financial report relates to the services we provide and the activities we perform.

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

CITY OF DAVENPORT

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

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 177,491,171	\$ 165,833,362	\$ 167,799,457	\$ 160,607,820
Restricted	37,422,572	33,895,475	28,188,439	24,930,751
Unrestricted	<u>(43,255,484)</u>	<u>(35,069,406)</u>	<u>(42,349,525)</u>	<u>(35,638,914)</u>
Total governmental activities net position	<u>\$ 171,658,259</u>	<u>\$ 164,659,431</u>	<u>\$ 153,638,371</u>	<u>\$ 149,899,657</u>
Business-type activities				
Net investment in capital assets	\$ 169,923,585	\$ 168,189,352	\$ 160,153,176	\$ 159,855,757
Restricted	2,904,072	2,289,024	2,734,362	3,923,153
Unrestricted	<u>14,971,910</u>	<u>12,006,584</u>	<u>8,064,123</u>	<u>4,928,502</u>
Total business-type activities net position	<u>\$ 187,799,567</u>	<u>\$ 182,484,960</u>	<u>\$ 170,951,661</u>	<u>\$ 168,707,412</u>
Primary government				
Net investment in capital assets	\$ 347,414,756	\$ 334,022,714	\$ 327,952,633	\$ 320,463,577
Restricted	40,326,644	36,184,499	30,922,801	28,853,904
Unrestricted	<u>(28,283,574)</u>	<u>(23,062,822)</u>	<u>(34,285,402)</u>	<u>(30,710,412)</u>
Total primary government net position	<u>\$ 359,457,826</u>	<u>\$ 347,144,391</u>	<u>\$ 324,590,032</u>	<u>\$ 318,607,069</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 132,744,626	\$ 157,084,943	\$ 145,746,153	\$ 140,160,840	\$ 107,161,965	\$ 126,691,668
19,896,007	16,152,056	29,555,409	32,606,806	44,110,046	12,739,452
<u>(31,101,106)</u>	<u>(52,363,648)</u>	<u>(8,126,653)</u>	<u>(18,726,532)</u>	<u>(12,343,725)</u>	<u>(3,483,506)</u>
<u>\$ 121,539,527</u>	<u>\$ 120,873,351</u>	<u>\$ 167,174,909</u>	<u>\$ 154,041,114</u>	<u>\$ 138,928,286</u>	<u>\$ 135,947,614</u>
\$ 158,399,016	\$ 131,173,938	\$ 124,953,410	\$ 124,901,380	\$ 136,518,021	\$ 123,757,219
3,461,195	4,146,716	4,610,003	4,904,259	4,049,687	3,849,157
5,485,544	1,009,918	5,295,999	2,491,018	(5,484,405)	(1,280,067)
<u>\$ 167,345,755</u>	<u>\$ 136,330,572</u>	<u>\$ 134,859,412</u>	<u>\$ 132,296,657</u>	<u>\$ 135,083,303</u>	<u>\$ 126,326,309</u>
\$ 291,143,642	\$ 288,258,881	\$ 270,699,563	\$ 265,062,220	\$ 243,679,986	\$ 250,448,887
23,357,202	20,298,772	34,165,412	37,511,065	48,159,733	16,588,609
<u>(25,615,562)</u>	<u>(51,353,730)</u>	<u>(2,830,654)</u>	<u>(16,235,514)</u>	<u>(17,828,130)</u>	<u>(4,763,573)</u>
<u>\$ 288,885,282</u>	<u>\$ 257,203,923</u>	<u>\$ 302,034,321</u>	<u>\$ 286,337,771</u>	<u>\$ 274,011,589</u>	<u>\$ 262,273,923</u>

CITY OF DAVENPORT

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 11,490,434	\$ 10,841,456	\$ 10,644,664	\$ 10,658,200	\$ 9,777,384	\$ 10,560,111	\$ 10,261,218	\$ 10,870,243	\$ 10,097,216	\$ 9,914,196
Public safety	56,410,040	50,490,722	48,065,647	37,917,817	43,345,779	48,529,955	42,649,971	40,631,720	42,449,097	42,049,042
Public works	36,029,837	40,840,250	37,675,297	29,892,693	26,135,764	33,010,049	26,439,948	25,908,915	32,069,097	43,599,123
Culture and recreation	17,528,407	20,001,803	17,783,557	16,716,723	15,906,982	15,174,486	13,285,572	11,670,469	15,981,258	13,674,184
Community and economic development	14,383,795	13,592,793	17,674,134	11,848,107	13,616,466	11,131,967	18,877,119	13,491,393	20,382,079	14,880,835
Interest on long-term debt	5,705,154	5,701,147	6,094,200	6,738,199	5,561,360	5,947,441	6,101,313	6,865,979	5,598,997	6,489,039
Total governmental activities expenses	141,547,667	141,468,171	137,937,499	113,771,739	114,343,735	124,354,009	117,615,141	109,438,719	126,577,744	130,606,419
Business-type activities:										
Sewer operations	21,943,330	21,512,069	21,619,146	20,355,807	19,215,986	19,160,797	17,700,417	17,751,082	16,650,341	15,506,121
Parking system	1,715,247	1,750,198	2,015,335	1,903,915	1,822,061	1,799,400	1,935,914	1,947,343	2,046,877	2,080,257
Rivercenter	5,335,790	6,269,752	6,814,585	5,829,685	6,019,297	3,336,827	3,031,575	2,684,311	2,902,730	2,616,467
Public transit	7,717,525	7,685,402	7,021,698	6,822,220	6,711,442	7,131,163	6,508,558	6,222,902	6,324,871	5,866,989
Public housing	1,286,605	1,340,131	1,427,019	1,387,020	1,312,432	1,185,729	1,314,883	1,202,506	1,204,491	1,045,905
Golf courses	1,969,193	1,958,507	1,941,131	1,915,769	1,934,421	1,780,467	1,791,523	1,844,454	2,063,357	2,072,059
Airport	1,841,672	981,049	1,030,450	982,356	790,378	690,092	611,884	784,792	606,160	578,765
Solid waste	6,303,819	6,162,162	5,982,688	6,015,481	5,399,010	5,332,726	5,388,789	5,187,482	5,326,665	5,049,222
Clean water (1)	3,519,077	2,898,844	2,790,810	2,756,730	2,817,800	2,795,659	2,817,200	2,806,621	2,537,290	2,185,141
Transload	579,411	524,290	525,744	524,924	434,003	-	-	-	-	-
Riversedge	952,699	846,514	848,648	799,436	808,738	900,627	806,140	746,906	906,907	1,087,614
Total business-type activities expenses	53,164,368	51,928,918	52,017,254	49,293,343	47,265,568	44,113,487	41,906,913	41,178,399	40,619,689	38,088,540
Total primary government expenses	\$ 194,712,035	\$ 193,397,089	\$ 189,954,753	\$ 163,065,082	\$ 161,609,303	\$ 168,467,496	\$ 159,522,054	\$ 150,617,118	\$ 167,197,433	\$ 168,694,959
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,182,149	\$ 2,563,697	\$ 3,077,903	\$ 3,443,975	\$ 3,359,193	\$ 3,917,847	\$ 4,546,069	\$ 3,595,092	\$ 3,331,628	\$ 3,401,763
Public safety	2,650,668	3,417,939	3,265,676	2,458,524	3,386,457	3,315,156	2,780,989	2,821,608	2,991,978	4,272,343
Public works	4,582,583	5,584,616	4,581,686	3,593,572	3,384,826	3,842,099	4,089,579	4,382,205	4,486,531	2,938,022
Culture and recreation	650,640	1,277,057	1,537,648	1,015,055	859,124	380,299	593,369	850,025	772,321	1,699,503
Community and economic development	1,008,234	1,640,594	2,102,038	778,980	1,337,828	1,167,130	457,258	1,467,138	749,931	630,293
Operating grants and contributions	24,590,791	21,420,873	28,533,787	26,423,222	23,250,393	18,980,080	19,666,398	16,301,238	19,132,333	19,069,548
Capital grant and contributions	4,982,576	16,355,149	10,371,486	11,337,009	8,130,396	13,004,281	8,409,960	5,828,458	16,534,680	20,033,057
Total governmental activities program revenue	40,647,641	52,259,925	53,470,224	49,050,337	43,708,217	43,607,522	40,543,622	35,245,764	47,999,402	52,043,529
Business-type activities:										
Charges for services:										
Sewer operations	24,170,245	23,406,901	23,293,634	20,629,974	19,620,045	18,992,400	17,485,142	16,654,087	15,993,320	14,177,170
Parking system	1,051,270	1,398,208	1,425,193	1,134,945	1,492,978	1,519,223	1,418,539	1,463,314	1,351,539	1,399,623
Rivercenter	3,132,207	4,224,567	4,901,894	4,009,938	4,199,525	1,578,301	1,823,924	1,485,292	1,725,151	1,327,314
Public transit	316,547	455,642	410,881	399,774	479,037	494,410	533,804	515,210	516,315	506,706
Public housing	463,424	466,141	467,588	475,951	437,150	454,434	424,386	431,545	421,850	415,874
Golf courses	1,717,258	1,485,709	1,660,901	1,668,727	1,840,850	1,588,054	1,517,159	1,576,808	1,863,339	1,875,575
Airport	184,977	207,752	207,143	208,418	192,412	193,518	187,444	206,821	209,121	179,002
Solid waste	6,528,061	6,325,718	6,123,533	5,964,275	5,380,464	5,578,847	5,349,669	5,227,041	5,023,908	4,592,794
Clean water	2,919,772	2,905,635	2,936,656	2,776,046	2,628,420	2,555,246	2,497,339	2,315,651	2,075,947	1,788,322
Transload (1)	-	-	-	-	-	-	-	-	-	-
River's Edge	193,303	211,410	260,454	263,196	289,056	312,180	237,388	184,325	247,685	255,061
Operating grants and contributions	4,104,628	3,124,248	2,431,778	2,609,779	2,706,595	2,726,039	3,378,211	1,725,748	1,828,869	1,654,119
Capital grant and contributions	6,564,550	11,911,936	4,853,939	4,129,407	2,180,418	8,467,844	3,037,933	310,850	12,704,352	10,663,923
Total business-type activities program revenues	51,346,242	56,123,867	48,973,594	44,270,430	41,446,950	44,460,496	37,890,938	32,096,692	43,961,396	38,835,483
Total primary government program revenues	\$ 91,993,883	\$ 108,383,792	\$ 102,443,818	\$ 93,320,767	\$ 85,155,167	\$ 88,068,018	\$ 78,434,560	\$ 67,342,456	\$ 91,960,798	\$ 90,879,012

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Governmental activities	\$ (100,900,026)	\$ (89,208,246)	\$ (84,467,275)	\$ (64,721,402)	\$ (70,635,518)	\$ (80,746,487)	\$ (77,071,519)	\$ (74,192,955)	\$ (78,578,342)	\$ (78,562,890)
Business-type activities	(1,818,126)	4,194,949	(3,043,660)	(5,022,913)	(5,818,618)	347,009	(4,015,975)	(9,081,707)	3,341,707	746,943
Total primary government net expense	\$ (102,718,152)	\$ (85,013,297)	\$ (87,510,935)	\$ (69,744,315)	\$ (76,454,136)	\$ (80,399,478)	\$ (81,087,494)	\$ (83,274,662)	\$ (75,236,635)	\$ (77,815,947)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 78,977,555	\$ 75,542,786	\$ 72,571,882	\$ 69,442,176	\$ 68,643,729	\$ 69,374,445	\$ 69,609,085	\$ 68,022,655	\$ 61,170,609	\$ 59,359,397
Local option sales tax	16,569,408	17,931,799	16,456,926	17,955,296	17,249,527	16,400,413	15,840,749	15,210,804	15,062,987	14,934,103
Hotel/motel tax	2,199,875	2,811,433	2,981,578	2,882,153	2,595,502	2,385,142	2,277,031	2,170,593	2,055,052	1,834,327
Franchise tax	3,468,490	3,637,948	3,501,385	3,044,526	2,801,827	2,556,039	2,938,969	3,077,428	2,782,635	2,878,172
Investment earnings	1,988,919	2,162,073	1,834,766	1,150,080	1,094,433	1,213,198	1,176,460	1,036,972	1,218,684	1,014,156
Gain on sale of capital assets	45,279	18,626	-	125,781	320,726	-	17,355	1,634,804	108,867	728,558
Miscellaneous	54,487	24,907	10,598	44,318	80,787	12,363	52,581	34,114	72,124	58,419
Transfers	(1,785,159)	(1,900,266)	(1,779,447)	(1,562,798)	(21,484,837)	(2,931,002)	(1,706,916)	(502,762)	(911,944)	(1,128,264)
Total governmental activities	101,518,854	100,229,306	95,577,688	93,081,532	71,301,694	89,010,598	90,205,314	90,684,608	81,559,014	81,935,396
Business-type activities:										
Property taxes (public transit)	3,992,658	3,851,795	3,667,870	3,576,836	3,574,407	3,602,973	3,646,576	3,580,415	3,493,152	3,376,227
Investment earnings	895,632	995,496	903,465	613,634	548,823	616,868	618,220	660,890	700,403	658,157
Gain on sale of capital assets	935	28,625	3,785	-	-	-	61,731	25,446	-	-
Loss on donation of capital assets	-	-	-	-	-	141	-	-	-	-
Miscellaneous	458,349	562,168	455,438	631,302	902,323	1,380,690	545,287	2,048,686	309,788	362,652
Transfers	1,785,159	1,900,266	1,779,447	1,562,798	21,484,837	2,931,002	1,706,916	502,762	911,944	(1,128,264)
Total business-type activities	7,132,733	7,338,350	6,810,005	6,384,570	26,510,390	8,531,674	6,578,730	6,818,199	5,415,287	3,268,772
Total primary government	\$ 108,651,587	\$ 107,567,656	\$ 102,387,693	\$ 99,466,102	\$ 97,812,084	\$ 97,542,272	\$ 96,784,044	\$ 97,502,807	\$ 86,974,301	\$ 85,204,168
Change in Net Position										
Governmental activities	\$ 618,828	\$ 11,021,060	\$ 11,110,413	\$ 28,360,130	\$ 666,176	\$ 8,264,111	\$ 13,133,795	\$ 16,491,653	\$ 2,980,672	\$ 3,372,506
Business-type activities	5,314,607	11,533,299	3,766,345	1,361,657	20,691,772	8,878,683	2,562,755	(2,263,508)	8,756,994	4,015,715
Total primary government	\$ 5,933,435	\$ 22,554,359	\$ 14,876,758	\$ 29,721,787	\$ 21,357,948	\$ 17,142,794	\$ 15,696,550	\$ 14,228,145	\$ 11,737,666	\$ 7,388,221

(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			
	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 1,068,024	\$ 794,665	\$ 11,234	\$ 7,312
Restricted	4,392,781	4,776,810	4,785,569	4,711,470
Assigned	5,164,742	5,179,769	4,460,502	3,883,192
Unassigned	12,589,015	12,028,594	11,548,794	10,403,236
Total General Fund	<u>\$ 23,214,562</u>	<u>\$ 22,779,838</u>	<u>\$ 20,806,099</u>	<u>\$ 19,005,210</u>
All Other Governmental funds				
Nonspendable	\$ 69,667	\$ 47,916	\$ 95,167	\$ 26,708
Restricted	56,778,609	53,598,434	48,927,536	51,635,020
Committed	3,646,880	2,754,028	2,244,583	1,259,380
Unassigned	(27,500)	(782,368)	(549,263)	-
Total All Other Governmental funds	<u>\$ 60,467,656</u>	<u>\$ 55,618,010</u>	<u>\$ 50,718,023</u>	<u>\$ 52,921,108</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 4,477	\$ 5,446	\$ 5,440	\$ 2,949	\$ 23,179	\$ 17,069
5,384,949	5,896,292	5,999,441	5,476,184	3,717,150	3,883,934
3,384,228	1,585,151	778,856	555,034	545,488	551,836
9,199,764	8,889,540	8,536,778	7,582,938	5,606,312	5,392,141
<u>\$ 17,973,418</u>	<u>\$ 16,376,429</u>	<u>\$ 15,320,515</u>	<u>\$ 13,617,105</u>	<u>\$ 9,892,129</u>	<u>\$ 9,844,980</u>
\$ 1,000	\$ 22,875	\$ 5,868	\$ -	\$ -	\$ -
49,153,408	28,690,404	37,530,085	32,686,164	40,119,368	14,266,498
1,272,303	1,191,168	1,184,409	1,103,032	844,461	1,058,755
(1,320,264)	-	(344,161)	(600,249)	(906,693)	(1,035,514)
<u>\$ 49,106,447</u>	<u>\$ 29,904,447</u>	<u>\$ 38,376,201</u>	<u>\$ 33,188,947</u>	<u>\$ 40,057,136</u>	<u>\$ 14,289,739</u>

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 101,347,774	\$ 98,411,530	\$ 95,111,814	\$ 92,937,007	\$ 90,241,335
Special assessments	142,819	36,345	42,346	27,565	27,648
Licenses and permits	2,239,474	2,098,620	2,566,236	2,460,734	2,366,468
Intergovernmental	31,648,556	39,777,745	36,504,330	37,703,136	32,846,621
Charges for services	4,068,388	4,171,852	4,614,938	4,080,837	4,132,842
Use of monies and property	1,988,919	2,162,073	1,834,766	1,150,080	1,094,433
Fines and forfeits	1,863,841	1,901,288	2,466,534	1,505,531	2,513,779
Loan repayments	531,235	771,645	1,120,466	806,461	832,955
Other	2,368,917	5,000,892	4,078,207	2,811,356	2,390,338
Total revenues	146,199,923	154,331,990	148,339,637	143,482,707	136,446,419
Expenditures					
General government	10,925,360	10,500,207	10,108,244	9,747,945	9,623,464
Public safety	49,817,865	48,004,412	44,803,202	43,460,139	43,927,733
Public works	18,484,871	18,916,458	17,783,827	17,378,533	16,862,825
Culture and recreation	12,543,932	12,694,237	12,463,193	12,146,481	11,689,298
Community and economic development	13,123,954	12,385,853	15,499,334	10,849,112	12,645,088
Capital outlay	32,735,220	36,171,748	36,299,217	33,983,635	42,999,366
Debt service					
Principal	29,249,915	16,822,040	35,014,370	36,501,330	16,690,365
Interest	5,766,900	5,907,917	6,123,022	6,583,971	5,452,856
Bond issuance expense	163,533	181,253	202,229	345,283	463,321
Total expenditures	172,811,550	161,584,125	178,296,638	170,996,429	160,354,316
Excess of revenues over (under) expenditures	(26,611,627)	(7,252,135)	(29,957,001)	(27,513,722)	(23,907,897)
Other Financing Sources (Uses)					
Bond issuance	15,630,000	14,435,000	23,020,000	14,345,000	31,205,000
Loan Proceeds	-	-	-	290,000	-
Discount on debt issued	-	-	-	-	-
Premium on debt issued	-	1,614,944	1,858,063	2,082,980	3,367,176
Refunding bonds issued	11,690,000	-	6,705,000	17,135,000	13,080,000
Payment to refunded bond escrow agent	-	-	-	-	-
Sale of capital assets	43,105	35,165	10,440	362,148	345,941
Transfers in	19,060,399	19,971,392	16,897,002	18,102,057	16,061,991
Transfers out	(20,907,507)	(21,930,640)	(18,935,700)	(19,957,010)	(19,353,222)
Total other financing sources (uses)	25,515,997	14,125,861	29,554,805	32,360,175	44,706,886
Net change in fund balances	\$ (1,095,630)	\$ 6,873,726	\$ (402,196)	\$ 4,846,453	\$ 20,798,989
Debt service as a percentage of noncapital expenditures	23.32%	15.94%	26.53%	30.29%	18.39%

		Fiscal Year							
		2015	2014	2013	2012	2011			
\$	90,499,909	\$	90,421,947	\$	88,262,578	\$	80,884,683	\$	78,730,720
	38,992		96,245		93,757		58,964		157,683
	2,017,908		1,749,752		1,619,350		1,317,804		1,238,659
	32,296,554		25,530,812		22,837,172		35,240,010		31,332,008
	3,963,968		4,051,619		4,210,684		4,479,467		4,146,542
	1,213,198		1,176,460		1,036,972		1,218,685		1,014,156
	2,050,224		1,931,967		1,740,494		1,936,641		1,967,004
	907,318		1,065,290		860,284		723,850		839,699
	3,078,817		4,108,428		3,659,461		4,598,710		4,519,410
	<u>136,066,888</u>		<u>130,132,520</u>		<u>124,320,752</u>		<u>130,458,814</u>		<u>123,945,881</u>
	9,692,385		8,820,719		8,601,095		8,992,941		8,178,030
	42,149,652		41,216,850		40,160,927		39,554,541		39,137,701
	18,030,045		17,557,791		15,288,713		15,505,355		17,073,051
	11,267,593		11,281,713		10,975,613		11,305,093		11,485,665
	10,370,910		13,853,663		10,629,873		15,234,614		13,823,997
	31,737,839		15,247,456		17,188,086		38,425,489		35,710,271
	26,622,260		16,024,785		16,241,175		17,234,350		17,071,575
	6,004,485		6,101,313		6,987,409		6,200,955		6,233,849
	192,668		249,658		216,403		125,781		150,055
	<u>156,067,837</u>		<u>130,353,948</u>		<u>126,289,294</u>		<u>152,579,119</u>		<u>148,864,194</u>
	(20,000,949)		(221,428)		(1,968,542)		(22,120,305)		(24,918,313)
	12,995,000		14,850,000		12,382,000		11,790,000		25,299,250
	-		-		-		-		-
	1,207,558		2,405,596		482,773		3,321,543		1,377,130
	-		10,335,000		2,310,000		33,637,890		3,687,250
	-		(18,735,000)		(17,900,000)		-		(3,880,000)
	15,451		17,355		2,016,593		108,867		728,558
	15,775,415		12,026,555		14,170,133		20,129,136		17,023,775
	(17,408,315)		(13,787,414)		(14,636,170)		(21,052,585)		(15,224,330)
	<u>12,585,109</u>		<u>7,112,092</u>		<u>(1,174,671)</u>		<u>47,934,851</u>		<u>29,011,633</u>
\$	<u>(7,415,840)</u>	\$	<u>6,890,664</u>	\$	<u>(3,143,213)</u>	\$	<u>25,814,546</u>	\$	<u>4,093,320</u>
	24.50%		18.32%		20.55%		18.24%		17.28%

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>
2009	2011	3,838,410	1,569,003	154,658		20,246	272,575
2010	2012	3,924,743	1,610,948	146,875		20,370	278,170
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

		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>
2009	2011	1,797,306	1,569,003	154,658		13,417	205,383
2010	2012	1,902,023	1,610,948	146,875		14,058	213,792
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

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>
3,088	5,857,980	(10,216)	5,847,764	15.53%
3,074	5,984,180	(9,957)	5,974,223	15.53%
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%

<u>Other</u>	<u>Gross valuation</u>	<u>Less military exemption</u>	<u>Net valuation</u>
3,088	3,742,855	(10,216)	3,732,639
3,074	3,890,770	(9,956)	3,880,814
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

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>
2011	8.10	0.25	3.97	0.27	0.91	0.27	1.76	15.53
2012	8.10	0.25	3.97	0.27	0.91	0.27	1.76	15.53
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

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>
6.38	17.11	0.92	0.31	40.25
6.38	17.05	1.02	0.32	40.30
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

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>
2011	62,430,924	62,382,970	99.92%
2012	65,965,698	64,450,150	97.70%
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%

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	2020 Taxable Valuation	Rank	% of taxable value	2011 Taxable Valuation	Rank	% of taxable value
Mid American Energy	Utility	\$ 140,781,054	1	2.96%	\$ 142,084,580	1	3.82%
Rhythm City Casino LLC	Commercial	61,757,127	2	1.30%	-		0.00%
Macerich North Park Mall LLC/SDG Macerich Properties	Shopping Center	52,869,258	3	1.11%	63,972,785	2	1.72%
Iowa-American Water Co.	Utility	52,260,699	4	1.10%	46,024,803	3	1.24%
Sterilite Corporation	Commercial	49,031,910	5	1.03%			
Kraft Heinz Foods Company	Commercial	37,651,644	6	0.79%	15,370,986	9	0.41%
THF Davenport North Development	Commercial	29,769,732	7	0.63%			0.00%
John Deere Construction	Commercial	28,106,784	8	0.59%	-		0.00%
Putnam Landlord LLC	Commercial	21,423,355	9	0.45%	-		0.00%
Gulf Investments LLC	Utility	-		0.00%	24,522,800	4	0.66%
Deere & Company	Manufacturing	20,184,579	10	0.42%	22,330,004	5	0.60%
Davenport-Duhler Family Trust	Commercial	-		0.00%	20,554,200	6	0.55%
Qwest	Utility	-		0.00%	17,105,700	8	0.46%
EPT Nineteen Inc.	Theatre Complexes	-		0.00%	17,363,359	7	0.47%
Quanex		-		0.00%	14,990,863	10	0.40%
Total		<u>\$ 493,836,142</u>		<u>10.38%</u>	<u>\$ 384,320,080</u>		<u>10.33%</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			
2011	152,715	-	-	24,384	-	-	177,099	4.20%	1,777
2012	180,909	-	311	41,206	9,798	-	232,224	5.42%	2,330
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	unavailable	2,434
2020	158,333	-	187	58,368	23,013	-	239,901	unavailable	2,407

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>
2011	177,099	(3,140)	173,959	4.68%	1,745
2012	222,115	(33,641)	188,474	4.86%	1,891
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	4.41%	2,030
2020	216,701	(27,576)	189,125	4.35%	1,897

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, 2020
(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	35,372,162	50.07%	17,710,842
Eastern Iowa Community College	31,875,000	29.87%	<u>9,521,063</u>
Subtotal, overlapping debt			<u>27,231,905</u>
City direct debt			<u>158,519,460</u>
Total direct and overlapping debt			<u><u>\$ 185,751,365</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 297,663,843	\$ 303,752,150	\$ 306,921,649	\$ 307,269,293
Total net debt applicable to limit	<u>189,966,525</u>	<u>235,046,500</u>	<u>221,979,300</u>	<u>205,587,350</u>
Legal debt margin	\$ 107,697,318	\$ 68,705,650	\$ 84,942,349	\$ 101,681,943
Total net debt applicable to the limit as a percentage of debt limit	63.82%	77.38%	72.32%	66.91%

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 2020

Assessed valuation	\$ 7,241,747,455	
Debt limit (5% of assessed value)		\$ 362,087,373
Debt applicable to limit:		
General Obligation Bonds	207,435,000	
Tax Increment Financing Rebate Agreements subject to limit	3,917,656	
Total G.O. Indebtedness		<u>211,352,656</u>
Legal debt margin		<u><u>\$ 150,734,717</u></u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 312,585,544	\$ 318,401,799	\$ 323,975,819	\$ 330,626,114	\$ 362,147,694	\$ 362,087,373
<u>189,866,175</u>	<u>223,801,529</u>	<u>221,949,505</u>	<u>217,029,024</u>	<u>212,801,388</u>	<u>211,352,656</u>
\$ 122,719,369	\$ 94,600,270	\$ 102,026,314	\$ 113,597,090	\$ 149,346,306	\$ 150,734,717
60.74%	70.29%	68.51%	65.64%	58.76%	58.37%

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>
2011	99,685	4,270,106,660	42,836	16,131	7.5%
2012	99,685	4,370,888,195	43,847	15,940	6.8%
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	4,917,959,475	50,629	15,489	4.2%
2018	99,685	N/A (1)	51,668	15,233	3.8%
2019	99,685	N/A (1)	N/A (1)	15,054	3.6%
2020	99,685	N/A (1)	N/A (1)	14,930	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	12/31/10			12/31/19		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Genesis Medical Centers	4,900	1	9.63%	4,805	1	9.40%
Arconic/ALCOA	2,030	3	3.99%	2,500	2	4.89%
Davenport Community Schools	2,096	2	4.12%	2,279	3	4.46%
Kraft Foods/Oscar Mayer	1,650	4	3.24%	790	6	1.54%
City of Davenport	1,201	5	2.36%	1,155	4	2.26%
MidAmerican Energy Company	1,025	6	2.01%	845	5	1.65%
Eastern Iowa Community College	1,005	7	1.97%	758	7	1.48%
Alorica Customer Care Inc./APAC Te	900	8	1.77%	550	12	1.08%
United Parcel Service	590	13	1.16%	640	8	1.25%
Von Maur	560	14	1.10%	640	8	1.25%
AT&T	610	10	1.20%	610	10	1.19%
Wells Fargo-Davenport Region	-		0.00%	610	10	1.19%
St. Ambrose University	636	9	1.25%	-		0.00%
Sears Manufacturing	600	11	1.18%	520	13	1.02%
Rhythm City Casino/Isle Capri	600	11	1.18%	-		0.00%
Scott County	455	15	0.89%	-		0.00%
	<u>18,858</u>		<u>37.05%</u>	<u>16,702</u>		<u>32.66%</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, 2020**

FUNCTION/PROGRAM	2019		2018		2017		2016		2015	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
PUBLIC SAFETY										
Police	191	19	191	20	181	22	180	25	186	23
Fire	135	-	134	-	133	-	136	-	142	-
PUBLIC WORKS	293	55	290	59	291	46	288	45	287	50
CULTURE & RECREATION										
Leisure Facilities and Services	19	274	20	313	18	308	19	290	18	218
Library	41	37	39	39	40	40	39	40	39	36
COMMUNITY & ECONOMIC DEVELOPMENT	22	-	21	-	24	-	22	-	23	-
GENERAL GOVERNMENT										
Mayor	2	10	2	-	2	-	2	-	2	-
Council	1	-	1	10	-	10	-	10	-	10
Finance	23	1	24	-	24	-	22	1	23	1
Information Technology	8	-	8	1	7	1	8	1	8	2
Administration	6	1	6	1	8	1	7	1	5	4
Legal	4	-	4	-	4	-	4	-	4	-
Human Resources	7	1	6	2	4	1	5	1	5	2
Civil Rights	4	1	4	-	4	1	4	1	4	3
Total	756	399	750	445	740	430	736	415	746	349

(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.

2014		2013		2012		2011		2010	
FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
186	24	189	26	189	24	195	34	194	35
143	-	138	1	138	-	140	-	149	-
289	48	290	45	296	56	289	46	281	31
17	209	18	257	21	231 (1)	34	170	34	131
37	35	39	39	40	42	41	40	43	44
20	2	24	2	23	2	27	-	32	12
2	-	2	-	1	1	2	-	2	-
-	10	-	10	-	10	1	10	1	10
24	-	25	2	25	1	26	2	26	2
8	1	8	2	7	2	7	2	8	2
6	4	5	8	6	7	6	1	6	-
4	-	4	-	4	-	4	-	4	-
6	2	6	2	5	2	5	2	5	2
4	3	4	1	4	1	4	1	4	1
<u>746</u>	<u>338</u>	<u>752</u>	<u>395</u>	<u>759</u>	<u>379</u>	<u>781</u>	<u>308</u>	<u>789</u>	<u>270</u>

CITY OF DAVENPORT

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2020**

FUNCTION/PROGRAM	FISCAL YEAR			
	2020	2019	2018	2017
PUBLIC SAFETY				
Fire calls answered	16,137	16,443	18,363	18,741
Police-arrests	6,134	4,936	6,244	5,963
Construction permits issued	4,352	2,726	2,515	2,873
PUBLIC WORKS				
Refuse collected (tons)	34,810	32,652	29,996	26,331
Gallons of wastewater processed (in millions)	11,394	15,541	9,919	11,525
Yard waste composted (cu yds)	81,398	78,829	80,720	155,373
Citibus ridership	612,414	584,273	622,937	659,155
Utility service customers	39,065	38,540	38,140	38,970
CULTURE & RECREATION				
Rounds of golf played	56,006	49,031	57,380	57,785
Swimming pools attendance	-	24,005	20,212	16,302
Recreation programs available	541	700	720	795
Recreation program enrollment	7,490	14,064	13,811	12,378
Library - walk-in patrons served	278,605	367,486	372,431	388,185
COMMUNITY & ECONOMIC DEVELOPMENT				
Planning & zoning-site plan reviews	80	68	35	18
Households assisted with rental assistance	1,054	963	1,001	913

Source: Various City of Davenport departments.

FISCAL YEAR					
2016	2015	2014	2013	2012	2011
18,056	16,690	16,373	16,467	15,523	14,965
5,944	6,887	7,632	5,072	6,907	7,151
3,142	2,395	2,602	2,483	2,402	2,510
27,907	27,197	26,920	26,759	24,949	25,604
12,200	10,494	8,541	9,855	8,015	10,877
136,197	110,723	101,373	109,972	152,564	103,379
1,278,115	1,503,419	1,362,174	1,407,131	1,414,496	1,202,929
39,800	39,800	39,500	39,000	38,000	40,000
63,671	64,701	64,063	64,029	77,519	71,243
28,398	24,026	28,191	28,170	32,590	40,874
768	943	984	845	1,272	910
11,502	6,130	5,733	6,342	6,235	57,600
428,684	445,272	481,592	463,971	503,778	578,957
26	35	36	40	25	20
897	867	842	825	783	768

CITY OF DAVENPORT

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2020**

FUNCTION/PROGRAM	FISCAL YEAR				
	2020	2019	2018	2017	2016
PUBLIC SAFETY					
Police cars	129	125	122	117	115
Fire stations	7	7	7	7	7
Fire trucks	16	16	16	16	16
PUBLIC WORKS					
Streets (miles)	707	711	703	703	701
Traffic signals	172	171	167	166	166
Street lights	9,720	9,712	9,712	9,712	9,712
Refuse collection trucks	30	30	30	31	29
Buses	30	27	25	21	22
CULTURE & RECREATION					
Golf courses	3	3	3	3	3
Acres of parks	1,981	1,981	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				
2015	2014	2013	2012	2011
109	105	104	82	83
7	7	7	7	7
16	16	16	16	16
695	695	695	695	695
166	166	166	161	156
9,708	9,708	9,703	9,691	9,691
32	32	32	29	31
22	22	21	23	21
3	3	3	3	3
1,981	1,981	1,913	1,913	1,700
3	3	3	3	3
3	3	3	3	3
