CITY OF DAVENPORT, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Prepared by:
Finance Department
Accounting Division

Front Cover: Designed by Helen Boyd, Engineering Division

INTRODUCTORY SECTION

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INTRODUCTORY SECTION

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City of Davenport

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December 4, 2009

Honorable Mayor, Members of the City Council
and Citizens
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, 2009.

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 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, 2009 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008 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 was 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, 2009 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 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 2000 population of 359,062. Davenport had an estimated 2008 population of 100,827.

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. Eight council members are elected by ward. The mayor and two remaining council members are elected at-large. A professional City Administrator is appointed by the 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 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. However, encumbrances generally are reappropriated as part of the following year's budget.

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, unemployment reached a high in Davenport 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 nonprofessional services. The Davenport-Rock Island-Moline MSA 2009 unemployment rate (through nine months) of 7.1% was lower than the nation (8.9%). The total number of jobs in the MSA has grown the past two years, and of the 211,396 persons in the labor force in 2009, 195,113 were employed, which is indicative of the economic diversification that has occurred. Major employment in the area includes the health care, retail, meat packing and food processing, aluminum, and industrial and agricultural equipment sectors in addition to government, education and utilities. Employment levels at the City's largest employers remained remarkably stable during the economic downturn nationally following 9/11 and several are implementing plans to add jobs and make

capital investment, including Deere & Company, Kraft/Oscar Mayer, Sears Manufacturing and M. A. Ford Manufacturing.

Tax base composition is diverse, consisting of 47 percent residential, 43 percent commercial, 6 percent utility and 4 percent industrial properties. The tax base is not concentrated; the largest taxpayer accounts for 5.4 percent of total value and the remaining nine leading taxpayers account for just 6.5 percent of taxable value. More detailed information on permits and principal taxpayers can be found in the statistical section of this report.

Current economic development activity has diversified to expand beyond a focus on the downtown. In August 2001 the State of Iowa approved a $20 million grant to the City as part of the $113 million River Renaissance on the Mississippi project. River Renaissance is a collection of major improvements and renovations downtown and on the riverfront, including: the Figge Art Museum, the New Ventures Center, the River Music Experience, the River Music Skybridge, the Adler Theatre Stage Expansion and Downtown Parking. Scott County, Iowa assisted with a $5 million grant subsequent to a special referendum at which 73 percent of voters favored the bond issue. All of the River Renaissance projects are now completed. This has spurred additional investments to Downtown Davenport including One Renaissance Plaza, a new $14 million, 90,000-square-foot, Class A office facility in the downtown and approximately 200 loft apartments constructed in the old warehouse district. In addition, two major corporations, AT&T (previously Cingular) and eServ, a Perot Systems Company have committed to new facilities in Davenport. AT&T is now occupying a 75,000 square foot facility, bringing 510 jobs with a total payroll of $11 million. eServe will be constructing a new building valued at $5.95 million providing at least 105 new positions for a total of 275 jobs. Approximately 100 engineering jobs will be created with an average annual wage of $61,000 per year.

Budget Challenges. Recent years' budget processes have faced the many challenges presented by the current local, state and national economies, including: state-shared revenue reductions; loss of investment income due to lower returns in the current markets; state-mandated increases in public safety pension costs; increasing costs of health care; and increasing costs of liability and property insurance.

The General Fund includes most of the City's services including police, fire, parks and recreation, library, community and economic development, civil rights and administration.

The City's General Fund receives approximately 75 percent 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. Also, growth limitations are imposed on the City's property tax base by the State, including the residential property rollback. The 1995 phase out of property taxes on machinery and equipment reduced the City's property tax base by $82 million from FY 2000 through FY 2004. The State has also exempted gas and electric utilities from property tax, and while a replacement tax was revenue neutral for three years, the actual experience has fallen short by $50,000 per year. The taxable property tax base has grown moderately, an average of 4.3 percent annually over the last ten fiscal years ending in FY 2009, despite the above State limitations. Personnel costs represent 80 percent of the fund's expenditures. Wages have grown at an average annual rate of 4.5 percent over the last several years. Employee benefits include funding for health claims which have increased an average of 6 percent per year over the last 10 years ending in FY 2009. In addition, contributions to the state-wide fire and police pension system have increased 48% from FY 2004 to FY 2009 due to benefit increases approved by the Iowa legislature and recent investment performance. The contribution rate declined in 2009 and 2010 but is scheduled to increase due to recent losses in pension fund brought on by the national economic downturn. As a result of this structural imbalance and the challenges discussed above, employee reductions, cost shifting and non-property tax revenue increases (including a garbage collection fee imposed in FY 2005 and clean water utility fee in FY 2006) have been necessary in order to balance the fund.

Future budgets will challenge the City to continue current services within the current revenue and expenditure structure. It is important to note that the State does provide unlimited property tax levies for employee benefits (trust and agency levy) and insurance/claims (tort liability levy), whereas the general and emergency levies are limited as discussed above.

Long-Term Financial Planning. Maintenance and expansion of the City's infrastructure (such as streets, curbs, sidewalks, sewers, bridges, and traffic signals) remain a major priority of the City. 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 the federal and state governments and private sector partnerships. The program required a debt service property tax levy increase from the FY 2006 rate of $.99/$1,000 assessed value and includes programmed usage of the General Debt Service Fund Balance increase which is due to local option sales tax receipts exceeding budgeted property tax relief. The long term financial model as presented in the FY 2008 budget message projects the increase to be to $1.76/$1,000 assessed value in FY 2008, which the City Council approved in the adopted budget. The City Council approved the debt service levy rate increase to $1.76/$1,000 in the FY 2007 budget as presented in the long term financial model. The rate remained the same in FY 2008 and is projected to remain at that level through the life of the six-year program.

Highlights of the Capital Improvement Program which is scheduled to begin in fiscal year 2010 include:

- Street improvements of approximately $119 million including:
  a. 67th Street from Eastern Avenue to Jersey Ridge Road $3.0 million
  b. Pine Street West of Kimberly to 49th Street $3.0 million
  c. Street resurfacing, full depth patching and reconstruction $6.3 million
- Riverfront trail bridge – Credit Island $1.7 million
- Northeast Branch Library $6.9 million
- Rail for Eastern Iowa industrial center $4.6 million
- Consolidated dispatch center $12 million
- Rivercenter Gold Room renovation $6.0 million
- Bus maintenance facility $5.0 million
- Water pollution control plant upgrades $1.75 million
- Rockingham Road sewer separation $1.5 million
- Sanitary sewer inflow and infiltration projects identified in a 2001 needs assessment study; funding is also included to continue to prepare final plans and cost estimates for the Westside diversion tunnel. This project would resolve current and projected capacity problems and open 27 square miles to development in west/northwest Davenport. ($49 million total cost)

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U. S. Treasury, and other obligations guaranteed by the United States or its Agencies. The City's written investment policy prioritizes the following goals: (1) safeguard investments, (2) provide for cash flow requirements and (3) maintain a competitive yield on the portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City, its agent or a financial institution's trust department in the City's name. The maturities of the investments range from 10 days to 303 days, with an average maturity of 99 days. The average yield on investments was 2.05 percent and interest income earned by all funds during the year totaled $1,151,548.

Risk Management. The City's liability, property and workers' compensation claims, insurance and administration program is accounted for in the Risk Management fund. The program involves various risk control techniques and provides funds to meet loss situations which do occur, using a blend of internal and external funding resources. Internal funding of losses is represented by a claims retention program in which an assumption of appropriate deductibles is made. During fiscal year 2009 the deductible for each liability, property and workers' compensation claim was $500,000, $100,000 and $350,000, respectively. Actuarial studies have been obtained to determine the appropriate contributions and reserves necessary to fund these claims retentions. External funding involves the purchase of insurance to finance those losses which the City cannot comfortably retain itself. Individual claims for liability, property and workers' compensation in excess of the deductible are insured up to $10,000,000, the lesser of replacement cost or $75,000,000 per location, and an unlimited amount, respectively. The goals of the current risk management program are to lower long-term costs and to reduce dependence on the

insurance market, which lessens the effect of annual rate increases and/or capacity crunches. The risk related to the City's self-funded employee and retiree health plan is covered in Note 10 in the notes to the financial statements.

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, 2008. This was the 26th 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 has received the GFOA's Distinguished Budget Presentation Award for its annual budget document for FY 2010. This was the 14th 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 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 those who assisted and contributed to its preparation accordingly. We especially wish to thank Linda Folland and the Accounting Division staff for all of their extra time and effort in the preparation of this report. We would also like to thank the Mayor and members of the Finance Committee and City Council for their direction and support in planning and overseeing the financial operations of the City.

Respectfully submitted,

Craig Malin
City Administrator

Alan Guard

Alan Guard
Finance Director

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, 2008

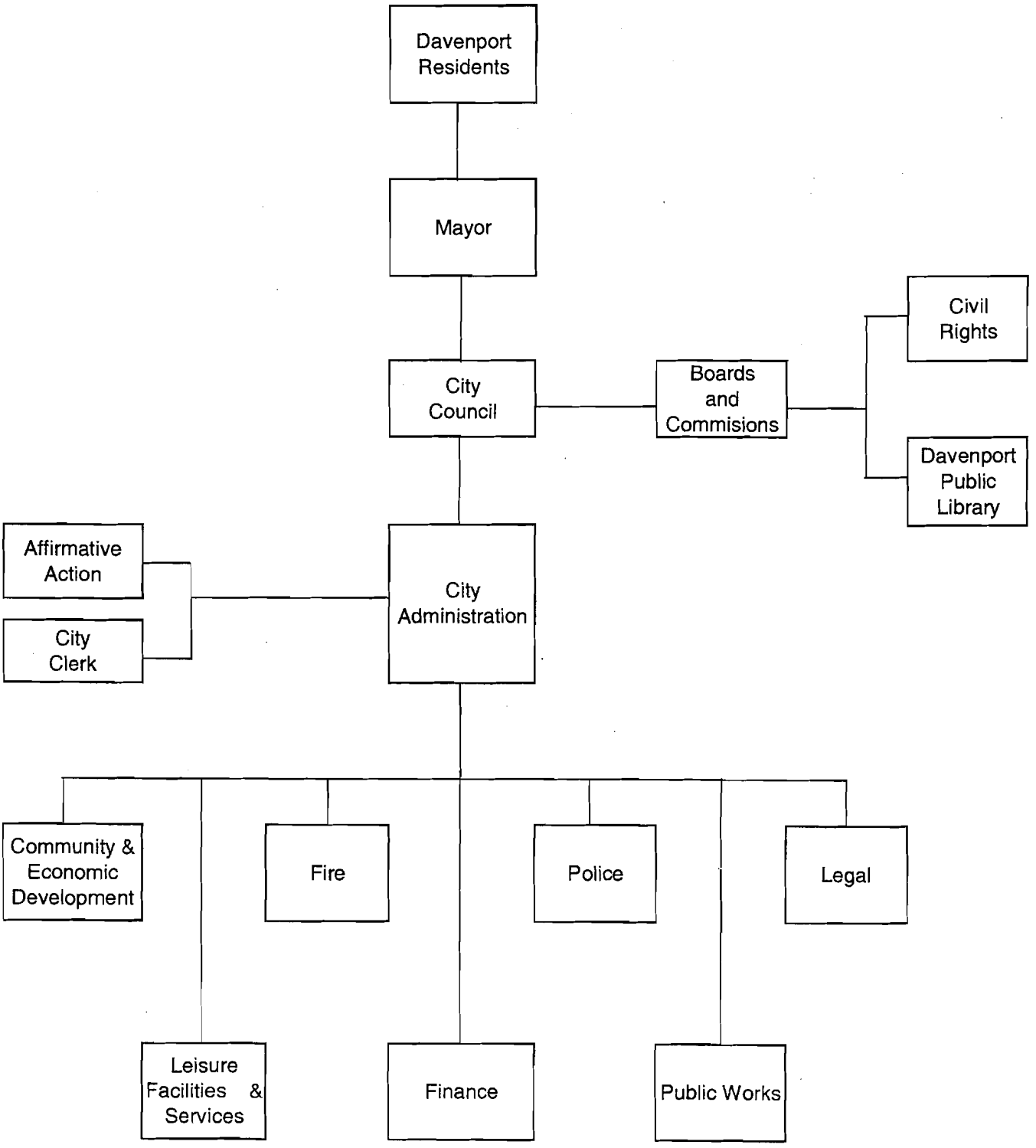
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF DAVENPORT

ORGANIZATIONAL CHART
JUNE 30, 2009



CITY OF DAVENPORT

CITY OFFICIALS
June 30, 2009

OFFICIAL TITLE	OFFICIAL	TERM EXPIRATION DATE OF ELECTED OFFICIALS
Elected Officials		
Mayor	William E. Gluba	1/10
Alderman at Large	Gene Meeker	1/10
Alderman at Large	Ian Frink	1/10
Alderman First Ward	Nathan Brown	1/10
Alderman Second Ward	Bill Edmond	1/10
Alderman Third Ward	William J. Boom	1/10
Alderman Fourth Ward	Raymond A. Ambrose	1/10
Alderman Fifth Ward	Bill Lynn	1/10
Alderman Sixth Ward	Jeffrey W. Justin	1/10
Alderman Seventh Ward	Morris D Barnhill	1/10
Alderman Eighth Ward	Mike Matson	1/10
Administration		
City Administrator	Craig Malin	
Departments		
Civil Rights	Judith Morrell	
Community and Economic Development	Pamela S. Miner	
Finance	Alan E. Guard	
Fire	Mark Frese	
Human Resources	Dawn M. Sherman	
Information Technology	Rob Henry	
Legal	Thomas D. Warner	
Leisure Facilities & Services	Seve Ghose	
Library	LaWanda Roudebush	
Police	Francis R. Donchez	
Public Works	Michael F. Clarke	

FINANCIAL SECTION

EideBailly

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Davenport, Iowa. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated November 24, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Davenport, Iowa. 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 basic financial statements of the City of Davenport, Iowa. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Davenport, Iowa. The combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Eide Bailly LLP

Dubuque, Iowa
November 24, 2009

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, 2009. 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 vii 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, in spite of economic pressures and State of Iowa mandates and cutbacks in shared revenues.

- The assets of the City of Davenport exceeded its liabilities at June 30, 2009 by $265,686 (net assets). Current assets exceeded current liabilities by $40,687.
- The government's total net assets decreased by $1,931 during fiscal year (FY) 2009.
- At June 30, 2009, unreserved, undesignated fund balance for the General Fund was $4,961, or 8 percent of total General Fund expenditures, while total fund balance represents 18 percent of total 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 comprise 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 assets presents information on all of the City of Davenport's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during FY 2009. All changes in net assets 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 (convention center), public transit, public housing, golf courses, airport, solid waste collection, and clean water utility.

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 16 through 19 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 fifteen 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 for the General Fund, General Debt Service Fund, Local Option Sales Tax Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other eleven 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 20 through 27 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 nine 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, and RiverCenter, as these are considered to be major funds of the City of Davenport. Data from the other six enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 28 through 39 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 40 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 41 through 60 of this report.

Supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor 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 65 through 85 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Comparative data from fiscal year 2008 and 2009 are presented below. In Davenport, assets exceeded liabilities by $265,685 at the close of the fiscal year ended June 30, 2009.

City of Davenport's Net Assets

	Governmental Activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 128,535	$ 127,808	$ 20,847	$ 20,864	$ 149,382	$ 148,672
Capital assets	235,280	222,681	123,257	126,348	358,537	349,029
Total assets	363,815	350,489	144,104	147,212	507,919	497,701
Noncurrent liabilities outstanding	118,076	104,771	16,819	18,184	134,895	122,955
Other liabilities	99,741	99,731	7,598	7,398	107,339	107,129
Total liabilities	217,817	204,502	24,417	25,582	242,234	230,084
Net assets:						
Invested in capital assets, net of related debt	105,380	107,377	106,461	109,165	211,841	216,542
Restricted	37,924	34,634	-	-	37,924	34,634
Unrestricted	2,694	3,976	13,226	12,464	15,920	16,440
Total net assets	$ 145,998	$ 145,987	$ 119,687	$ 121,629	$ 265,685	$ 267,616

By far the largest portion of the City of Davenport's net assets (80 percent) 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 assets (14 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 $42,043, $28,794 and $13,249, respectively.

At June 30, 2009, the City of Davenport is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true at June 30, 2008.

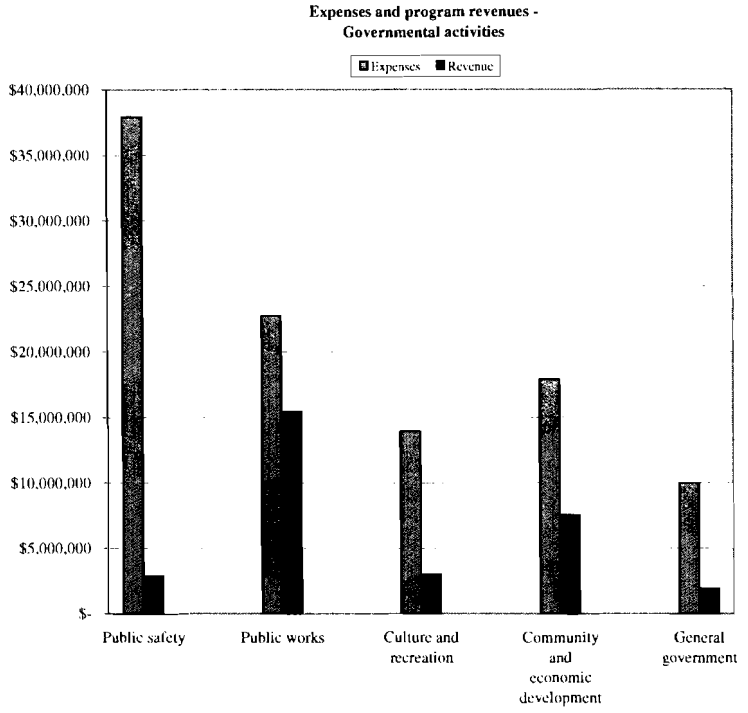
City of Davenport's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 7,807	$ 8,427	$ 24,105	$ 23,155	$ 31,912	$ 31,582
Operating grants and contributions	17,584	14,562	1,558	1,792	19,142	16,354
Capital grants and contributions	5,315	3,851	1,603	2,170	6,918	6,021
General revenues:						
Property taxes	56,603	54,216	3,248	3,098	59,851	57,314
Other taxes	19,227	19,950	-	-	19,227	19,950
Other	1,492	3,068	510	715	2,002	3,783
Total revenues	108,028	104,074	31,024	30,930	139,052	135,004
Expenses:						
Public safety	37,946	37,930	-	-	37,946	37,930
Public works	22,727	21,654	-	-	22,727	21,654
Culture and recreation	13,925	11,663	-	-	13,925	11,663
Community and economic development	17,885	10,084	-	-	17,885	10,084
General government	10,027	8,523	-	-	10,027	8,523
Interest on long-term debt	5,160	5,352	-	-	5,160	5,352
Parking system	-	-	2,131	2,214	2,131	2,214
Sewer operations	-	-	13,661	12,933	13,661	12,933
RiverCenter	-	-	2,273	2,075	2,273	2,075
Public transit	-	-	5,244	5,109	5,244	5,109
Public housing	-	-	1,024	1,089	1,024	1,089
Golf courses	-	-	2,215	2,360	2,215	2,360
Airport	-	-	536	564	536	564
Curbside recycling	-	-	4,425	4,427	4,425	4,427
Clean water	-	-	1,804	1,748	1,804	1,748
Total expenses	107,670	95,206	33,313	32,519	140,983	127,725
Increase/(decrease) in net assets before transfers	358	8,868	(2,289)	(1,589)	(1,931)	7,279
Transfers	(347)	(502)	347	502	-	-
Increase/(decrease) in net assets	11	8,366	(1,942)	(1,087)	(1,931)	7,279
Net assets-beginning	145,987	137,621	121,629	122,716	267,616	260,337
Net assets-ending	$ 145,998	$ 145,987	$ 119,687	$ 121,629	$ 265,685	$ 267,616

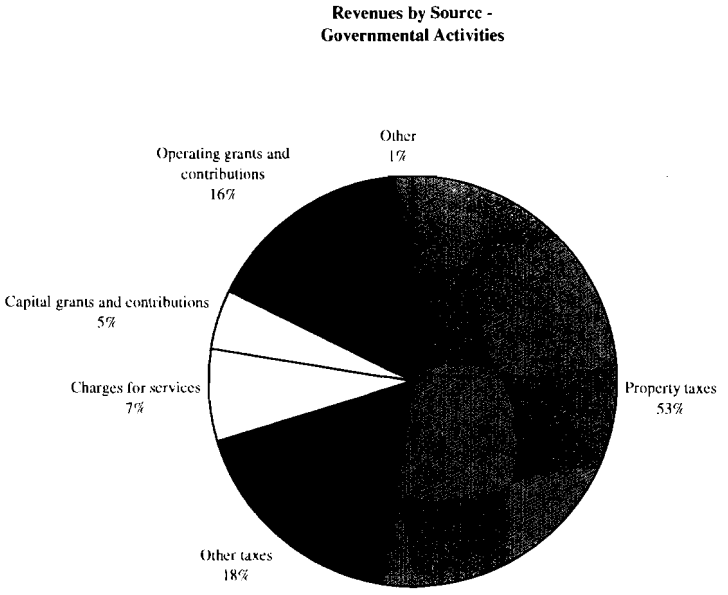
Governmental activities. Governmental activities increased the City's net assets by $358, before transfers. The key element of this increase follows.

- Fund balance increased in the tax increment financing districts debt service fund, due to the issuance of bonds that were not yet spent. When comparing the prior fiscal year, total governmental activities expenses increased 13%, while revenue only increased 4%. There was more debt issued than there were contributions of and investments in capital assets.

Certain revenues are generated that are specific to governmental program activities. These totaled $30,706. The graph below shows a comparison between the expenditures by governmental activity type and the revenues generated that are specific to those activities.



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



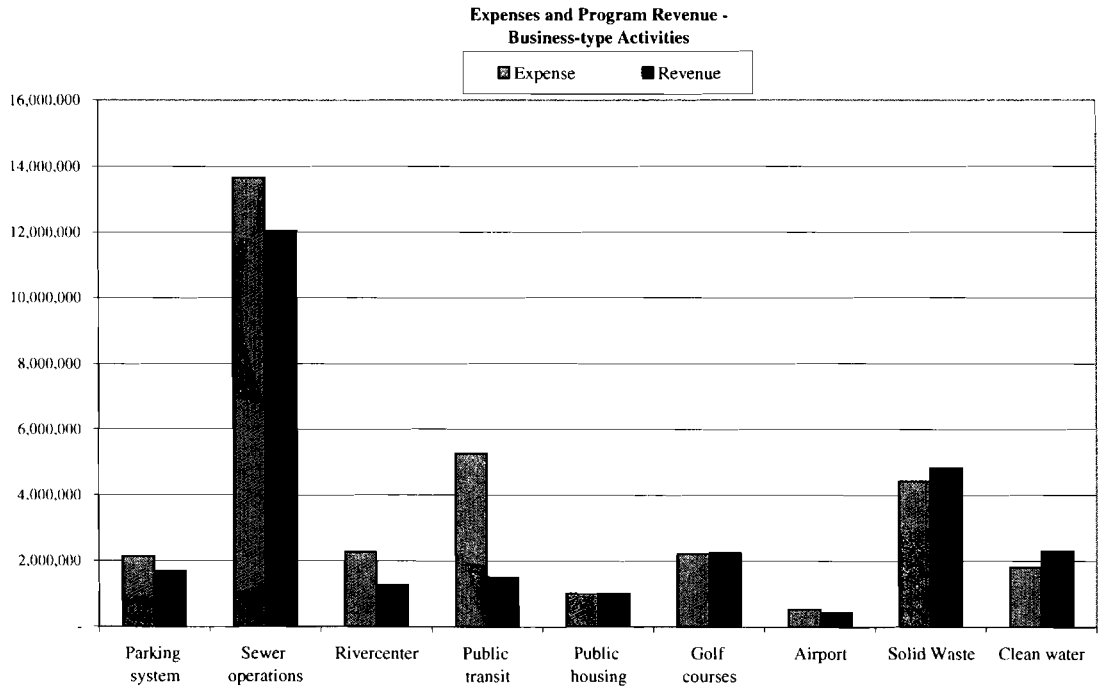
Total governmental activities' revenues for FY 2009 were $108,028, an increase of $3,954 from FY 2008. The largest single revenue source was property taxes of $56,603, which increased by $2,387 (4 percent) during FY 2009. This increase resulted from an increase in the tax base. Operating grants and contributions increased by $3,022 during FY 2009. This was due to increased funding of several grants and new funding of grants, including Community Development Block Grant, Section 8 Housing, Continuum of Care, Lead Based Paint and EDI Special Project Grants.

Business-type activities. Business-type activities decreased the City of Davenport's net assets by $2,289. The key elements of this decrease follow:

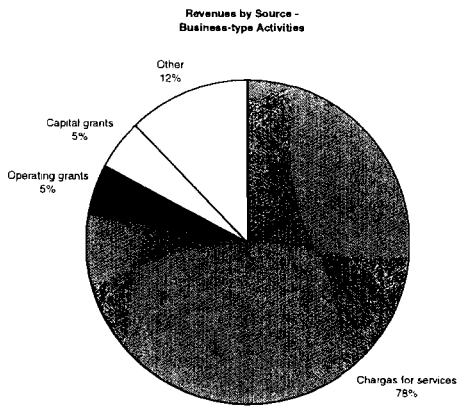
- Operating expenses increased 2.4 percent, but operating revenues only increased .3 percent. Capital contributions decreased from FY 2008 to FY 2009 by nearly 26 percent and investment earnings decreased by 38 percent.

Total business-type activities' revenue for the fiscal year was $31,024.

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



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



Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Davenport's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City of Davenport's financing requirements. In particular, unreserved 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 2009, the City of Davenport's governmental funds reported combined ending fund balances of $44,445, an increase of $2,966 in comparison with the prior year. The increase in governmental fund balance is attributed to an increase in the capital projects fund of $1,640, explained in the following paragraphs and an increase in the non-major governmental funds of $1,809 due to the issuance of General Obligation Bonds in the Tax Increment Financing District Debt Service Fund to pay for the City contribution toward the renovation of the Blackhawk Hotel and the use of Road Use Tax fund balance to cover obligations during a severe winter. Approximately 13 percent of this total amount, $5,941, constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed or is restricted: (1) to liquidate contracts and purchase orders of the prior period $2,990, (2) to pay debt service $15,455, (3) to pay for capital improvements of $13,446, (4) to pay employee benefits $3,067, (5) to pay insurance and claims $1,651, and (6) for a variety of other restricted purposes $1,895.

The General Fund is the chief operating fund of the City of Davenport. The General Fund includes many of the City's services including police, fire, parks and recreation, library, community and economic development, civil rights and administration. The General Fund group as reported combines a number of individual funds each with 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; Parks Special Needs Funds and the Flood Fund. At the end of the current fiscal year 2009, unreserved, undesignated fund balance of the General Fund was $4,961, while total fund balance was $10,799. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 8 percent of total General Fund expenditures, 11.9 percent General Fund expenditures excluding the specific purpose funds, while total fund balance represents 18 percent of the total expenditures.

The total fund balance of the City of Davenport's General Fund increased by $273 during the current fiscal year and the undesignated fund balance increased by $143. The State of Iowa allows a maximum property tax levy rate of $8.10 per thousand dollars of assessed 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 use is 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 that the unreserved fund balance will be maintained at 10 to 15 percent of the operating requirements. The current fund balance is within policy guidelines. 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 $10,099, 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 $904. 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 total fund balance of $6,877, of which, $6,587 is reserved for capital projects and $290 is reserved for encumbrances. 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 (debt service levy) and 40 percent for capital improvements. A transfer of 60 percent of tax proceeds is made to the General Debt Service Fund and the remainder is transferred to the Capital Projects Fund as expenditures occur. The net decrease in fund balance during the current year was $1,661, due to capital projects being completed.

The Capital Projects Fund has a total fund balance of $8,744, all of which is reserved for encumbrances and capital projects. The net increase in fund balance during the current year in the Capital Projects Fund was $1,640, due to bond funded projects not yet complete.

Proprietary funds. The City of Davenport 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 62 and 63.

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

- The total original revenue budget of $163,403 was increased to $201,710, an increase of $38,307. 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 $28,457. There were also special revenue grant rollovers amounting to $2,373 and new special revenue grants of $2,673.

- The total original expenditure budget of $183,728 was increased to $257,609, an increase of $73,881. In the community and economic development category, $2,157 was carried forward for on-going grants, $2,673 was budgeted for new grants, and $10,390 was budgeted for payment of tax increment financing obligations. In the capital outlay category, $46,190 was carried forward in the budget amendment to reflect on-going construction in progress of capital projects.

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 $25,865 were not accrued or received due to construction projects not completed.

- In the community and economic development expenditure category, $11,687 was not spent in special revenue funds and tax increment financing funds and will be carried forward. In the capital outlay category, $58,030 of expenditures were budgeted and not spent, due to construction projects not completed. In the business type category, $1,693 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 62 and 63 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 $58,783 was increased to $61,712, an increase of $2,929. In the intergovernmental revenue category, federal grants in the amount of $1,583, state grants in the amount of $233, and local grants of $256 received subsequent to original budget adoption are included as both revenues and expenditures.

- The total original expenditure budget of $57,838 was increased to $62,911, an increase of $5,073. Police forfeiture and seizure monies of $152 held as reserved General Fund balance at June 30, 2008 were included in amendments in order to authorize the expenditure during FY 2009. $1,131 was added to the culture and recreation budget with an amendment to cover flood damage repair work. Budgeted turnover savings of $1,147 were removed to cover existing staffing levels. Public works expenditures were increased in amendments by $114 as a result of the carryforward of the monies collected from developers and reserved for reforestation.

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 2009 was $273, a positive variance from the budgeted change ($2,449) of $2,722.

- Revenue items that came in under budget included gaming taxes from the casino and interest earnings

- All expenditure categories came in under budget, partially due to spending constraints imposed during the year.

- A special library property tax levy ($.27/$1,000 assessed value) was approved by voters to support operations of two new branch libraries. Unexpended taxes of $534 were a part of the favorable variance and a reservation of General Fund balance at June 30, 2009.

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, 2009, amounts to $358,537 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and vehicles, sanitary sewers, bridges, traffic signals, storm sewers, and paving. The total increase in the City of Davenport's investment in capital assets for the current fiscal year was 2.6 percent. Governmental activities accounted for the increase, as the business type activities reflected greater depreciation than acquisition of new assets. At June 30, 2009, and June 30, 2008 the depreciable capital assets of the City were 40 percent and 38 percent depreciated. This indicates that the City is replacing its assets as they are depreciating.

Major capital asset activities during fiscal year 2009 include the following:

Governmental activities

- Paving work completed by the City of $9,783 including $664 of street resurfacing, $2,888 of full-depth patching, $729 for 53rd Street and Sheridan Signal, $5,214 Northwest Boulevard reconfiguration and paving $288 Duck Creek Bike Path resurfacing.
- Paving completed and contributed by developers $643.
- Prairie Heights Park development phase 1 $1,992.
- City wide fiber network $894.

Business-type activities

- Sanitary sewers built and contributed by developers $119.
- Storm sewers built and contributed by developers $423.
- Airport maintenance building $375.
- Sewer Lining $345.
- Heritage high-rise upgrades $149.

Additional information on the City of Davenport's capital assets can be found in Note 5 in the notes to the financial statements.

City of Davenport's Capital Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$ 16,010	$ 15,870	$ 11,190	$ 11,090	$ 27,200	$ 26,960
Buildings	93,753	92,019	90,319	89,664	184,072	181,683
Improvements other than buildings	16,048	12,246	9,432	9,432	25,480	21,678
Sanitary sewers	-	-	62,558	62,049	62,558	62,049
Equipment and vehicles	33,862	32,462	28,800	28,168	62,662	60,630
Bridges	4,474	4,474	-	-	4,474	4,474
Traffic signals	7,355	7,230	-	-	7,355	7,230
Storm sewers	-	-	17,826	17,403	17,826	17,403
Paving	152,160	140,891	183	183	152,343	141,074
Seawalls	623	623	-	-	623	623
Tunnels	54	54	-	-	54	54
Construction in progress	15,695	11,396	4,048	3,160	19,743	14,556
Accumulated depreciation	(104,754)	(94,584)	(101,099)	(94,802)	(205,853)	(189,386)
Total	$ 235,280	$ 222,681	$ 123,257	$ 126,347	$ 358,537	$ 349,028

Long-term debt. At the end of the current fiscal year, the City of Davenport had total bonded debt outstanding of $149,125. Of this amount, $109,988 comprises debt being 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 levee improvement commission fund, the municipal improvement districts fund, the sewer operations enterprise fund, the public housing enterprise fund, the golf courses enterprise fund, 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 its citizens and service users. Detailed information on bonded debt abatement by fund is contained in a summary on pages 94 and 95 of this report.

City of Davenport's Outstanding Debt

General Obligation Bonds

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation Bonds	$ 130,733	$ 115,885	$ 18,392	$ 19,810	$ 149,125	$ 135,695

The City of Davenport's total debt increased by $13,430 during the current fiscal year. New debt issuance of $27,095 during the year slightly exceeded the debt retirement of $13,665. The issuance was to finance the City's capital improvement program including streets, buildings, and sanitary sewers (abated by user fees), and tax increment financing projects (abated by tax increment financing revenue).

The City's scheduled debt repayment is rapid, with 82 percent of outstanding bonded debt scheduled for repayment in 10 years and 98 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 current debt limitation for the City of Davenport is $290,703, which is significantly in excess of the City of Davenport's outstanding general obligation debt, $149,125, and other debt subject to the debt limitation $10,832.

The City of Davenport maintains an AA rating from Standard & Poor's, and an Aa2 rating from Moody's Investors Service for general obligation debt. Both firms view the outlook for their most recent ratings as stable.

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

In 1992 the State consolidated local police and fire retirement systems into a state-wide system (MFPRSI). MFPRSI is funded from members' contributions (9.35 percent of earnable compensation), State of Iowa contribution of $2,816 per year (approximately 1.63 percent of earnable compensation), and cities contribute the amount actuarially determined necessary to fund the benefits in accordance with accepted actuarial methods but not less than 17 percent of earnable compensation of the active members. Cities which are at the $8.10 general levy maximum fund pension contributions from the Trust and Agency property tax levy. In 1999 the actuarially-determined City contribution rate was 11.12 percent. Since the minimum contribution rate established by statute was 17 percent, a margin of 5.88 percent was reported. This was at a time when investment returns were outstanding (and non-recurring). Police officers and firefighters requested that the State Legislature increase pension benefits. Cities through the Iowa League of Cities requested that the State Legislature decrease City contributions and provide a property tax reduction. The Legislature increased pension benefits in 2000. The actuarially-determined City contribution rate increased from 17 percent to 20.48 percent, 24.92 percent, and 28.21 percent for fiscal years 2004, 2005, and 2006, respectively. The increases were primarily the result of the pension benefit increase passed by the 2000 State Legislature and recent poor investment returns (losses) which are spread over a four-year period. As a result, the City's police and fire pension contribution has increased $1,700 annually. The City's contribution rate for FY 2007 was 27.75 percent, 25.48 percent for FY 2008, 18.75 percent for FY 2009 and 17 percent for FY2010. However, recent actuarial studies performed for MFPRSI indicate the rate will increase to 19.90% for FY2011. Increases in this rate may have a direct impact on future budgets.

Total employee benefit health claims increased 13.5 percent during fiscal year 2007, decreased 18.9 percent for FY 2008 and increased 15 percent for FY2009. The City's contribution to the Employee Health Insurance Fund for the majority of its employees (General Fund employees) is financed by the unlimited Trust and Agency property tax levy. Approximately 60 percent of the City's employees are represented by five different bargaining units (American Federation of State, County and Municipal Employees, Fire, Police, Teamsters and Transit). At issue during recent negotiations has been wages and cost-sharing related to health benefits. During negotiations for FY 2010 through 2017, the City sought and received additional increases in employee monthly premiums from all employees. Also, these negotiations with all bargaining units resulted in three year settlements with all groups. General wage increases 3 percent for each year of the agreements.

For the future, plans to enable the City to continue to adopt balanced budgets include: continued use of the unlimited levies for employee benefits (Trust and Agency) and property and liability insurance and claims (Tort); the City has a strong record of implementing expenditure reductions and introducing efficiencies in order to balance General Fund budgets and current efforts/projects include a technology assessment, and the consolidated dispatch project with Scott County, EMS Medic and the City of Bettendorf.

Requests for Information

This financial report is designed to provide a general overview of the City of Davenport's finances for all 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: Alan E. Guard, Finance Director, City of Davenport, 226 West Fourth Street, Davenport, IA 52801.

CITY OF DAVENPORT

STATEMENT OF NET ASSETS
June 30, 2009

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current assets:			
Unrestricted current assets:			
Cash and investments	$ 47,175,074	$ 3,540,770	$ 50,715,844
Delinquent property taxes receivable	1,387,043	76,894	1,463,937
Succeeding year property taxes receivable	57,717,114	3,301,075	61,018,189
Other taxes receivable	2,890,233	-	2,890,233
Special assessments	1,177,818	-	1,177,818
Accounts receivable	4,174,706	6,153,894	10,328,600
Loans receivable	7,973,364	-	7,973,364
Accrued interest receivable	88,428	20,270	108,698
Internal balances	1,451,589	(1,451,589)	-
Due from other governments	3,610,999	887,281	4,498,280
Prepaid items	158,241	8,837	167,078
Total unrestricted current assets	127,804,609	12,537,432	140,342,041
Restricted current assets:			
Cash and cash equivalents	48,676	7,634,151	7,682,827
Total current assets	127,853,285	20,171,583	148,024,868
Noncurrent assets:			
Deferred charge-issuance cost	383,042	127,545	510,587
Other post employment benefits receivable	299,402	64,116	363,518
Investment in joint venture	-	483,551	483,551
Capital assets:			
Land	16,010,423	11,190,268	27,200,691
Buildings	93,753,114	90,319,229	184,072,343
Improvements other than buildings	16,048,246	9,432,128	25,480,374
Sanitary sewers	-	62,557,784	62,557,784
Equipment and vehicles	33,861,455	28,799,468	62,660,923
Bridges	4,474,397	-	4,474,397
Traffic signals	7,354,925	-	7,354,925
Storm sewers	-	17,826,061	17,826,061
Paving	152,159,921	182,774	152,342,695
Seawalls	622,467	-	622,467
Tunnels	54,326	-	54,326
Construction in progress	15,694,553	4,048,155	19,742,708
Accumulated depreciation	(104,754,121)	(101,098,720)	(205,852,841)
Total capital assets	235,279,706	123,257,147	358,536,853
Total noncurrent assets	235,962,150	123,932,359	359,894,509
Total assets	$ 363,815,435	$ 144,103,942	$ 507,919,377

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	$ 3,833,788	$ 562,114	$ 4,395,902
Contracts payable	875,521	-	875,521
Accrued wages payable	2,421,103	527,681	2,948,784
Accrued compensated absences	4,640,898	502,350	5,143,248
Claims and judgments	4,871,722	-	4,871,722
Accrued interest payable	488,471	52,949	541,420
General obligation bonds payable	13,226,225	1,588,775	14,815,000
Unearned revenue:			
Succeeding year property tax	57,717,114	3,301,075	61,018,189
Other	11,617,188	73,872	11,691,060
Total	99,692,030	6,608,816	106,300,846
Current liabilities payable from restricted assets:			
Accounts payable	48,676	-	48,676
Deposits payable	-	988,730	988,730
Total current liabilities payable from restricted assets	48,676	988,730	1,037,406
Total current liabilities	99,740,706	7,597,546	107,338,252
Noncurrent liabilities:			
Accrued compensated absences	1,000,159	108,260	1,108,419
General obligation bonds payable	115,906,302	16,711,249	132,617,551
Special assessment with government commitment	1,169,538	-	1,169,538
Total noncurrent liabilities	118,075,999	16,819,509	134,895,508
Total liabilities	217,816,705	24,417,055	242,233,760
NET ASSETS			
Invested in capital assets, net of related debt	105,380,683	106,460,687	211,841,370
Restricted:			
Employee benefits	3,148,306	-	3,148,306
Tort liability	1,650,793	-	1,650,793
Capital projects	8,743,569	-	8,743,569
Debt retirement	15,003,824	-	15,003,824
Local option sales tax-capital projects	6,876,626	-	6,876,626
Road use tax	1,331,490	-	1,331,490
Community development act loans	6,724	-	6,724
Municipal improvement districts	700,928	-	700,928
Revolving loans	461,534	-	461,534
Unrestricted	2,694,253	13,226,200	15,920,453
Total net assets	$ 145,998,730	$ 119,686,887	$ 265,685,617

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

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SALES AND SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Public safety	$ 37,946,102	$ 1,991,648	$ 379,522	$ 498,380
Public works	22,727,385	1,891,001	9,582,657	3,958,684
Culture and recreation	13,924,558	1,255,539	947,311	765,416
Community and economic development	17,884,887	762,264	6,666,950	92,894
General government	10,026,526	1,906,531	6,950	-
Interest on long-term debt	5,159,660	-	-	-
Total governmental activities	107,669,118	7,806,983	17,583,390	5,315,374
Business-type activities:				
Parking system	2,130,548	1,675,828	-	-
Sewer operations	13,661,231	11,769,322	-	263,149
Rivercenter	2,273,405	1,151,073	-	105,743
Public transit	5,243,812	479,056	1,011,499	5,257
Public housing	1,024,289	388,302	546,495	55,084
Golf courses	2,215,155	2,237,644	-	-
Airport	536,281	181,104	-	256,446
Solid waste	4,424,452	4,481,816	-	348,375
Clean water	1,803,626	1,740,483	-	569,059
Total business-type activities	33,312,799	24,104,628	1,557,994	1,603,113
Total government	$ 140,981,917	$ 31,911,611	$ 19,141,384	$ 6,918,487

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 assets

Net assets, beginning, as restated

Net assets, ending

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

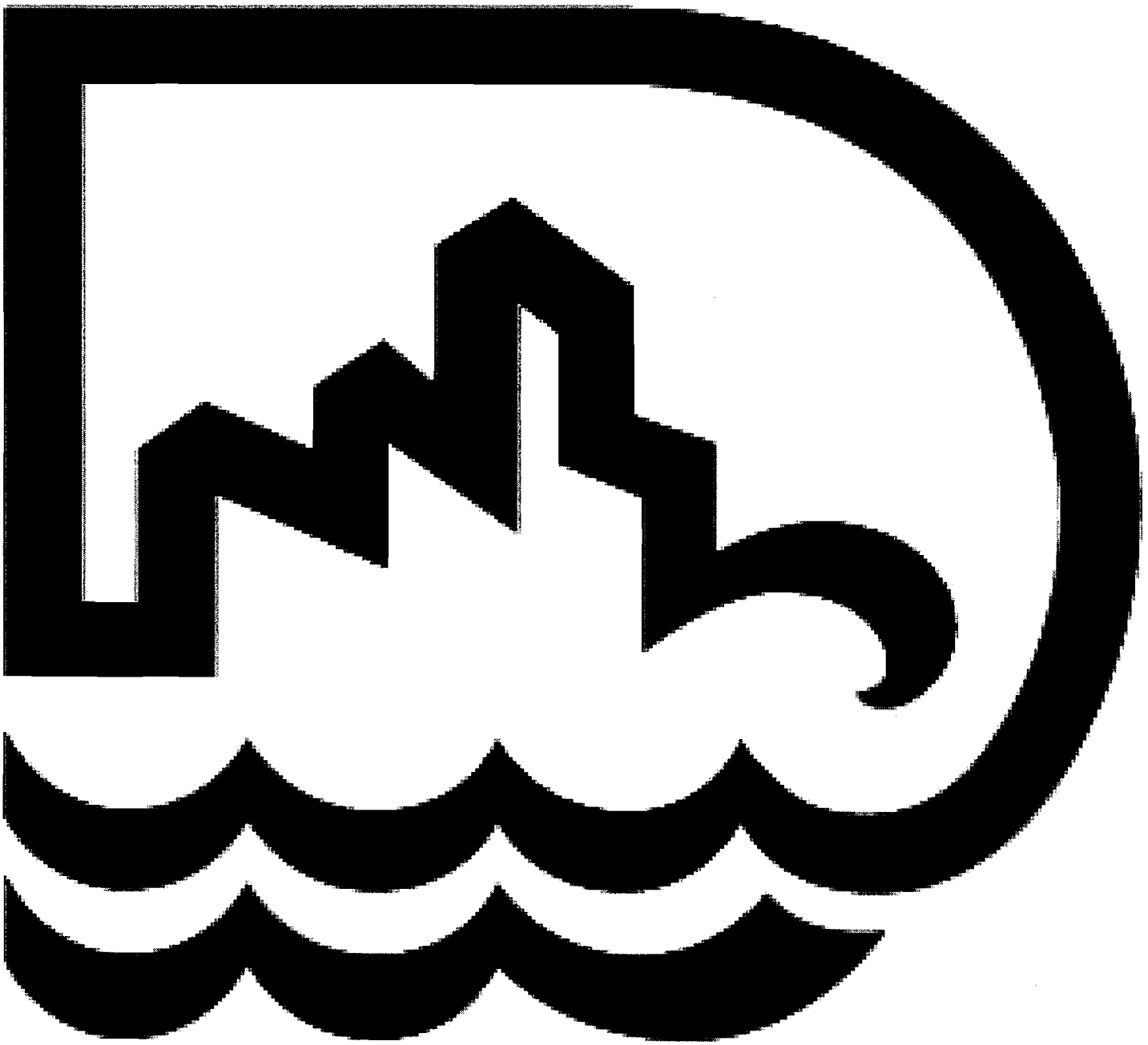
NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
$ (35,076,552)	$ -	$ (35,076,552)
(7,295,043)	-	(7,295,043)
(10,956,292)	-	(10,956,292)
(10,362,779)	-	(10,362,779)
(8,113,045)	-	(8,113,045)
(5,159,660)	-	(5,159,660)
(76,963,371)	-	(76,963,371)
-	(454,720)	(454,720)
-	(1,628,760)	(1,628,760)
-	(1,016,589)	(1,016,589)
-	(3,748,000)	(3,748,000)
-	(34,408)	(34,408)
-	22,489	22,489
-	(98,731)	(98,731)
-	405,739	405,739
-	505,916	505,916
-	(6,047,064)	(6,047,064)
(76,963,371)	(6,047,064)	(83,010,435)
47,178,250	-	47,178,250
9,424,099	-	9,424,099
-	3,248,353	3,248,353
14,268,556	-	14,268,556
1,745,523	-	1,745,523
3,213,249	-	3,213,249
1,390,993	400,305	1,791,298
4,905	-	4,905
96,087	109,302	205,389
(346,707)	346,707	-
76,974,955	4,104,667	81,079,622
11,584	(1,942,397)	(1,930,813)
145,987,146	121,629,284	267,616,430
$ 145,998,730	$ 119,686,887	$ 265,685,617

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2009

ASSETS	GENERAL FUND	LOCAL OPTION SALES TAX FUND	GENERAL DEBT SERVICE FUND
Cash and investments	$ 9,313,258	$ 6,341,661	$ 8,590,915
Receivables:			
Property taxes:			
Delinquent	1,092,450	-	152,437
Succeeding year	46,918,464	-	6,571,303
Other taxes	672,873	2,217,360	-
Accounts	1,023,655	69,880	-
Special assessments	-	7,744	1,170,074
Loans	-	-	-
Interest	31,792	-	34,768
Interfund loans receivable	1,570,898	-	1,330,416
Due from other governments	705,378	3,316	-
Prepaids	913	-	-
Restricted assets-cash and investments	-	-	-
TOTAL ASSETS	$ 61,329,681	$ 8,639,961	$ 17,849,913
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Wages payable	$ 2,004,988	$ 61,020	$ -
Accounts payable	775,550	111,321	-
Contracts payable	-	-	-
Payable from restricted assets	110	-	-
Interfund loans payable	-	1,584,210	-
Due to other governments	-	-	-
Deferred revenue:			
Succeeding year property tax	46,918,464	-	6,571,303
Other	831,930	6,784	1,156,583
Matured bonds payable	-	-	20,000
Matured interest payable	-	-	3,381
Total Liabilities	50,531,042	1,763,335	7,751,267
FUND BALANCES:			
Reserved for encumbrances	371,932	289,976	-
Reserved for future projects	-	-	-
Reserved for tort liability	1,650,793	-	-
Reserved for loan applicants	-	-	-
Reserved for employee benefits	3,067,155	-	-
Reserved for library	534,322	-	-
Reserved for prepaids	913	-	-
Reserved for debt retirement	-	-	10,098,646
Reserved for drug enforcement	212,148	-	-
Reserved for capital projects	-	6,586,650	-
Unreserved:			
Undesignated:			
General	4,961,376	-	-
Special revenue	-	-	-
Total Fund Balances	10,798,639	6,876,626	10,098,646
TOTAL LIABILITIES AND FUND BALANCES	$ 61,329,681	$ 8,639,961	$ 17,849,913

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

CAPITAL PROJECTS FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 10,033,128	$ 8,409,373	$ 42,688,335
-	142,156	1,387,043
-	4,227,347	57,717,114
-	-	2,890,233
-	2,503,668	3,597,203
-	-	1,177,818
-	7,973,364	7,973,364
-	6,600	73,160
1,053,084	-	3,954,398
1,353,438	1,547,557	3,609,689
-	646	1,559
-	48,566	48,566
$ 12,439,650	$ 24,859,277	$ 125,118,482
$ 560	$ 267,680	$ 2,334,248
2,211,657	503,983	3,602,511
875,521	-	875,521
-	48,566	48,676
-	996,381	2,580,591
-	-	-
-	4,227,347	57,717,114
608,343	10,887,453	13,491,093
-	-	20,000
-	-	3,381
3,696,081	16,931,410	80,673,135
1,884,056	444,230	2,990,194
-	685,628	685,628
-	-	1,650,793
-	461,534	461,534
-	-	3,067,155
-	-	534,322
-	-	913
-	5,356,403	15,455,049
-	-	212,148
6,859,513	-	13,446,163
-	-	4,961,376
-	980,072	980,072
8,743,569	7,927,867	44,445,347
$ 12,439,650	$ 24,859,277	$ 125,118,482



CITY OF DAVENPORT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total governmental fund balances	$ 44,445,347
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	232,329,098
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,873,905
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,861,853
Internal service fund activities allocated to business-type activities	77,782
Deferred charges	383,042
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	(5,496,216)
Accrued interest payable	(485,090)
General obligation bonds payable	(130,282,065)
Other post employment benefits	291,074
	(135,972,297)
Net assets of governmental activities	$ 145,998,730

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

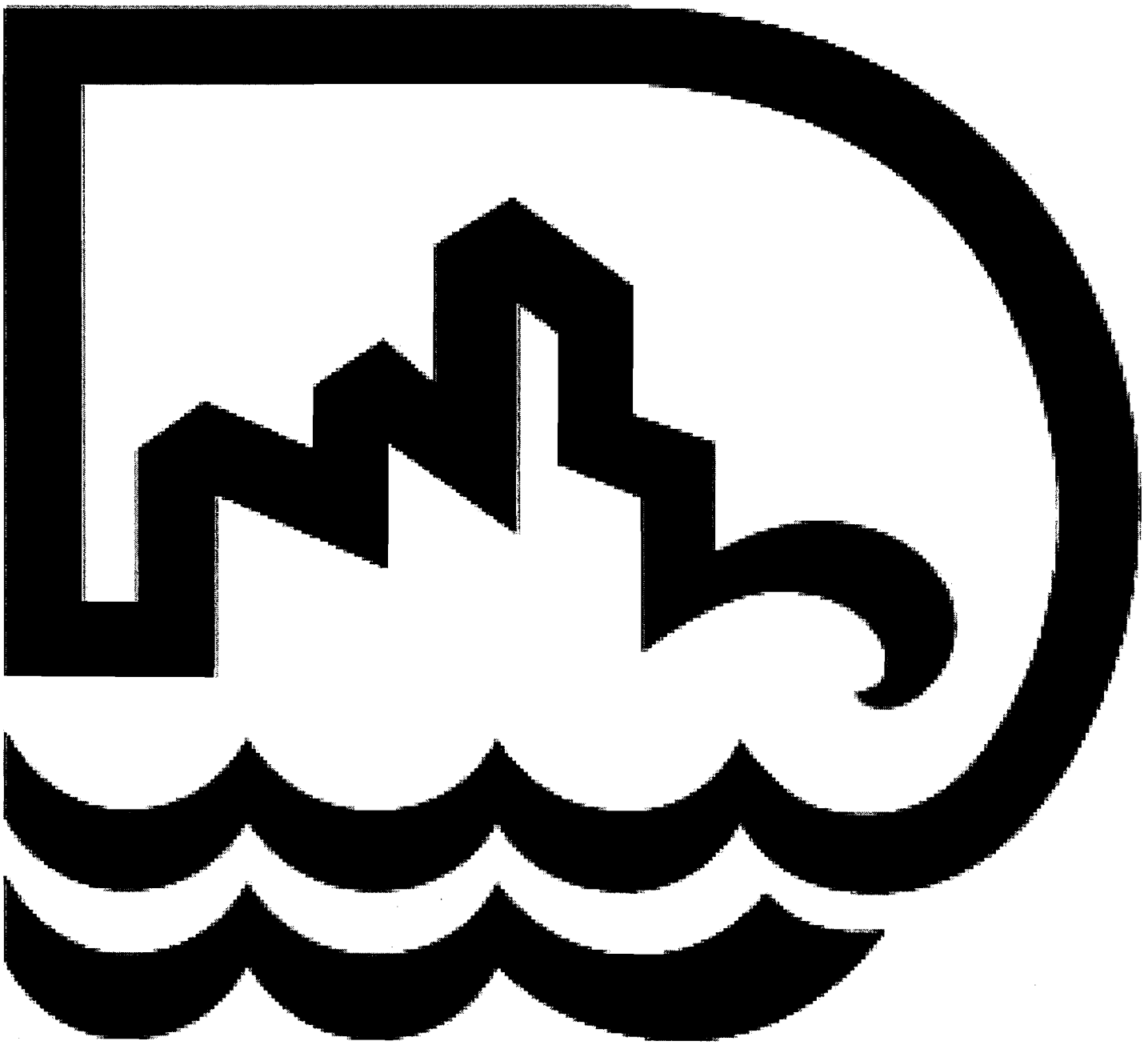
CITY OF DAVENPORT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	GENERAL FUND	LOCAL OPTION SALES TAX FUND	GENERAL DEBT SERVICE FUND	CAPITAL PROJECTS FUND
REVENUES:				
Taxes	$ 50,591,192	$ 14,268,556	$ 6,436,763	$ -
Special assessments	-	3,913	2,893	-
Licenses and permits	1,120,219	-	-	-
Intergovernmental	2,266,272	-	-	4,472,523
Charges for services	3,926,743	154,269	-	-
Use of monies and property	568,321	10,930	280,640	60,785
Fines and forfeits	938,544	-	-	-
Loan repayments	-	-	-	-
Other	560,888	-	266,582	420,427
Total Revenues	59,972,179	14,437,668	6,986,878	4,953,735
EXPENDITURES:				
Current:				
Public safety	37,328,794	390,948	-	-
Public works	3,398,123	1,207,039	-	-
Culture and recreation	10,994,257	65,407	-	-
Community and economic development	1,221,703	381,643	-	-
General government	7,642,117	84,775	1,254	-
Capital outlay	-	-	-	25,959,860
Debt service:				
Principal retirement	-	-	10,298,832	-
Interest	-	-	4,274,765	-
Bond issuance costs	-	-	-	137,947
Total Expenditures	60,584,994	2,129,812	14,574,851	26,097,807
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(612,815)	12,307,856	(7,587,973)	(21,144,072)
OTHER FINANCING SOURCES (USES):				
Bond issuance	-	-	-	16,255,000
Discount on debt issued	-	-	-	143,872
Premium on debt issued	-	-	-	-
Sale of capital assets	4,905	-	-	-
Transfers in	1,988,854	-	8,561,134	6,385,492
Transfers out	(1,107,649)	(13,969,031)	(68,743)	-
Total Other Financing Sources (Uses)	886,110	(13,969,031)	8,492,391	22,784,364
NET CHANGE IN FUND BALANCES	273,295	(1,661,175)	904,418	1,640,292
FUND BALANCES-BEGINNING,AS RESTATED	10,525,344	8,537,801	9,194,228	7,103,277
FUND BALANCES - ENDING	$ 10,798,639	$ 6,876,626	$ 10,098,646	$ 8,743,569

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

TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 4,207,068	$ 75,503,579
-	6,806
34,050	1,154,269
15,840,591	22,579,386
-	4,081,012
470,317	1,390,993
-	938,544
611,113	611,113
9,837	1,257,734
21,172,976	107,523,436
-	37,719,742
11,233,279	15,838,441
54,028	11,113,692
15,427,566	17,030,912
121,548	7,849,694
-	25,959,860
1,826,247	12,125,079
755,528	5,030,293
147,303	285,250
29,565,499	132,952,963
(8,392,523)	(25,429,527)
10,565,000	26,820,000
-	143,872
(86,927)	(86,927)
-	4,905
309,280	17,244,760
(585,369)	(15,730,792)
10,201,984	28,395,818
1,809,461	2,966,291
6,118,406	41,479,056
$ 7,927,867	$ 44,445,347



RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

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

Net change in fund balances: total governmental funds	$ 2,966,291
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost for those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which depreciation exceeded capital outlay in the current period.	
Capital Expenditures	20,522,150
Depreciation	(10,336,228)
	10,185,922
The following is the detail of various miscellaneous transactions involving capital assets which effect the increase/decrease in assets in the current period.	
Donations	642,900
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(143,832)
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 assets. Also, governmental funds report the effect of issuance costs, 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	(26,896,713)
Repayment of bond principal	12,191,358
Deferred charges	109,372
Interest	(40,746)
	(14,636,729)
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.	635,724
Internal services funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	361,308
Change in net assets of governmental activities	$ 11,584

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

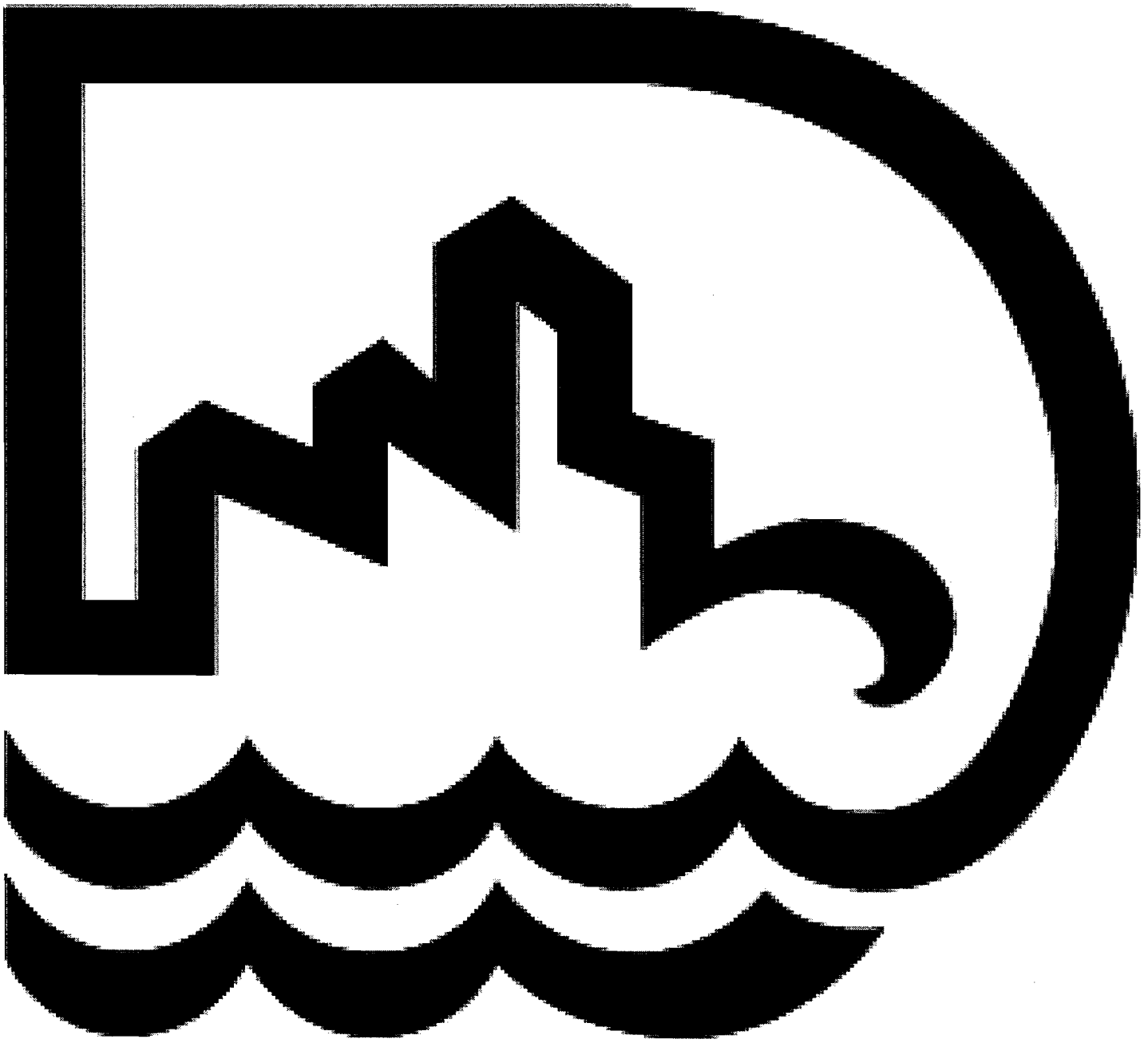
CITY OF DAVENPORT

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2009

	BUSINESS-TYPE ACTIVITIES -	
ASSETS	PARKING SYSTEM	SEWER OPERATIONS
Current assets:		
Cash and cash equivalents	$ 1,011,361	-
Receivables:		
Property taxes:		
Delinquent	-	-
Succeeding year	-	-
Accounts	70,616	3,507,289
Interest	2,969	13,223
Due from other governments	-	197,567
Prepaids	-	-
Restricted cash and cash equivalents	-	7,604,552
Total current assets	1,084,946	11,322,631
Noncurrent assets:		
Deferred charges	29,345	94,867
Other post employment benefits receivable	2,774	26,466
Investment in joint venture	-	-
Capital assets:		
Land	3,647,368	779,435
Buildings	26,238,949	31,320,682
Improvements other than buildings	-	68,334
Sanitary sewers	-	62,557,784
Equipment and vehicles	575,500	17,155,583
Paving	-	-
Storm sewers	-	-
Less accumulated depreciation	(6,698,601)	(57,590,340)
Construction in progress	-	3,305,470
Total noncurrent assets	23,795,335	57,718,281
Total assets	24,880,281	69,040,912
LIABILITIES		
LIABILITIES:		
Current liabilities:		
Wages payable	19,828	186,419
Accounts payable	14,382	115,538
Accrued interest payable	22,206	29,181
Compensated absences	9,714	272,310
Claims and judgments	-	-
Interfund loans payable	-	256,584
Deferred revenue:		
Succeeding year property tax	-	-
Other	-	-
General obligation bonds - current	403,000	1,084,775
Total current liabilities	469,130	1,944,807
Current liabilities payable from restricted assets:		
Deposits payable	-	959,131
Noncurrent liabilities:		
Compensated absences	2,093	58,685
General obligation bonds -long term	8,228,793	7,975,648
Total noncurrent liabilities	8,230,886	8,034,333
Total liabilities	8,700,016	10,938,271
NET ASSETS		
Invested in capital assets, net of related debt	15,131,423	50,040,089
Unrestricted	1,048,842	8,062,552
Total net assets	$ 16,180,265	$ 58,102,641

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

ENTERPRISE FUNDS			
RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
$ 370,791	$ 2,158,618	$ 3,540,770	$ 4,486,849
-	76,894	76,894	-
-	3,301,075	3,301,075	-
209,095	2,366,894	6,153,894	577,503
-	4,078	20,270	15,268
-	689,714	887,281	1,310
8,837	-	8,837	156,682
-	29,599	7,634,151	-
588,723	8,626,872	21,623,172	5,237,612
-	3,333	127,545	-
274	34,602	64,116	8,328
-	483,551	483,551	-
2,472,550	4,290,915	11,190,268	-
18,260,551	14,499,047	90,319,229	-
39,006	9,324,788	9,432,128	894,110
-	-	62,557,784	-
550,691	10,517,694	28,799,468	3,184,012
84,121	98,653	182,774	-
-	17,826,061	17,826,061	-
(8,517,659)	(28,292,120)	(101,098,720)	(1,431,322)
4,839	737,846	4,048,155	303,808
12,894,373	29,524,370	123,932,359	2,958,936
13,483,096	38,151,242	145,555,531	8,196,548
2,067	319,367	527,681	86,855
86,474	345,720	562,114	231,277
-	1,562	52,949	-
2,077	218,249	502,350	119,161
-	-	-	4,871,722
-	1,117,223	1,373,807	-
-	3,301,075	3,301,075	-
59,161	14,711	73,872	-
-	101,000	1,588,775	-
149,779	5,418,907	7,982,623	5,309,015
-	29,599	988,730	-
448	47,034	108,260	25,680
-	506,808	16,711,249	-
448	553,842	16,819,509	25,680
150,227	6,002,348	25,790,862	5,334,695
12,894,099	28,395,076	106,460,687	2,950,608
438,770	3,753,818	13,303,982	(88,755)
$ 13,332,869	$ 32,148,894	$ 119,764,669	$ 2,861,853



CITY OF DAVENPORT

RECONCILIATION OF ENTERPRISE FUNDS NET ASSETS TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total enterprise funds net assets	$ 119,764,669
Amounts reported for enterprise activities in the statement of net assets 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.	595,939
Adjustments to reflect the consolidation of prior years internal service fund activities related to enterprise funds.	(673,721)
Net assets of business-type activities	$ 119,686,887

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

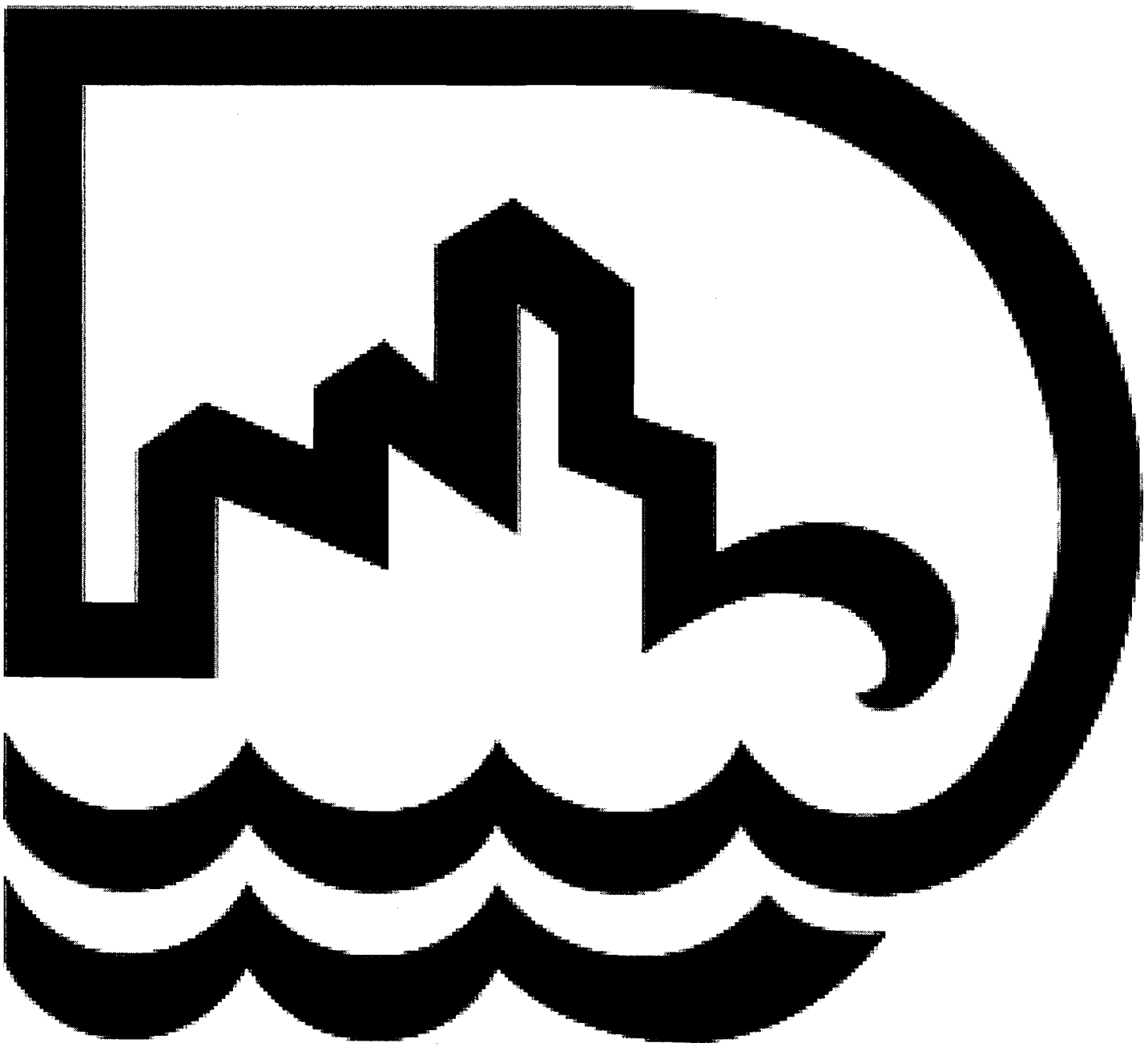
CITY OF DAVENPORT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	PARKING SYSTEM	SEWER OPERATIONS	RIVERCENTER
OPERATING REVENUES:			
Charges for services	$ 1,510,128	$ 11,769,322	$ 1,151,073
Fines and forfeits	165,700	-	-
Other	2,103	10,342	26,966
Total Operating Revenues	1,677,931	11,779,664	1,178,039
OPERATING EXPENSES:			
Employee expenses	527,042	5,028,483	52,083
Supplies and services	549,598	5,317,123	1,750,887
Depreciation	705,991	3,151,936	488,980
Total Operating Expenses	1,782,631	13,497,542	2,291,950
OPERATING INCOME (LOSS)	(104,700)	(1,717,878)	(1,113,911)
NON-OPERATING REVENUES (EXPENSES):			
Taxes	-	-	-
Operating grants	-	-	-
Use of monies and property	38,891	204,544	-
Interest expense	(403,875)	(383,399)	-
Gain (loss) on disposition of capital assets	-	(58,438)	-
Joint venture adjustment	-	-	-
Total Non-operating Revenues (Expenses)	(364,984)	(237,293)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(469,684)	(1,955,171)	(1,113,911)
Capital contributions	-	263,149	105,743
Transfers in	-	-	624,930
Transfers out	(31,245)	-	-
Change in net assets	(500,929)	(1,692,022)	(383,238)
Total net assets - beginning	16,681,194	59,794,663	13,716,107
Total net assets - ending	$ 16,180,265	$ 58,102,641	$ 13,332,869

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

ENTERPRISE FUNDS		
TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES-INTERNAL SERVICE FUNDS
$ 9,505,147	$ 23,935,670	$ 17,448,674
-	165,700	-
69,891	109,302	6,482
9,575,038	24,210,672	17,455,156
6,574,554	12,182,162	1,582,498
6,873,672	14,491,280	14,985,668
2,005,772	6,352,679	220,481
15,453,998	33,026,121	16,788,647
(5,878,960)	(8,815,449)	666,509
3,248,353	3,248,353	-
1,557,994	1,557,994	-
156,870	400,305	160,675
(24,853)	(812,127)	-
3,258	(55,180)	-
(12,052)	(12,052)	-
4,929,570	4,327,293	160,675
(949,390)	(4,488,156)	827,184
1,234,221	1,603,113	1,990,738
-	624,930	-
(246,978)	(278,223)	(1,860,675)
37,853	(2,538,336)	957,247
32,111,041	122,303,005	1,904,606
$ 32,148,894	$ 119,764,669	$ 2,861,853



CITY OF DAVENPORT

RECONCILIATION OF THE CHANGE IN NET ASSETS OF ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net change in net assets in enterprise funds	$ (2,538,336)
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.	595,939
Change in net assets of business-type activities	$ (1,942,397)

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -	
	PARKING SYSTEM	SEWER OPERATIONS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	$ 1,637,497	$ 11,340,785
Cash paid to suppliers for goods and services	(551,887)	(5,331,971)
Cash paid to employees for services	(526,078)	(5,039,867)
Other operating revenue	2,103	10,342
Net Cash Provided by (Used for) Operating Activities	561,635	979,289
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Repayments to other funds	-	(1,122,292)
Advances from other funds	-	1,193,996
Operating grants	-	-
Property tax	-	-
Transfers in	-	-
Transfers out	(31,245)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(31,245)	71,704
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from general obligation bonds	-	275,000
Refunding discount/issue costs	5,421	10,066
Acquisition and construction of capital assets	(147,847)	(1,510,058)
Principal paid on long-term debt	(372,500)	(1,223,675)
Interest paid on long-term debt	(398,098)	(391,321)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(913,024)	(2,839,988)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and investment income	45,766	240,934
Net Increase (Decrease) in Cash and Cash Equivalents	(336,868)	(1,548,061)
CASH AND CASH EQUIVALENTS-BEGINNING	1,348,229	9,152,613
CASH AND CASH EQUIVALENTS-ENDING	$ 1,011,361	$ 7,604,552

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

ENTERPRISE FUNDS

RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES-INTERNAL SERVICE FUNDS
$ 1,191,361	$ 9,736,216	$ 23,905,859	$ 16,862,909
(1,727,628)	(6,724,229)	(14,335,715)	(15,513,327)
(52,569)	(6,577,280)	(12,195,794)	(1,543,575)
26,966	69,891	109,302	6,482
(561,870)	(3,495,402)	(2,516,348)	(187,511)
-	(1,668,698)	(2,790,990)	-
-	1,063,208	2,257,204	-
-	1,557,994	1,557,994	-
-	3,248,353	3,248,353	-
625,204	-	625,204	-
-	(246,978)	(278,223)	(1,860,675)
625,204	3,953,879	4,619,542	(1,860,675)
-	-	275,000	-
-	358	15,845	-
-	(38,235)	(1,696,140)	-
-	(97,000)	(1,693,175)	-
-	(27,068)	(816,487)	-
-	(161,945)	(3,914,957)	-
-	162,577	449,277	190,954
63,334	459,109	(1,362,486)	(1,857,232)
307,731	1,729,108	12,537,681	6,344,081
$ 371,065	$ 2,188,217	$ 11,175,195	$ 4,486,849

(continued)

PROPRIETARY FUNDS (CONTINUED)
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -	
	PARKING SYSTEM	SEWER OPERATIONS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	$ (104,700)	$ (1,717,878)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	705,991	3,151,936
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(38,331)	(419,654)
Decrease (increase) in due from other governments	-	(8,883)
Decrease (increase) in prepaids	-	-
Increase (decrease) in accounts payable	(2,289)	(14,848)
Increase (decrease) in other accrued liabilities	964	(11,384)
Increase (decrease) in other deferred revenue	-	-
Total Adjustments	666,335	2,697,167
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 561,635	$ 979,289
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Acquisition of capital assets	$ -	$ 263,149
Contribution of capital assets by municipality	-	-
Contribution of capital assets by subdividers	-	(263,149)

ENTERPRISE FUNDS			
RIVERCENTER	TOTAL NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES-INTERNAL SERVICE FUNDS
$ (1,113,911)	$ (5,878,960)	$ (8,815,449)	$ 666,509
488,980	2,005,772	6,352,679	220,481
15,934	(6,655)	(448,706)	(585,765)
-	210,827	201,944	-
(5,705)	59,328	53,623	(1,681)
28,964	82,793	94,620	(502,990)
(486)	22,846	11,940	15,935
24,354	8,647	33,001	-
552,041	2,383,558	6,299,101	(854,020)
$ (561,870)	$ (3,495,402)	$ (2,516,348)	$ (187,511)
$ 105,743	$ 5,257	$ 374,149	$ 1,990,738
(105,743)	-	(105,743)	(1,990,738)
-	(5,257)	(268,406)	-

CITY OF DAVENPORT

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2009

	AGENCY FUNDS
ASSETS	
Cash and investments	$ 236,287
Interest receivable	726
Total assets	$ 237,013
LIABILITIES	
Accounts payable	$ 3,017
Due to other governments	233,996
Total liabilities	$ 237,013

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

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 (GAAP) that apply to governmental units. 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 include any component units within its reporting entity.

Joint Venture – the City is a participant in a joint venture agreement (Quad-City Garage Policy Group) with Rock Island County, Illinois, which is adjacent to Davenport, for the operation of a garage and maintenance facility used by the transit programs of each entity. The City maintains a 12% interest in the venture with Rock Island County maintaining the remaining 88%. Funding of the maintenance operation is achieved through allocation of expenditures between the City and Rock Island County based upon usage.

Operations are reimbursed on a break-even basis, the City providing approximately 25% and Rock Island County providing 75% for the year. The City paid $1,352,039 in maintenance fees during the year. The Group is accounted for on an equity basis as an investment in joint venture in the Transit Fund (Note 8). Financial statements of the Quad-City Garage Policy Group may be obtained from the entity's administrative office at 2929 5th Avenue, Rock Island, IL 61201.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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. 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 assets presents the City's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories. *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. *Restricted net assets* result when

constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. *Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the City are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balances/net assets, 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 general operating fund of the City. It is used to account for all financial resources except those required legally or by sound financial management to be accounted for in another fund.

(b) Local Option Sales Tax Fund

The Local Option Sales Tax Fund is a special revenue fund, which accounts for revenue received from a 1% sales tax, to be used for property tax relief and public improvements.

(c) General Debt Service Fund

The General Debt Service Fund is a debt service fund which accounts for the accumulation of resources for and the payment of principal and interest on general obligation long-term debt from governmental resources and principal and interest on special assessment debt with governmental commitment from special assessment levies. The City levies an annual property tax, which is unlimited by law, to finance the debt service requirements not abated by special assessments.

(d) Capital Projects Fund

The Capital Projects Fund is used to account for the resources used for the acquisition and construction of major capital facilities, except those financed by Proprietary Funds.

(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. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its proprietary operations.

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.

(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.

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.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeits, charges for services (other than utility), and miscellaneous revenues are generally 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.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2009 levy certified on March 15, 2008 based on the 2007 assessed valuations. As the levy is intended for use in the 2009 fiscal year, the revenue has been recorded as deferred revenue. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

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, $.95 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, 2009 was $15.58 per $1,000 of assessed valuation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances. The subsequent year's appropriation provides authority to complete these transactions as expenditures.

F. 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.

G. Investments

Investments are stated at fair value or amortized cost.

H. 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 to be cash equivalents.

I. Restricted Assets

If the use of monies received is limited by City ordinance and/or 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, 2009: unexpended general obligation bond proceeds and other funds restricted to capital outlay of $6,667,140 and deposits of $937,412 in the Sewer Enterprise Fund, security deposits of $29,599 in the Public Housing Fund, and loan escrow payments of $48,566 in the Community Development Act Special Revenue Fund.

J. Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statement. 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 fair value on the date donated.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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
Paving	10-30 years
Storm sewers	30 years
Traffic signals	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.

K. Deferred Revenue

Deferred revenue in the governmental funds represent amounts due, which are measurable, but not available. Deferred revenue consists of unspent grant proceeds, as well as delinquent property tax receivable and other receivables not collected within 60 days after year end.

L. 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 and the Capital Projects Fund and a transfer from the General Fund to subsidize the operating loss of the RiverCenter Enterprise Fund.

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

M. 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 proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund 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.

N. Fund Equity

In the governmental fund financial statements, reservations of fund balance represent amounts, which are legally restricted to a specific future use or not available for appropriation. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are 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.

P. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the 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, are reported as debt service expenditures.

Q. Prepaids

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

2. INDIVIDUAL FUND DISCLOSURES

The Risk Management internal service fund has a deficit unrestricted net asset balance of $1,292,413 as of June 30, 2009. The non major proprietary golf course fund has a deficit unrestricted net asset balance of $383,997 as of June 30, 2009. The American Recovery and Reinvestment grant, HUD grants, and EPA grant non-major governmental funds have deficit balances of $173,068, $374,365, and $2,282 as of June 30, 2009, respectively, due to deferred grant revenue.

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 was $57,395,766 and the bank balances were $59,350,941. Of the bank balances, $500,000 was covered by federal depository insurance and $58,850,941 was insured by the State through pooled collateral, State sinking funds, and the State's ability to assess for lost funds.

B. Investments

The City's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of Public funds.

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.

The City did not have any investments subject to credit ratings at year end.

The City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $1,212,370 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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.

Credit risk – the City's investment in the Iowa Public Agency Investment Trust is unrated.

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 had no custodially-held investments during the year.

4. FUND TRANSFER RECONCILIATION

The following is a schedule of transfers in and out as included in the financial statements of the City (numbers expressed in thousands):

	Transfer in:					
	General Fund	General Debt Service Fund	Capital Projects Fund	Non-major governmental funds	RiverCenter Fund	**Total transfer**
Transfer out:						
General Fund	$ -	$ -	$ 436,747	$ 45,972	$ 624,930	$ 1,107,649
Local Option Sales Tax Fund	-	8,561,134	5,407,897	-	-	13,969,031
General Debt Service Fund	68,743	-	-	-	-	68,743
Capital Projects Fund	-	-	-	-	-	-
Other non-major governmental funds	-	-	540,848	44,521	-	585,369
Parking Systems Fund	31,245	-	-	-	-	31,245
Internal Service Funds	1,860,675	-	-	-	-	1,860,675
Other non-major enterprise funds	28,191	-	-	218,787	-	246,978
Total transfer	$ 1,988,854	$ 8,561,134	$ 6,385,492	$ 309,280	$ 624,930	$ 17,869,690

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them.

5. Changes in Capital Assets

The following is a summary of changes in capital assets for the year ended June 30,2009:

	BEGINNING BALANCE 06/30/08	ADDITIONS	TRANSFERS	DELETIONS	ENDING BALANCE 06/30/09
GOVERNMENTAL ACTIVITIES					
Capital assets, not being depreciated:					
Land	$ 15,869,740	$ 140,683	$ -	$ -	$ 16,010,423
Construction in progress	11,396,055	20,024,804	-	(15,726,306)	15,694,553
Total capital assets, not being depreciated	27,265,795	20,165,487	-	(15,726,306)	31,704,976
Capital assets being depreciated					
Buildings	92,019,277	1,733,837	-	-	93,753,114
Improvements other than buildings	12,245,862	3,593,145	209,239	-	16,048,246
Equipment and vehicles	32,461,463	1,995,671	(337,719)	(257,960)	33,861,455
Bridges	4,474,397	-	-	-	4,474,397
Traffic Signals	7,229,970	124,955	-	-	7,354,925
Paving	140,890,921	11,269,000	-	-	152,159,921
Seawalls	622,467	-	-	-	622,467
Tunnels	54,326	-	-	-	54,326
Total capital assets being depreciated	289,998,683	18,716,608	(128,480)	(257,960)	308,328,851
Less accumulated depreciation for:					
Buildings	21,747,415	2,393,762	-	-	24,141,177
Improvements other than buildings	4,898,911	618,011	10,462	-	5,527,384
Equipment and vehicles	20,419,105	2,061,298	(138,942)	(257,960)	22,083,501
Bridges	1,855,011	113,403	-	-	1,968,414
Traffic signals	4,554,016	216,785	-	-	4,770,801
Paving	41,085,187	5,135,174	-	-	46,220,361
Seawalls	19,452	15,562	-	-	35,014
Tunnels	4,753	2,716	-	-	7,469
Total accumulated depreciation	94,583,850	10,556,711	(128,480)	(257,960)	104,754,121
Total capital assets being depreciated, net	195,414,833	8,159,897	-	-	203,574,730
Governmental activities capital assets, net	$ 222,680,628	$ 28,325,384	$ -	$ (15,726,306)	$ 235,279,706
BUSINESS-TYPE ACTIVITIES					
Capital assets, not being depreciated:					
Land	$ 11,090,268	$ 100,000	$ -	$ -	$ 11,190,268
Construction in progress	3,159,721	1,862,495	-	(974,061)	4,048,155
Total capital assets not being depreciated	14,249,989	1,962,495	-	(974,061)	15,238,423
Capital assets, being depreciated:					
Buildings	89,664,031	655,198	-	-	90,319,229
Improvements other than buildings	9,432,128	-	-	-	9,432,128
Equipment and vehicles	28,168,129	748,479	128,480	(245,620)	28,799,468
Sanitary sewer	62,048,697	509,087	-	-	62,557,784
Storm Sewer	17,403,420	422,641	-	-	17,826,061
Paving	182,774	-	-	-	182,774
Total capital assets being depreciated	206,899,179	2,335,405	128,480	(245,620)	209,117,444
Less accumulated depreciation for:					
Buildings	36,313,454	2,357,721	-	-	38,671,175
Improvements other than buildings	5,495,072	396,229	-	-	5,891,301
Equipment and vehicles	18,028,394	1,536,802	128,480	(184,090)	19,509,586
Sanitary sewer	28,238,210	1,468,303	-	-	29,706,513
Storm sewer	6,711,647	587,892	-	-	7,299,539
Paving	14,874	5,732	-	-	20,606
Total accumulated depreciation	94,801,651	6,352,679	128,480	(184,090)	101,098,720
Total capital assets,being depreciated, net	112,097,528	(4,017,274)	-	(61,530)	108,018,724
Business-type activities capital assets, net	$ 126,347,517	$ (2,054,779)	$ -	$ (1,035,591)	$ 123,257,147

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

Governmental activities:	
General government	$ 542,177
Community & economic development	13,859
Public works	6,426,689
Public safety	1,512,286
Culture & recreation	1,841,219
Internal service assets are charged to the various functions based on their usage of the assets	220,481
Total depreciation expense-governmental activities	$10,556,711

Business-type activities:	
Parking systems	$ 705,991
Sewer operations	3,151,936
RiverCenter	488,980
Public transit	362,726
Public housing	250,165
Golf courses	238,778
Airport	321,903
Curbside recycling	213,371
Clean water	618,829
Total depreciation expense-business-type activities	$6,352,679

The government has active construction projects as of June 30, 2009. 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 government's commitments with contractors are as follows:

Projects	Spent-to-Date	Remaining Commitment
Streets/Improvements	$ 6,928,028	$ 2,716,257
Sanitary Sewer/WPCP	3,135,272	877,219
Parks	4,094,382	331,518
Public Safety	37,997	291,036
Public Buildings	815,445	300,941
Software	962,409	314,207
Total	$ 15,973,533	$ 4,831,178

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.

6. EMPLOYEE RETIREMENT SYSTEMS

The City participates in two statewide retirement plans. The Iowa Public Employees Retirement System (IPERS) covers all employees (excluding firefighters and sworn police officers) earning in excess of $300 per quarter. The Municipal Fire and Police Retirement System of Iowa covers firefighters and sworn police officers.

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

The City of Davenport contributes to IPERS which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. The City's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were $1,788,596, $1,664,366, and $1,461,389 respectively, equal to the required contributions for each year.

B. Municipal Fire and Police Retirement System of Iowa

The City of Davenport contributes to MFPRSI which is a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees. The plan provides retirement, disability and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Urbandale, Iowa 50322.

MFPRSI Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rates for the years ended June 30, 2009, 2008 and 2007 were 18.75%, 25.48%, and 28.21%. Contribution requirements are established by State statute. The City's contributions to the plan for the years ended June 30, 2009, 2008 and 2007 were $3,543,297, $4,594,976, and $4,732,522 respectively, which met the required contributions for each year.

C. 457 Deferred Compensation Contributions

The City of Davenport contributes 2 to 6% matches to Police and Fire, Teamsters, Non-bargaining Management and department director's 457 deferred compensation plans. The City's contributions for the years ended June 30, 2009, 2008 and 2007 were $1,557,385, 1,448,530, and $1,369,983 respectively.

7. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2009, interfund receivables and payables are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Non-major Governmental Funds	$ 617,512
	Sewer Fund	146,680
	Non-major Proprietary Funds	806,706
General Debt Service	Local Option Sales Tax	1,330,416
Capital Projects	Sewer	109,904
	Non-major Proprietary Funds	310,517
	Non-major Governmental Funds	378,869
	Local Option Sales Tax Fund	253,794
		$ 3,954,398

Interfund balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

8. JOINT VENTURE

The City of Davenport, Iowa and the Board of Trustees of the Rock Island County Metropolitan Mass Transit District (MetroLink), Illinois entered into an agreement in July 1979, which was amended in June 1982, which designates the Quad-City Garage Policy Group (QCGPG) to oversee and operate a joint maintenance and storage facility for transit vehicles and related equipment owned and/or operated by the two parties. Davenport's authority to enter this agreement arises from powers granted by Chapter 28E of the Code of Iowa.

The City of Davenport and MetroLink have jointly constructed a maintenance facility. The City contributed $542,196 and the MetroLink contributed $362,523. The remainder of the funding was provided by grants from the Federal Transit Administration and the State of Illinois in the amount of $5,495,205. The maintenance facility is recorded as an asset of MetroLink, and not by the QCGPG.

The QCGPG consists of six (6) members, three (3) each representing the City of Davenport and MetroLink. Two members and an alternate are appointed by the Mayor of Davenport, subject to the approval of the Davenport City Council. Two members and alternate are appointed by the Chairman of the MetroLink Board of Trustees, subject to the approval of the Board of Trustees of the MetroLink. Officers are chosen from the above six (6) members, and there are two voting members each representing the City of Davenport and MetroLink. The facility supervisor, appointed by the parties, prepares an annual budget, which is presented to the parties, or to the QCGPG for their approval. Expenses incurred by the QCGPG are allocated either (a) on the basis of ownership of the facility, or (b) on the basis of the number of buses that the respective parties have in service.

A summary of the latest available financial information for the QCGPG as of June 30, 2009, and for the year then ended is as follows:

Total assets	$729,063
Total liabilities	$278,102
Total equity	$450,961
Total revenue	$4,635,574
Total expenses	4,650,744
Net change in fund equity	($15,170)

The City uses the equity method of accounting for this investment. At June 30, 2009, this amounted to $483,551 which includes the City's share of both the maintenance facility and the fund equity of the QCGPG.

Additional information concerning the QCGPG is available in its separately issued annual report, which may be obtained from the entity's administrative office 2929 5th Avenue, Rock Island, IL 61201.

9. LONG-TERM DEBT

The following is a summary of changes in long-term debt, net of the deferred portion of issuance costs, for the year ended June 30, 2009 (numbers shown in thousands):

Governmental Activities:	Balance July 1,2008	Additions	Retirements	Balance June 30,2009	Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 114,704	$ 26,820	$ (11,960)	$ 129,564	$ 13,226
Special Assessment Debt	1,181	-	(12)	1,169	-
Less deferred costs:					
premiums-discounts	(217)	57	26	(134)	-
Refundings	(224)	-	(73)	(297)	-
Total Bonds Payable	115,444	26,877	(12,019)	130,302	13,206
Compensated Absences	5,968	4,504	(4,831)	5,641	4,641
Loans Payable-Other Govts	7	-	(7)	-	-
Note Payable	147	-	(147)	-	-
	$ 121,566	$ 31,381	$ (17,004)	$ 135,943	$ 17,847
Business-type Activities:					
Bonds Payable:					
General Obligation Bonds	$ 19,810	$ 275	$ (1,693)	$ 18,392	$ 1,589
Less deferred costs:					
premiums-discounts	(44)	-	6	(38)	-
refundings	(35)	-	(19)	(54)	-
Total Bonds Payable	19,731	275	(1,706)	18,300	1,589
Compensated Absences	661	1,047	(1,097)	611	503
	$ 20,392	$ 1,322	$ (2,803)	$ 18,911	$ 2,092

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 them are included as part of the above totals for governmental activities. At year end $144,841 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the fund incurring the expense.

General obligation bonds payable (balance outstanding in thousands of dollars) at June 30, 2009, is comprised of the following individual issues:

A.	Matured bonds not presented for payment.	$20
B.	$7,745,000 1996 Refunding of 1988 Parks, Streets, Sewers and Public Improvements; advance refunding of 1989 Streets, Sewers, Parks and Public Buildings; and advance refunding of 1990 Economic Development serial bonds due in annual installments of $50,000 to $1,095,000 through June 1, 2010; interest at 4.2 to 5.4 percent ($890,000, $2,190,000, and $205,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund, the Sewer Enterprise Fund, and the Golf Courses Enterprise Fund, respectively).	50
C.	$5,250,000 1998 advance refunding of 1988 Urban Renewal, Airport and Stadium; advance refunding of 1989 Stadium and Urban Renewal; advance refunding of 1990 Economic Development due in annual installments of $185,000 to $800,000 through June 1, 2010; interest at 6.1 to 6.2 percent ($3,950,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund).	250
D.	$1,100,000 2000 Economic Development serial bonds due in annual installments of $105,000 to $175,000 through June 1, 2010; interest at 6.9 to 7.0 percent ($1,110,000 of principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund).	175
E.	$19,540,000 2001 Streets, Signals, Parks, Equipment, Golf and Parking serial bonds due in annual installments of $645,000 to $1,375,000 through June 1, 2021; interest at 3.0 to 5.0 percent ($615,000, $971,737, $3,391,013 and $4,957,250 in principal and interest thereon are being serviced by the Golf Courses Enterprise Fund, Municipal Districts Special Revenue Fund, Tax Increment Financing Districts Debt Service Fund and Parking Enterprise Fund, respectively).	12,020
F.	$5,195,000 2001 Parking serial bonds due in annual installments of $45,000 to $470,000 through June 1, 2021; interest at 6.3 to 6.7 percent ($5,195,000 in principal and interest hereon is being serviced by the Parking Enterprise Fund).	4,110
G.	$2,755,000 2001 Refunding of 1994B Economic Development serial bonds due in annual installments of $10,000 to $365,000 through June 1, 2014; interest at 4.0 to 6.0 percent ($2,179,940 and $170,018 in principal and interest thereon are being serviced by the Tax Increment Financing District Debt Service Fund and the Levee Improvement Commission Special Revenue Fund, respectively).	720

H.	$15,490,000 2002 Streets, Buildings, Parks, Equipment and Sewers serial bonds due in annual installments of $830,000 to $1,260,000 through June 1, 2017; interest at 3.0 to 4.4 percent ($5,350,000 in principal and interest thereon is being serviced by the Sewer Enterprise Fund).	8,125
I.	$12,160,000 2003 Stadium serial bonds due in annual installments of $390,000 to $1,140,000 through June 1, 2018; interest at 2.0 to 5.2 percent.	6,495
J.	$9,390,000 2003 Streets, Sewers, Golf, and Equipment serial bonds due in annual installments of $235,000 to $1,315,000 through June 1, 2018; interest at 2.5 to 4.1 percent ($735,000 and $330,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and the Golf Courses Enterprise Fund, respectively).	7,065
K.	$2,325,000 2003 advance refunding of 1995 Streets, Sewers, Buildings and Equipment serial bonds due in annual installments of $10,000 to $410,000 through June 1, 2010; interest at 2.0 to 3.0 percent ($534,750 in principal and interest thereon is being serviced by the Sewer Enterprise Fund).	410
L.	$9,685,000 2003 advance refunding of 1996 Building, Streets, Sewers and Equipment serial bonds due in annual installments of $40,000 to $1,015,000 through June 1, 2016; interest at 2.0 to 4.0 percent ($130,000 and $138,250 in principal and interest thereon are being serviced by the Tax Increment Financing District Debt Service Fund and the Sewer Enterprise Fund, respectively).	5,775
M.	$3,150,000 2004 Economic Development serial bonds due in annual installments of $130,000 to $265,000 through June 1, 2023; interest at 4.5 to 5.1 percent ($3,150,000 in principal and interest thereon are being serviced by the Tax Increment Financing District Debt Service Fund).	2,745
N.	$4,535,000 2004 Streets, Sewers and River Renaissance serial bonds due in annual installments of $195,000 to $400,000 through June 1, 2019; interest at 2.0 to 4.0 percent ($695,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund).	2,920
O.	$11,690,000 2004 Streets, Buildings, Sewers, Airport and Equipment serial bonds due in annual installments of $680,000 to $900,000 through June 1, 2019; interest at 3.2 to 4.25 percent ($1,130,000, $255,000 and $205,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund, Tax Increment Financing District Debt Service Fund and the Airport Enterprise Fund, respectively.)	7,770
P.	$36,115,000 2005 Buildings, Streets, Sewers and Equipment serial bonds due in annual installments of $1,160,000 to $2,490,000 through June 1, 2025; interest at 4.0 to 4.5 percent ($455,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund.)	28,075
Q.	$3,615,000 2006A Refunding of 1997A Streets, Sewers, Building and Parks serial bonds due in annual installments of $115,000 to $530,000 through June 1, 2017; interest at 3.6 to 3.7 percent ($119,800 in principal and interest thereon are being serviced by the Sewer Enterprise Fund.)	2,205

R.	$1,330,000 2006B Refunding of 1997 Economic Development serial bonds due in annual installments of $95,000 to $150,000 through June 1, 2017; interest at 5.0 percent ($60,000 in principal and interest thereon are being serviced by the Tax Increment Financing Districts Debt Service Fund.)	1,000
S.	$14,400,000 2007A Streets, Equipment and Parks serial bonds due in annual installments of $810,000 to $1,280,000 through June 1, 2021; interest at 4.0 to 4.125 percent ($460,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund.)	11,270
T.	$6,400,000 2007B Refunding of 1998A Streets, Sewers, Buildings and Equipment serial bonds and refunding of 1998 Streets, Sewers, Buildings, Parks and Equipment serial bonds due in annual installments of $495,000 to $1,285,000 through June 1, 2013; interest at 4.0 to 4.25 percent ($669,300 and $265,575 in principal and interest thereon are being serviced by the Tax Increment Districts Debt Service Fund and Sewer Enterprise Fund, respectively.)	4,200
U.	$2,915,000 2008A Refunding of 1999 Streets, Sewers, Buildings, Housing and Equipment serial bonds due in annual installments of $460,000 to $520,000 through June 1, 2014; interest at 2.25 to 3.0 percent ($795,000, $540,000 and $55,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund, Public Housing Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively).	2,455
V.	$3,690,000 2008B Refunding of 2001 Taxable Economic Development, Sewers, Buildings, Equipment and Public Improvements serial bonds due in annual installments of $570,000 to $660,000 through June 1, 2015; interest at 3.0 to 3.5 percent ($890,000 and $60,000 in principal and interest thereon are being serviced by the Sewer Enterprise Fund and Tax Increment Financing Districts Debt Service Fund, respectively.)	3,690
W.	$11,230,000 2008C Streets, Sewer, Buildings, Equipment and Park serial bonds due in annual installments of $595,000 to $910,000 through June 1, 2023; interest at 4.0 to 4.5 percent $1,320,000 in principal and interest thereon is being serviced by the Sewer Enterprise Fund.	10,485
X.	$3,530,000 2008 General Obligation Economic Development serial bonds due in annual installments of $205,000 to $400,000 through June 1, 2021; interest @ 3.5 to 6.2 percent ($3,530,000 principal and interest thereon is being serviced by the TIF increment Financing District Debt Service Fund.)	3,530
Y.	$16,530,000 2009 General Obligation Streets, Buildings, Sewer and Equipment serial bonds due in annual installments of $695,000 to $1,190,000 through June 1, 2024; interest at 3.0 to 4.0 percent ($275,000 principal and interest thereon is being serviced by the Sewer Enterprise Fund.)	16,530
Z.	$7,035,000 2009 General Obligation Economic Development Serial bonds due in annual installments of $865,000 to $1,350,000 through June 1, 2028; interest at 4.0 to 6.0 percent ($7,035,000 principal and interest thereon is being serviced by the TIF Increment Financing District Debt Service Fund.)	7,035
	Total general obligation bonds	149,125
	General obligation bonds serviced by Enterprise Funds	(18,392)
	Matured bonds	(20)
	General obligation bonds reported in Governmental Activities	$130,713

On August 1, 1990, pursuant to Section 384.14A of the Code of Iowa, the City issued a non-interest bearing general obligation tax increment note in the amount of $2,880,000 to Nichols-Homeshield, Inc. in support of an economic development grant. Terms of the note call for repayment at the rate of $160,000 on September 1 in each of the years 1991-2008, inclusive. As provided in the note agreement, Nichols-Homeshield, Inc. requested immediate payment of the first four installments. The remaining fourteen payments totaling $2,240,000 have been discounted at a rate of 9.15%, the rate paid by the City for similar obligations on the date of issuance. During FY2009, the final payment was made.

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 $18,391,650. Debt abated by special assessment collections is accounted for in the governmental activities as Special Assessment Debt with Governmental Commitment in the amount of $1,169,538. The debt to be abated by municipal improvement district taxes is accounted for in the governmental activities in the amount of $723,894. 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. 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, 2009, the statutory limit for the City was $290,703,247 providing a debt margin of $130,765,865.

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. There have not been any industrial development revenue bonds since 1993. The bonds and related interest are the sole responsibility of the issuers, and the bond principal and interest do not constitute liabilities of the City.

The annual requirements including interest (in thousands of dollars), to service long-term debt are as follows:

Year	Governmental Activities		Business-type Activities	
Ending	General Obligation Bonds		General Obligation Bonds	
June 30	Principal	Interest	Principal	Interest
2010	$ 13,206	$ 5,601	$ 1,589	$ 755
2011	12,758	5,027	1,512	668
2012	12,554	4,506	1,586	633
2013	11,676	3,942	1,719	633
2014	11,360	3,491	1,740	544
2015-2019	45,002	10,856	7,503	1,799
2020-2024	21,107	3,296	2,743	246
2025-2028	3,050	316	-	-
Totals	130,713	37,035	18,392	5,278
Matured	20	2	-	-
Interest portion	-	(37,037)	-	(5,278)
	$ 130,733	$ -	$ 18,392	$ -

10. 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 $150,000, and an aggregate annual stop loss amount of approximately $9,965,000 for 2009. 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.

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 $350,000 for workers' compensation for 2009. 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. 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.

Changes in reported liabilities for the fiscal years ended June 30, 2008 and 2009 are summarized as follows:

	Employee Insurance Fund	Risk Management Fund	Total
Liabilities at July 1, 2008	$1,048,524	$ 5,045,263	$ 6,093,787
Claims and changes in estimates during fiscal year 2008	8,713,220	2,207,285	10,920,505
Claim payments	(8,902,589)	(3,089,561)	(11,992,150)
Liabilities at June 30, 2008	859,155	4,162,987	5,022,142
Claims and changes in estimates during fiscal year 2009	10,662,099	2,416,573	13,078,672
Claim payments	(10,234,495)	(2,994,597)	(13,229,092)
Liabilities at June 30, 2009	$1,286,759	$3,584,963	$4,871,722

11. CONTINGENCIES

A. Litigation

The City records liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. 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 presently 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.

Certain grant audits are currently in progress. Any disallowed claims, including amount 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.

12. 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. 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.

Retirees pay 100% of the group rate calculated on the expected costs based on the entire group of actives, COBRA participants, and retirees.

Funding Policy: The current funding policy of the City is to pay health claims as they occur. This arrangement does not qualify as other post employment benefits (OPEB) plan assets under Governmental Accounting Standards Board (GASB) Statement No. 45 for current GASB reporting. The City establishes and amends contributions requirements annually.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the City contributed $944,482. Retirees receiving benefits contributed $520,556 through their required contribution of $508.42 per month for single health coverage and $1,206.48 per month for family health coverage.

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

Annual required contribution	$580,962
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	580,962
Contributions made	(944,482)
Increase (decrease) in net OPEB obligation	(363,520)
Net OPEB obligation - July 1, 2008	-
Net OPEB obligation - June 30, 2009	($363,520)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 is presented in the following table:

Fiscal year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$ 580,962	162.57%	($363,520)

Funding status and funding progress: The funded status of the plan as of July 1, 2007, the most recent actuarial valuation date is as follows:

Actuarial accrued liability (AAL)	$6,918,112
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$6,918,112
Covered payroll (active employees)	$43,083,844
UAAL as a percentage of covered payroll	16.06%

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

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The actuarial calculations were performed in accordance with the entry age normal cost method as of the July 1, 2007 valuation date. The actuarial assumptions included a 4.5 percent discount rate, an annual health care cost trend rate of 10 percent reduced by decrements of 1.0 percent annually to an ultimate rate of 5 percent. The UAAL is amortized over the maximum acceptable period of 30 years as a level percentage of projected payroll on an open basis.

13. RECENTLY ISSUED PRONOUNCEMENTS

The Governmental Accounting Standard Board (GASB) has issued three statements not yet implemented by the City of Davenport. The statements, which might impact the City of Davenport, are as follows:

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* issued June 2007, will be effective for the fiscal year ending June 30, 2010. This statement requires all intangible assets not specifically excluded by its scope be classified as capital assets.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* issued February 2009, will be effective for the fiscal year ending June 30, 2011. This statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

14. SUBSEQUENT EVENTS

On October 14, 2009 the City issued $10,125,000 of General Obligation Bonds to finance a new police station, improvements to streets, buildings, sanitary sewers and the acquisition and installation of equipment. The bonds bear interest rates ranging from 2.0% to 5.8% and mature in varying amounts from $350,000 to $795,000 with the final payment date due in fiscal year ending June 1, 2029. General property taxes will be used to retire this issue, to pay costs of constructing the Scott Emergency Communications Center Building pursuant to the Intergovernmental agreement between the City, Scott County, the City of Bettendorf, the Davenport Hospital Corporation and the Emergency Management Agency.

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, 2009

	GOVERNMENTAL FUNDS ACTUAL	PROPRIETARY FUNDS ACTUAL	TOTAL ACTUAL
REVENUES:			
Taxes	$ 75,503,579	$ 3,248,353	$ 78,751,932
Special assessments	6,806	-	6,806
Licenses and permits	1,154,269	-	1,154,269
Intergovernmental	22,579,386	1,557,994	24,137,380
Charges for services	4,081,012	41,384,344	45,465,356
Use of monies and property	1,390,993	560,980	1,951,973
Fines and forfeits	938,544	165,700	1,104,244
Loan repayments	611,113	-	611,113
Other	1,257,734	115,784	1,373,518
Total Revenues	107,523,436	47,033,155	154,556,591
EXPENDITURES:			
Current:			
Public safety	37,719,742	-	37,719,742
Public works	15,838,441	-	15,838,441
Culture and recreation	11,113,692	-	11,113,692
Community and economic development	17,030,912	-	17,030,912
General government	7,849,694	-	7,849,694
Capital outlay	25,959,860	-	25,959,860
Debt service:			
Principal retirement	12,125,079	-	12,125,079
Interest	5,030,293	-	5,030,293
Bond issuance costs	285,250	-	285,250
Business type activities	-	44,053,735	44,053,735
Total Expenditures	132,952,963	44,053,735	177,006,698
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,429,527)	2,979,420	(22,450,107)
OTHER FINANCING SOURCES, NET	28,395,818	(1,513,968)	26,881,850
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,966,291	1,465,452	4,431,743
BALANCES BEGINNING OF YEAR	41,479,056	8,865,146	50,344,202
BALANCES END OF YEAR	$ 44,445,347	$ 10,330,598	$ 54,775,945

BUDGETED AMOUNTS		
ORIGINAL	FINAL	FINAL TO ACTUAL VARIANCE
$ 78,510,772	$ 78,840,040	$ (88,108)
175,000	175,000	(168,194)
1,242,107	1,292,107	(137,838)
19,887,688	59,261,172	(35,123,792)
46,284,051	47,315,380	(1,850,024)
3,798,910	3,109,410	(1,157,437)
692,887	692,887	411,357
770,000	1,150,000	(538,887)
12,041,254	9,874,218	(8,500,700)
163,402,669	201,710,214	(47,153,623)
36,498,819	38,646,480	926,738
14,479,780	17,666,860	1,828,419
9,251,845	11,856,745	743,053
12,727,189	28,941,076	11,910,164
8,176,185	8,347,214	497,520
37,800,000	83,989,948	58,030,088
13,341,079	12,125,079	-
3,400,921	5,030,296	3
-	715,000	429,750
48,052,288	50,290,496	6,236,761
183,728,106	257,609,194	80,602,496
(20,325,437)	(55,898,980)	33,448,873
20,000,000	27,095,000	(213,150)
(325,437)	(28,803,980)	33,235,723
50,344,202	50,344,202	-
$ 50,018,765	$ 21,540,222	$ 33,235,723

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-BUDGETARY REPORTING
JUNE 30, 2009

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 $73,881,088. The budget amendment is reflected in the final budgeted amounts.

	Budgetary Basis	Adjustments	Adjusted Basis
Revenues	$ 154,556,591	-	$ 154,556,591
Expenses	177,006,698	6,573,160	183,579,858
Net	(22,450,107)	(6,573,160)	(29,023,267)
Other financing sources, net	26,881,850	3,526,619	30,408,469
Beginning net assets	50,344,202	115,342,465	165,686,667
Ending net assets	$ 54,775,945	$ 112,295,924	$ 167,071,869

CITY OF DAVENPORT

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

Required Supplementary Information

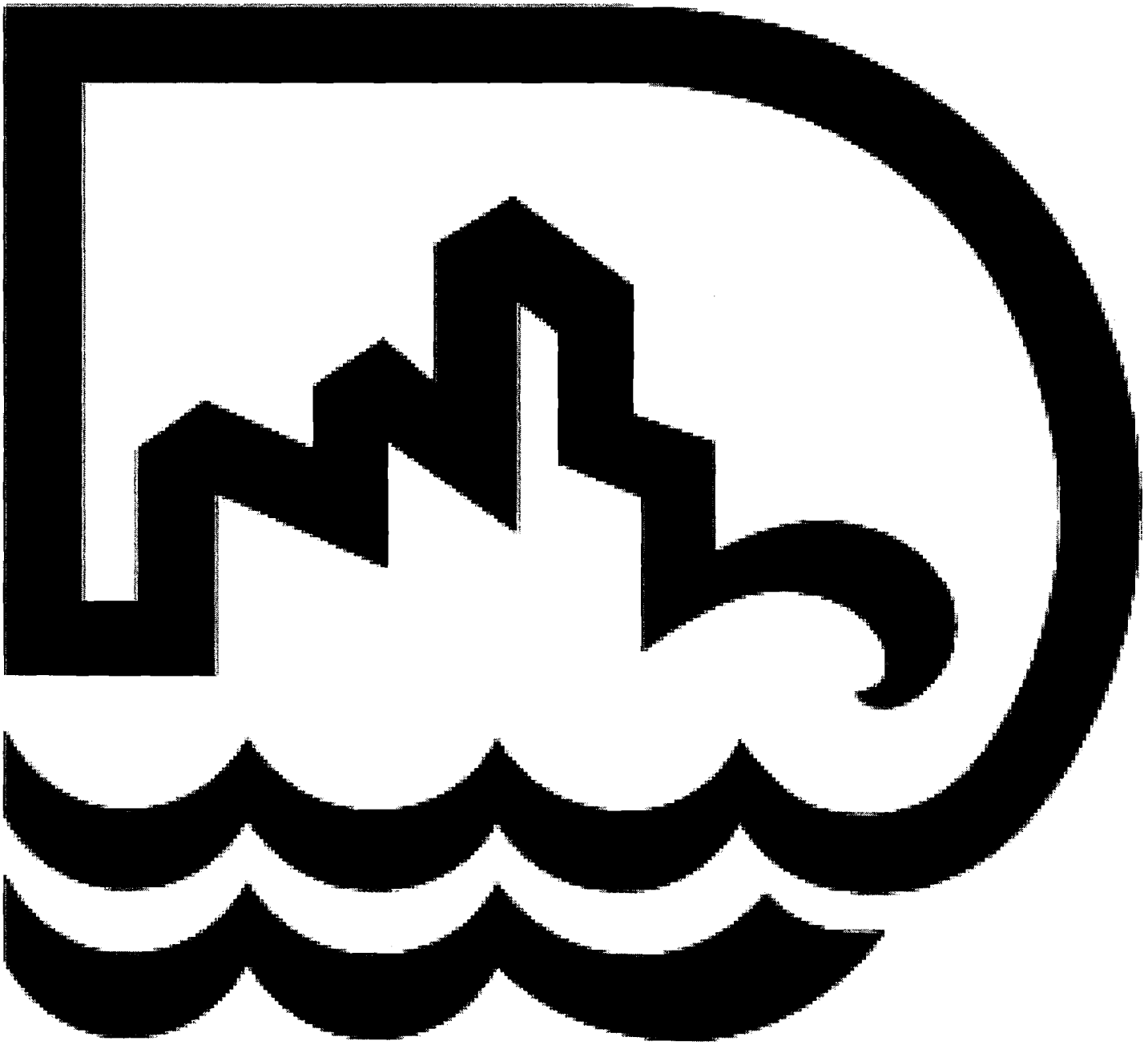
For the Fiscal Year Ended June 30, 2009

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((B-a)/c)
2009	7/1/2007	$ -	$ 6,918,112	$6,918,112	-	$ 43,083,844	16.06%

Note: Fiscal Year 2009 is the transition year for GASB Statement No. 45.

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2007. Additional information follows:

a. The cost method used to determine the ARC is the entry age normal cost method.
b. There are no plan assets.
c. Economic assumptions are as follows: health care cost trend rates of 5.0-10.0 percent; discount rate 4.5 percent.
d. The amortization method is open basis as a level percentage of projected payroll.



COMBINING STATEMENTS, AND SCHEDULES

Non-Major Governmental Funds

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

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

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

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

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.

American Recovery and Reinvestment Act Fund - Accounts for expenditures related to the American Recovery and Reinvestment Act.

HUD 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, lead based paint removal and education , and expenditures of Economic Development Initiatives-Special Projects Grant.

Environmental Protection Agency – Accounts for the expenditures of an Environmental Protection Agency grant for Brownfields.

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, 2009

ASSETS	ROAD USE TAX	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	LEVEE IMPROVEMENT COMMISSION	MUNICIPAL IMPROVEMENT DISTRICTS
Cash and investments	$ 1,297,287	$ 6,077	$ 15,121	$ 661,217	$ 646,948
Receivables:					
Property taxes:					
Delinquent	-	-	-	-	52,117
Succeeding year	-	-	-	-	915,319
Accounts	-	2,392,730	3,771	107,167	-
Loans	-	-	-	-	-
Interest	-	-	-	1,601	1,863
Due from other governments	665,661	224,731	-	-	-
Prepaids	-	646	-	-	-
Restricted assets-cash and investments	-	48,566	-	-	-
TOTAL ASSETS	$ 1,962,948	$ 2,672,750	$ 18,892	$ 769,985	$ 1,616,247
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Wages payable	$ 213,351	$ 25,119	$ 13,717	$ 5,188	$ -
Accounts payable	284,567	49,327	5,175	5,638	-
Payable from restricted assets	-	48,566	-	-	-
Interfund loans payable	133,540	150,285	-	73,686	-
Deferred revenue:					
Succeeding year property tax	-	-	-	-	915,319
Other	-	2,392,729	-	49,670	15,300
Total Liabilities	631,458	2,666,026	18,892	134,182	930,619
FUND BALANCES:					
Reserved for encumbrances	437,181	6,078	-	325	-
Reserved for future projects	-	-	-	-	685,628
Reserved for loan applicants	-	-	-	-	-
Reserved for prepaid	-	646	-	-	-
Reserved for debt retirement	-	-	-	-	-
Undesignated:					
Special revenue	894,309	-	-	635,478	-
Total Fund Balances	1,331,490	6,724	-	635,803	685,628
TOTAL LIABILITIES AND FUND BALANCES	$ 1,962,948	$ 2,672,750	$ 18,892	$ 769,985	$ 1,616,247

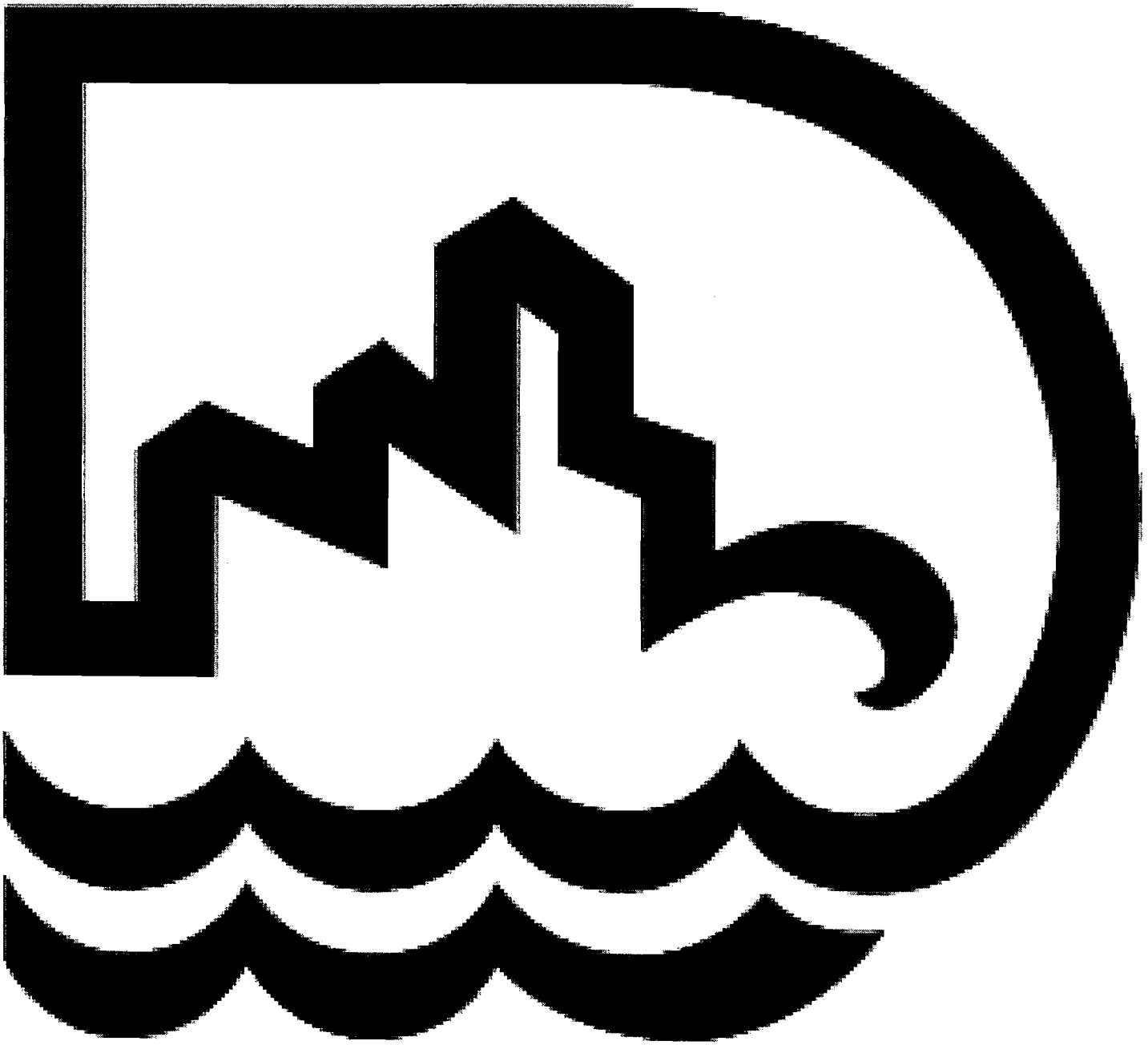
REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	AMERICAN RECOVERY AND REINVESTMENT ACT	HUD GRANTS	ENVIRONMENTAL PROTECTION AGENCY GRANT	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ 458,333	$ -	$ -	$ -	$ 2,802	$ 5,321,588	$ 8,409,373
-	-	-	-	-	90,039	142,156
-	-	-	-	-	3,312,028	4,227,347
-	-	-	-	-	-	2,503,668
1,284,833	6,688,531	-	-	-	-	7,973,364
1,381	-	-	-	-	1,755	6,600
-	14,292	173,068	469,804	1	-	1,547,557
-	-	-	-	-	-	646
-	-	-	-	-	-	48,566
$ 1,744,547	$ 6,702,823	$ 173,068	$ 469,804	$ 2,803	$ 8,725,410	$ 24,859,277
$ -	$ 3,264	$ -	$ 7,041	$ -	$ -	$ 267,680
-	-	-	107,275	5,085	46,916	503,983
-	-	-	-	-	-	48,566
-	9,208	173,068	456,594	-	-	996,381
-	-	-	-	-	3,312,028	4,227,347
1,284,833	6,688,531	173,068	273,259	-	10,063	10,887,453
1,284,833	6,701,003	346,136	844,169	5,085	3,369,007	16,931,410
-	-	-	-	-	-	443,584
-	-	-	-	-	-	685,628
459,714	1,820	-	-	-	-	461,534
-	-	-	-	-	-	646
-	-	-	-	-	5,356,403	5,356,403
-	-	(173,068)	(374,365)	(2,282)	-	980,072
459,714	1,820	(173,068)	(374,365)	(2,282)	5,356,403	7,927,867
$ 1,744,547	$ 6,702,823	$ 173,068	$ 469,804	$ 2,803	$ 8,725,410	$ 24,859,277

CITY OF DAVENPORT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	ROAD USE TAX	COMMUNITY DEVELOPMENT ACT	HUD SECTION 8	LEVEE IMPROVEMENT COMMISSION	MUNICIPAL IMPROVEMENT DISTRICTS
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ 1,214,390
Licenses and permits	34,050	-	-	-	-
Intergovernmental	9,226,490	1,974,914	2,927,352	-	-
Use of monies and property	-	73,164	-	253,107	19,612
Loan repayments	-	314,306	-	-	-
Other	6,630	375	2,832	-	-
Total Revenues	9,267,170	2,362,759	2,930,184	253,107	1,234,002
EXPENDITURES:					
Current:					
Public works	11,233,279	-	-	-	-
Culture and recreation	-	9,520	-	44,508	-
Community and economic development	-	2,346,515	3,073,971	254,579	1,029,829
General government	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	30,003	176,488
Interest	-	-	-	1,725	47,657
Bond issuance costs	-	-	-	-	-
Total Expenditures	11,233,279	2,356,035	3,073,971	330,815	1,253,974
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,966,109)	6,724	(143,787)	(77,708)	(19,972)
OTHER FINANCING SOURCES (USES):					
Bond issuance	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Transfers in	75,000	-	143,787	-	-
Transfers out	(211,782)	-	-	(132,923)	-
Total Other Financing Sources (Uses)	(136,782)	-	143,787	(132,923)	-
NET CHANGE IN FUND BALANCES	(2,102,891)	6,724	-	(210,631)	(19,972)
FUND BALANCES - BEGINNING	3,434,381	-	-	846,434	705,600
FUND BALANCES - ENDING	$ 1,331,490	$ 6,724	$ -	$ 635,803	$ 685,628

REVOLVING LOANS	HOME INVESTMENT PARTNERSHIP	AMERICAN RECOVERY AND REINVESTMENT ACT	HUD GRANTS	ENVIRONMENTAL PROTECTION AGENCY GRANT	TAX INCREMENT FINANCING DISTRICTS DEBT SERVICE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ -	$ -	$ 2,992,678	$ 4,207,068
-	-	-	-	-	-	34,050
-	259,887	-	1,214,285	237,663	-	15,840,591
19,318	85,193	-	-	-	19,923	470,317
132,809	163,998	-	-	-	-	611,113
-	-	-	-	-	-	9,837
152,127	509,078	-	1,214,285	237,663	3,012,601	21,172,976
-	-	-	-	-	-	11,233,279
-	-	-	-	-	-	54,028
531,497	551,779	1,425	1,220,742	145,401	6,271,828	15,427,566
-	-	-	121,548	-	-	121,548
6,667	-	-	-	-	1,613,089	1,826,247
-	-	-	-	-	706,146	755,528
-	-	-	-	-	147,303	147,303
538,164	551,779	1,425	1,342,290	145,401	8,738,366	29,565,499
(386,037)	(42,701)	(1,425)	(128,005)	92,262	(5,725,765)	(8,392,523)
-	-	-	-	-	10,565,000	10,565,000
-	-	-	-	-	(86,927)	(86,927)
-	44,521	-	-	-	45,972	309,280
(44,521)	-	(171,643)	-	-	(24,500)	(585,369)
(44,521)	44,521	(171,643)	-	-	10,499,545	10,201,984
(430,558)	1,820	(173,068)	(128,005)	92,262	4,773,780	1,809,461
890,272	-	-	(246,360)	(94,544)	582,623	6,118,406
$ 459,714	$ 1,820	$ (173,068)	$ (374,365)	$ (2,282)	$ 5,356,403	$ 7,927,867



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 four golf courses, Duck Creek, Emeis, Credit Island 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.

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.

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
ASSETS	PUBLIC HOUSING	GOLF COURSES	AIRPORT
Current assets:			
Cash and cash equivalents	$ 464,584	$ -	$ 91,756
Receivables:			
Property taxes:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	22,434	18,388	3,517
Interest	1,239	-	160
Due from other governments	5,822	-	-
Restricted cash and cash equivalents	29,599	-	-
Total current assets	523,678	18,388	95,433
Noncurrent assets:			
Deferred charges	-	-	3,333
Other post employment benefits receivable	479	5,510	199
Investment in joint venture	-	-	-
Capital assets:			
Land	526,071	1,272,122	749,356
Buildings	7,644,073	337,313	2,563,346
Improvements other than buildings	-	2,749,332	6,443,283
Equipment and vehicles	275,639	1,392,035	178,542
Paving	91,765	-	-
Storm sewers	-	-	-
less accumulated depreciation	(4,765,423)	(2,821,732)	(5,538,501)
Construction in progress	112,724	-	256,446
Total noncurrent assets	3,885,328	2,934,580	4,656,004
Total assets	4,409,006	2,952,968	4,751,437
LIABILITIES			
LIABILITIES:			
Current liabilities:			
Wages payable	4,572	58,444	2,039
Accounts payable	8,797	44,492	2,587
Accrued interest payable	1,049	-	513
Compensated absences	4,168	34,701	1,044
Interfund loans payable	790	262,780	20,879
Deferred revenue:			
Succeeding year property tax	-	-	-
Other	2,385	-	-
General obligation bonds - current	86,000	-	15,000
Total current liabilities	107,761	400,417	42,062
Current liabilities payable from restricted assets:			
Deposits payable	29,599	-	-
Noncurrent liabilities:			
Compensated absences	898	7,478	225
General obligation bonds - long term	367,048	-	139,760
Total noncurrent liabilities	367,946	7,478	139,985
Total liabilities	505,306	407,895	182,047
NET ASSETS			
Invested in capital assets, net of related debt	3,431,801	2,929,070	4,497,712
Unrestricted	471,899	(383,997)	71,678
Total net assets	$ 3,903,700	$ 2,545,073	$ 4,569,390

ENTERPRISE FUNDS			
PUBLIC TRANSIT	SOLID WASTE	CLEAN WATER	TOTAL NON-MAJOR ENTERPRISE FUNDS
$ -	$ 29,141	$ 1,573,137	$ 2,158,618
76,894	-	-	76,894
3,301,075	-	-	3,301,075
116	1,778,519	543,920	2,366,894
-	-	2,679	4,078
683,892	-	-	689,714
-	-	-	29,599
4,061,977	1,807,660	2,119,736	8,626,872
-	-	-	3,333
12,357	11,917	4,140	34,602
483,551	-	-	483,551
1,599,288	-	144,078	4,290,915
3,929,427	-	-	14,474,159
132,173	24,888	-	9,349,676
4,725,338	3,486,433	459,707	10,517,694
6,888	-	-	98,653
-	-	17,826,061	17,826,061
(5,367,425)	(2,136,278)	(7,662,761)	(28,292,120)
93,529	-	275,147	737,846
5,615,126	1,386,960	11,046,372	29,524,370
9,677,103	3,194,620	13,166,108	38,151,242
106,366	115,467	32,479	319,367
176,517	77,036	36,291	345,720
-	-	-	1,562
56,830	87,658	33,848	218,249
799,638	-	33,136	1,117,223
3,301,075	-	-	3,301,075
12,326	-	-	14,711
-	-	-	101,000
4,452,752	280,161	135,754	5,418,907
-	-	-	29,599
12,248	18,891	7,294	47,034
-	-	-	506,808
12,248	18,891	7,294	553,842
4,465,000	299,052	143,048	6,002,348
5,119,218	1,375,043	11,042,232	28,395,076
92,885	1,520,525	1,980,828	3,753,818
$5,212,103	$ 2,895,568	$ 13,023,060	$ 32,148,894

CITY OF DAVENPORT

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
OPERATING REVENUES:			
Charges for services	$ 388,302	$ 2,237,644	$ 181,104
Other	42,342	7,000	19,639
Total Operating Revenues	430,644	2,244,644	200,743
OPERATING EXPENSES:			
Employee expenses	91,116	1,046,946	37,745
Supplies and services	684,979	955,953	178,819
Depreciation	250,165	238,778	321,903
Total Operating Expenses	1,026,260	2,241,677	538,467
OPERATING INCOME (LOSS)	(595,616)	2,967	(337,724)
NON-OPERATING REVENUES (EXPENSES):			
Taxes	-	-	-
Operating grants	546,495	-	-
Use of monies and property	13,042	-	58,351
Interest expense	(17,875)	-	(6,978)
Gain (loss) on disposition of capital assets	-	-	-
Joint venture adjustment	-	-	-
Total Non-operating Revenues (Expenses)	541,662	-	51,373
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(53,954)	2,967	(286,351)
Capital contributions	55,084	-	256,446
Transfers out	(143,787)	-	-
Change in net assets	(142,657)	2,967	(29,905)
Total net assets - beginning	4,046,357	2,542,106	4,599,295
Total net assets - ending	$ 3,903,700	$ 2,545,073	$ 4,569,390

ENTERPRISE FUNDS

PUBLIC TRANSIT	SOLID WASTE	CLEAN WATER	TOTAL NON-MAJOR ENTERPRISE FUNDS
$ 479,056	$ 4,478,558	$ 1,740,483	$ 9,505,147
30	880	-	69,891
479,086	4,479,438	1,740,483	9,575,038
2,347,923	2,264,314	786,510	6,574,554
2,599,347	2,019,087	435,487	6,873,672
362,726	213,371	618,829	2,005,772
5,309,996	4,496,772	1,840,826	15,453,998
(4,830,910)	(17,334)	(100,343)	(5,878,960)
3,248,353	-	-	3,248,353
1,011,499	-	-	1,557,994
12,360	40,867	32,250	156,870
-	-	-	(24,853)
-	3,258	-	3,258
(12,052)	-	-	(12,052)
4,260,160	44,125	32,250	4,929,570
(570,750)	26,791	(68,093)	(949,390)
5,257	348,375	569,059	1,234,221
-	-	(103,191)	(246,978)
(565,493)	375,166	397,775	37,853
5,777,596	2,520,402	12,625,285	$ 32,111,041
$ 5,212,103	$ 2,895,568	$ 13,023,060	$ 32,148,894

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	$ 385,802	$ 2,257,784	$ 182,684
Cash paid to suppliers for goods and services	(677,658)	(957,438)	(181,496)
Cash paid to employees for services	(84,653)	(1,061,514)	(36,815)
Other operating revenue	42,342	7,000	19,639
Net Cash Provided by (Used for) Operating Activities	(334,167)	245,832	(15,988)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Repayments to other funds	-	(498,393)	-
Advances from other funds	790	262,780	-
Operating grants	546,495	-	-
Property tax	-	-	-
Transfers out	(143,787)	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	403,498	(235,613)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Refunding discount/issue costs	-	-	358
Acquisition and construction of capital assets	(37,522)	(10,655)	-
Principal paid on long-term debt	(82,000)	-	(15,000)
Interest paid on long-term debt	(20,048)	-	(7,020)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(139,570)	(10,655)	(21,662)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and investment income	16,185	436	58,803
Rental of idle facilities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(54,054)	-	21,153
CASH AND CASH EQUIVALENTS-BEGINNING	548,237	-	70,603
CASH AND CASH EQUIVALENTS-ENDING	$ 494,183	$ -	$ 91,756

ENTERPRISE FUNDS

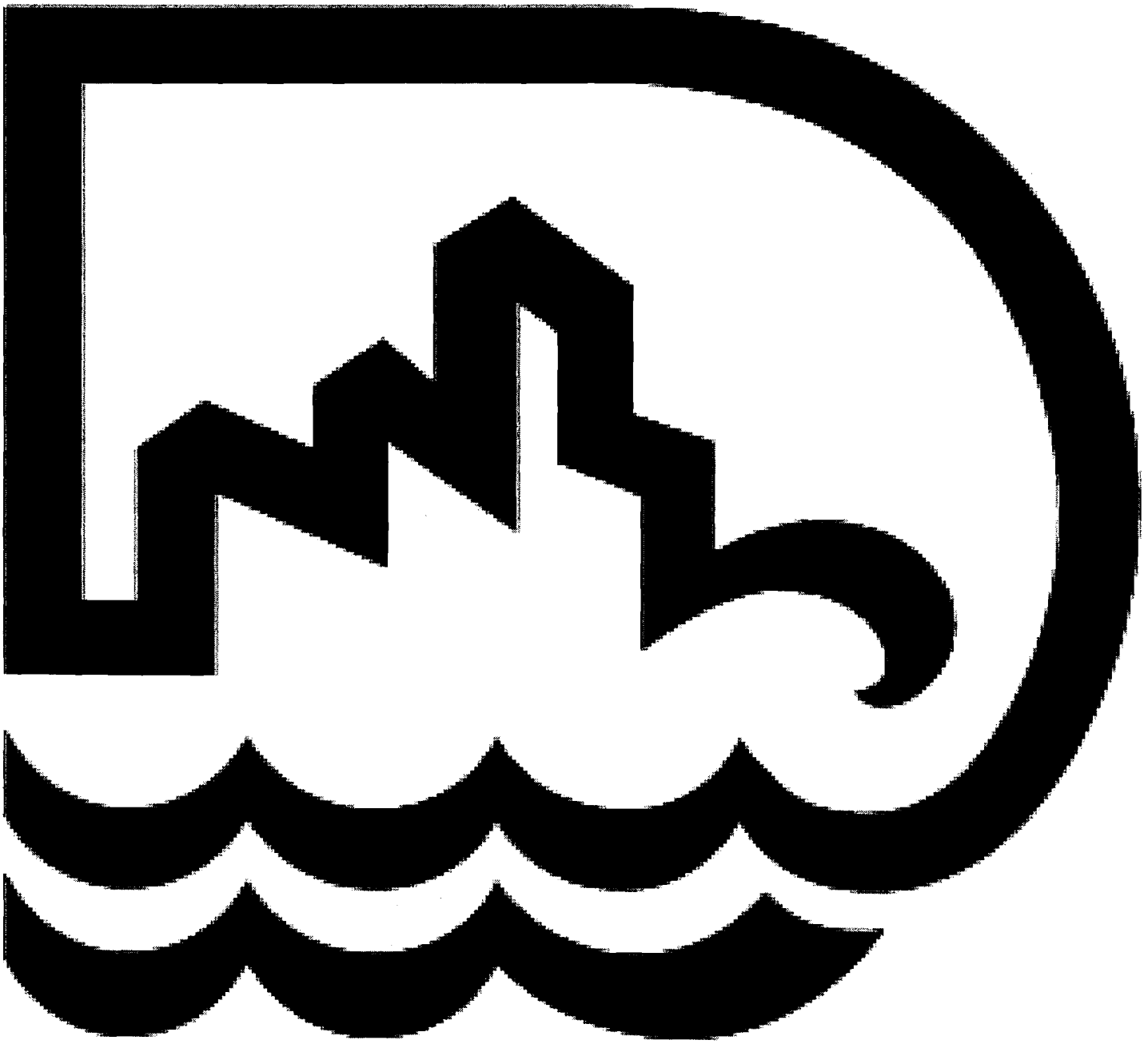
PUBLIC TRANSIT	SOLID WASTE	CLEAN WATER	TOTAL NON-MAJOR ENTERPRISE FUNDS
$ 689,277	$ 4,489,928	$ 1,730,741	$ 9,736,216
(2,481,493)	(2,016,996)	(409,148)	(6,724,229)
(2,357,580)	(2,237,372)	(799,346)	(6,577,280)
30	880	-	69,891
(4,149,766)	236,440	522,247	(3,495,402)
(916,839)	(253,466)	-	(1,668,698)
799,638	-	-	1,063,208
1,011,499	-	-	1,557,994
3,248,353	-	-	3,248,353
-	-	(103,191)	(246,978)
4,142,651	(253,466)	(103,191)	3,953,879
-	-	-	358
(5,245)	5,300	9,887	(38,235)
-	-	-	(97,000)
-	-	-	(27,068)
(5,245)	5,300	9,887	(161,945)
-	40,867	33,926	150,217
12,360	-	-	12,360
-	29,141	462,869	459,109
-	-	1,110,268	1,729,108
$ -	$ 29,141	$ 1,573,137	$ 2,188,217

(continued)

NON-MAJOR ENTERPRISE FUNDS (CONTINUED)
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	BUSINESS-TYPE ACTIVITIES -		
	PUBLIC HOUSING	GOLF COURSES	AIRPORT
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	$ (595,616)	$ 2,967	$ (337,724)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	250,165	238,778	321,903
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(8,598)	20,140	1,580
Decrease (increase) in due from other governments	6,098	-	-
Decrease (increase) in prepaids	-	9,328	-
Increase (decrease) in accounts payable	-	(10,813)	(2,677)
Increase (decrease) in other accrued liabilities	7,321	(14,568)	930
Increase (decrease) in other deferred revenue	6,463	-	-
Total Adjustments	261,449	242,865	321,736
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (334,167)	$ 245,832	$ (15,988)
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Acquisition of capital assets	$ -	$ -	$ -
Contribution of capital assets by subdividers	-	-	-

ENTERPRISE FUNDS			
PUBLIC TRANSIT	SOLID WASTE	CLEAN WATER	TOTAL NON-MAJOR ENTERPRISE FUNDS
$ (4,830,910)	$ (17,334)	$ (100,343)	$ (5,878,960)
362,726	213,371	618,829	2,005,772
(21,406)	11,371	(9,742)	(6,655)
204,729	-	-	210,827
50,000	-	-	59,328
67,854	2,090	26,339	82,793
15,057	26,942	(12,836)	22,846
2,184	-	-	8,647
681,144	253,774	622,590	2,383,558
$ (4,149,766)	$ 236,440	$ 522,247	$ (3,495,402)
$ 5,257	$ -	$ -	$ 5,257
(5,257)	-	-	(5,257)



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 ASSETS
June 30, 2009

ASSETS	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Current assets:				
Cash and cash equivalents	$ 2,304,551	$ 1,890,178	$ 292,120	$ 4,486,849
Accounts receivable	11,055	566,262	186	577,503
Interest receivable	7,809	7,459	-	15,268
Due from other governments	-	-	1,310	1,310
Prepaids	-	34,498	122,184	156,682
Total current assets	2,323,415	2,498,397	415,800	5,237,612
Noncurrent assets:				
Other post employment benefits receivable	6	2,782	5,540	8,328
Capital assets:				
Improvements other than buildings	-	-	894,110	894,110
Equipment and vehicles	-	-	3,184,012	3,184,012
Less accumulated depreciation	-	-	(1,431,322)	(1,431,322)
Construction in progress	-	-	303,808	303,808
Total noncurrent assets	6	2,782	2,956,148	2,958,936
Total assets	2,323,421	2,501,179	3,371,948	8,196,548
LIABILITIES				
LIABILITIES:				
Current liabilities:				
Wages payable	-	21,408	65,447	86,855
Accounts payable	74,261	137,593	19,423	231,277
Compensated absences	-	40,829	78,332	119,161
Claims and judgments	1,286,759	3,584,963	-	4,871,722
Total current liabilities	1,361,020	3,784,793	163,202	5,309,015
Noncurrent liabilities:				
Compensated absences	-	8,799	16,881	25,680
Total liabilities	1,361,020	3,793,592	180,083	5,334,695
NET ASSETS				
Invested in capital assets, net of related debt	-	-	2,950,608	2,950,608
Unrestricted	962,401	(1,292,413)	241,257	(88,755)
Total net assets	$ 962,401	$ (1,292,413)	$ 3,191,865	$ 2,861,853

CITY OF DAVENPORT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
Charges for services	$ 11,881,143	$ 3,737,001	$ 1,830,530	$ 17,448,674
Other	632	5,850	-	6,482
Total Operating Revenues	11,881,775	3,742,851	1,830,530	17,455,156
OPERATING EXPENSES:				
Employee expenses	1,229	528,659	1,052,610	1,582,498
Supplies and services	11,752,080	2,478,483	755,105	14,985,668
Depreciation	-	-	220,481	220,481
Total Operating Expenses	11,753,309	3,007,142	2,028,196	16,788,647
OPERATING INCOME (LOSS)	128,466	735,709	(197,666)	666,509
NON-OPERATING REVENUES (EXPENSES):				
Use of monies and property	82,175	78,500	-	160,675
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	210,641	814,209	(197,666)	827,184
Capital contributions	-	-	1,990,738	1,990,738
Transfers out	(1,782,175)	(78,500)	-	(1,860,675)
Change in net assets	(1,571,534)	735,709	1,793,072	957,247
Total net assets - beginning	2,533,935	(2,028,122)	1,398,793	1,904,606
Total net assets - ending	$ 962,401	$ (1,292,413)	$ 3,191,865	$ 2,861,853

CITY OF DAVENPORT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	EMPLOYEE INSURANCE	RISK MANAGEMENT	INFORMATION MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	$ 11,870,082	$ 3,168,007	$ 1,824,820	$ 16,862,909
Cash paid to suppliers for goods and services	(11,321,386)	(3,416,660)	(775,281)	(15,513,327)
Cash paid to employees for services	(3,816)	(518,915)	(1,020,844)	(1,543,575)
Other operating revenue	632	5,850	-	6,482
Net Cash Provided by (Used for) Operating Activities	545,512	(761,718)	28,695	(187,511)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers out	(1,782,175)	(78,500)	-	(1,860,675)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and investment income	93,648	97,306	-	190,954
Net Increase (Decrease) in Cash and Cash Equivalents	(1,143,015)	(742,912)	28,695	(1,857,232)
CASH AND CASH EQUIVALENTS-BEGINNING	3,447,566	2,633,090	263,425	6,344,081
CASH AND CASH EQUIVALENTS-ENDING	$ 2,304,551	$ 1,890,178	$ 292,120	$ 4,486,849

CITY OF DAVENPORT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009 (Continued)

	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)	$ 128,466	$ 735,709	$ (197,666)	$ 666,509
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	-	-	220,481	220,481
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(11,061)	(568,994)	(5,710)	(585,765)
Decrease (increase) in prepaids	-	(508)	(1,173)	(1,681)
Increase (decrease) in accounts payable	430,694	(932,295)	(1,389)	(502,990)
Increase (decrease) in other accrued liabilities	(2,587)	4,370	14,152	15,935
Total Adjustments	417,046	(1,497,427)	226,361	(854,020)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 545,512	$ (761,718)	$ 28,695	$ (187,511)
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	$ 1,990,738	$ 1,990,738
Contribution of capital assets by municipality	-	-	(1,990,738)	(1,990,738)

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.

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2009

RIVERFRONT TASK FORCE	BALANCE JUNE 30,2008	ADDITIONS	DELETIONS	BALANCE JUNE 30,2009
ASSETS:				
Cash and investments	$ 3,498	$ 101	$ 9	$ 3,590
Interest receivable	21	7	21	7
TOTAL ASSETS	$ 3,519	$ 108	$ 30	$ 3,597
LIABILITIES:				
Due to other governments	$ 3,519	$ 108	$ 30	$ 3,597
LIBRARY GIFT				
ASSETS:				
Cash and investments	$ 338,170	$ 82,563	$ 190,643	$ 230,090
Interest receivable	1,945	712	1,945	712
TOTAL ASSETS	$ 340,115	$ 83,275	$ 192,588	$ 230,802
LIABILITIES:				
Accounts payable	$ 148	$ 78,531	$ 76,455	$ 2,224
Due to other governments	339,967	4,744	116,133	228,578
TOTAL LIABILITIES	$ 340,115	$ 83,275	$ 192,588	$ 230,802
M.D. PETERSEN MEMORIAL				
ASSETS:				
Cash and investments	$ 7,355	$ 1,882	$ 6,630	$ 2,607
Interest receivable	48	7	48	7
TOTAL ASSETS	$ 7,403	$ 1,889	$ 6,678	$ 2,614
LIABILITIES:				
Accounts payable	$ -	$ 1,889	$ 1,096	$ 793
Due to other governments	7,403		5,582	1,821
TOTAL LIABILITIES	$ 7,403	$ 1,889	$ 6,678	$ 2,614
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	$ 349,023	$ 84,546	$ 197,282	$ 236,287
Interest receivable	2,014	726	2,014	726
TOTAL ASSETS	$ 351,037	$ 85,272	$ 199,296	$ 237,013
LIABILITIES:				
Accounts payable	$ 148	$ 80,420	$ 77,551	$ 3,017
Due to other governments	350,889	4,852	121,745	233,996
TOTAL LIABILITIES	$ 351,037	$ 85,272	$ 199,296	$ 237,013

CITY OF DAVENPORT

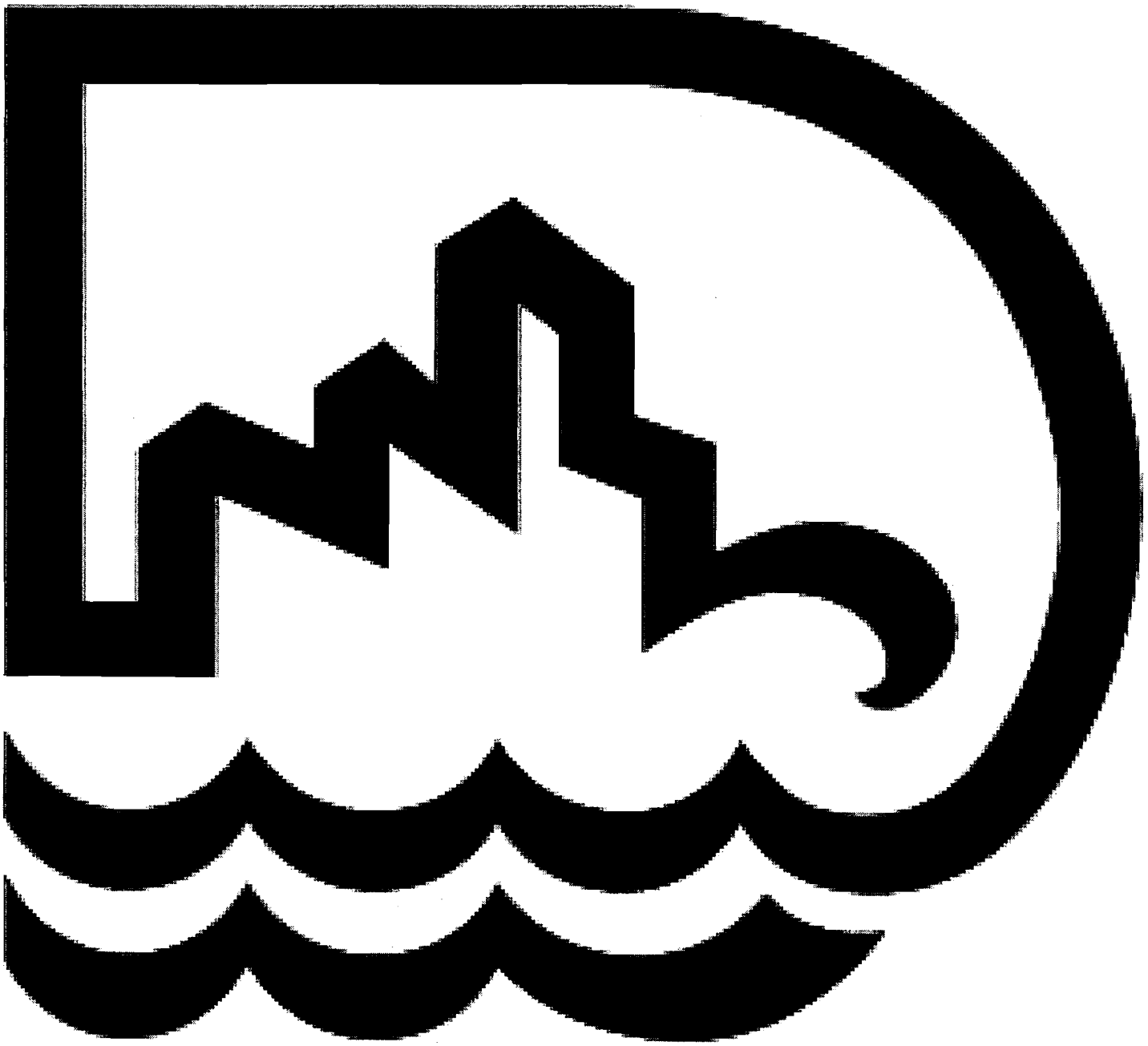
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	PROGRAM EXPENDITURES
Direct:			
Department of Housing and Urban Development (HUD)			
N/C S/R Section 8 Programs	14.182	KC76237	$ 397,240
Community Development Block Grants/Entitlement	14.218	B0XMC190002	2,356,034
HOME Investment Partnerships Program	14.239	M0XMC190200	551,779
EDI Special Projects	14.246	B03SPIA0194	151,309
Fair Housing Assistance Program	14.401	FF207K077015	28,427
Public and Indian Housing	14.850	KC9148	137,038
Section 8 Housing Choice Vouchers	14.871	KC9027V	2,927,352
Public Housing - Capital Fund Program	14.872	KC9148	12,217
Lead Based Paint Grant	14.900	IALHB0349-07	469,253
HERA - Nieghborhood Stabilization Program	14.228		2,503
Jump Start HUD Program	14.256		18,955
Continuum of Care Grant	14.235		327,033
Department of Transportation			
Airport Improvement Program	20.106	3-19-0024-13	127,115
Federal Transit - Formula Grants	20.507	IA-90-X350	675,384
Federal Transit - Formula Grants	20.507	IA-90-X337	8,508
			683,893
Environmental Protection Agency			
Surveys, Studies, Investigations and Special Purpose Grants	66.606	XP987584 01	38,254
EPA Assistance	66.818	BF 987659-01	145,401
Department of Homeland Security			
Disaster Grants - Public Assistance Presidentially Declared Disasters	97.036	02NW507	1,099,075

CITY OF DAVENPORT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	PROGRAM EXPENDITURES
Department of Justice			
Office of Community Oriented Policing Services	16.710	2005 IN WX 0025	$ 346,258
	16.710	2007 CK WX 0031	215,637
Organized Crime Drug Enforcement Task Force	N/A		11,372
			573,267
National Recreational and Park Association	93.283		20,000
ARRA Capital Funds	14.885	IA05504550109	13,000
ARRA Homeless Prevention	14.257	S09-MY-19-0003	1,425
Total Direct			10,080,569
Indirect:			
Department of Justice			
Governor's Office of Drug Control Policy:			
Community Prosecution and Project Safe Neighborhoods	16.609	03S-SD05	27,427
Alcohol, Tobacco and Firearms Training Assistance	16.012		4,470
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005DJBX0442	53,093
Drug Enforcement	N/A		4,284
EUDL - Criminal & Juvenile Justice Planning	16.727	JUV-07-JD07-F08	5,336
Department of Transportation			
Iowa Department of Transportation			
ARRA Full Depth Patching	20.205		158,644
Highway Planning and Construction	20.205	STP-U-1827(643)-70-82	2,201,000
Highway Planning and Construction	20.205	STP-U-1827(632)--70-82	4,986
			2,364,630
Department of Economic Development			
X-Ray Florescence Analyzer Grant	14.228	08-DRADM-011	19,690
National Highway Traffic Safety Administration			
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 05-04 TASK 10	46,531
Total Indirect			2,525,461
Total			$ 12,626,030



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.

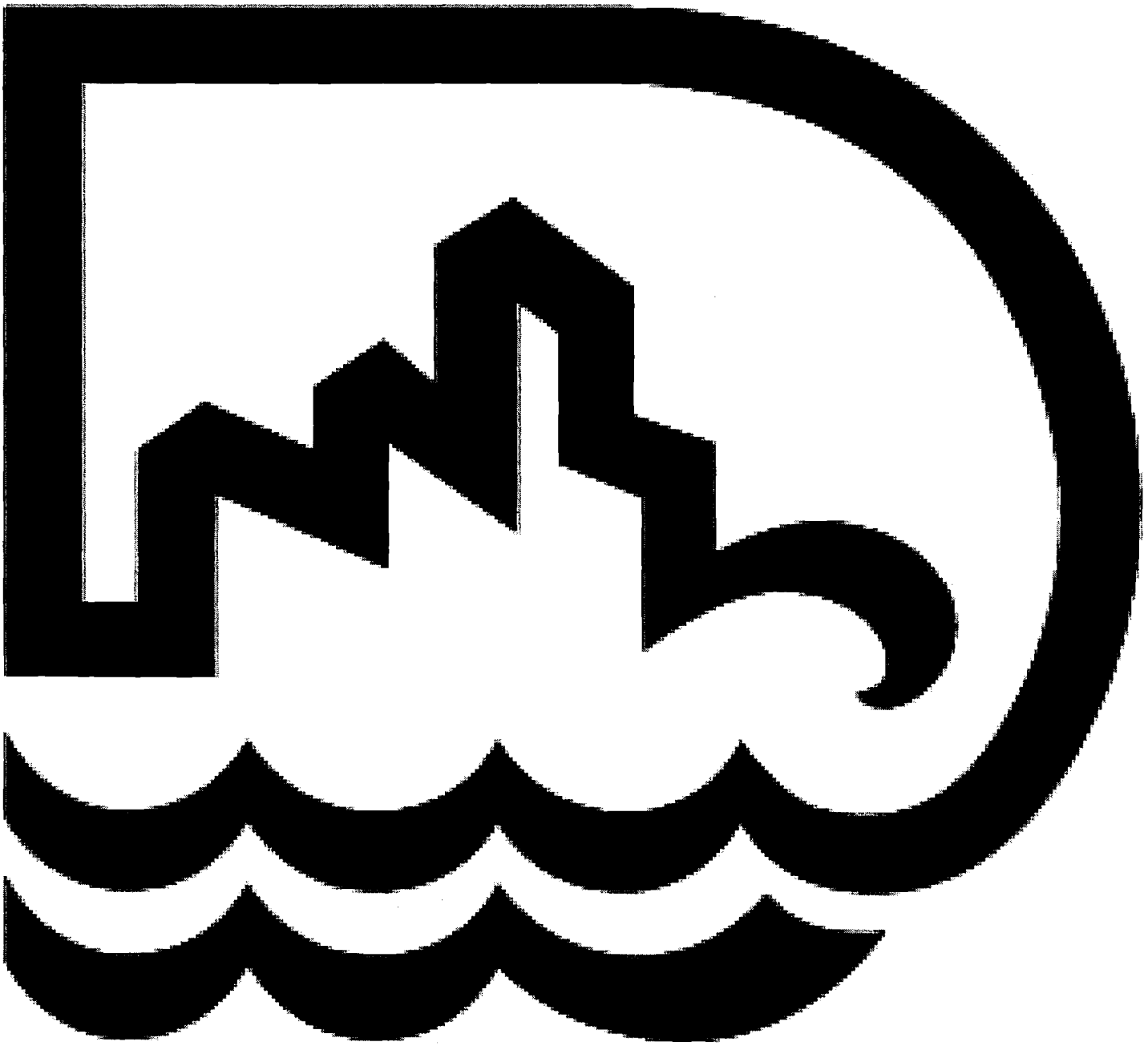
Revenue Capacity – These schedules contain information to help the reader assess Davenport's most significant local revenue source, the property tax.

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 ASSETS BY COMPONENT,
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	$ 105,380,683	$ 107,377,588	$ 89,441,418	$ 68,823,065	$ 88,164,547	$ 77,077,585	$ 72,111,446
Restricted	37,923,794	34,634,008	43,140,165	52,997,137	35,494,223	40,472,202	41,416,734
Unrestricted	2,694,253	3,975,550	5,039,462	6,977,388	5,903,723	5,574,170	4,568,399
Total governmental activities net assets	$ 145,998,730	$ 145,987,146	$ 137,621,045	$ 128,797,590	$ 129,562,493	$ 123,123,957	$ 118,096,579
Business-type activities							
Invested in capital assets, net of related debt	$ 106,460,687	$ 109,164,803	$ 109,968,802	$ 114,960,736	$ 100,497,072	$ 91,650,821	$ 93,049,920
Unrestricted	13,226,200	12,464,481	12,747,591	14,110,629	13,644,118	21,741,675	18,449,449
Total business-type activities net assets	$ 119,686,887	$ 121,629,284	$ 122,716,393	$ 129,071,365	$ 114,141,190	$ 113,392,496	$ 111,499,369
Primary government							
Invested in capital assets, net of related debt	$ 211,841,370	$ 216,542,391	$ 199,410,220	$ 183,783,801	$ 188,661,619	$ 168,728,406	$ 165,161,366
Restricted	37,923,794	34,634,008	43,140,165	52,997,137	35,494,223	40,472,202	41,416,734
Unrestricted	15,920,453	16,440,031	17,787,053	21,088,017	19,547,841	27,315,845	23,017,848
Total primary government net assets	$ 265,685,617	$ 267,616,430	$ 260,337,438	$ 257,868,955	$ 243,703,683	$ 236,516,453	$ 229,595,948

CITY OF DAVENPORT

CHANGES IN NET ASSETS,
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities:							
General government	$ 10,026,526	$ 8,523,359	$ 8,710,088	$ 6,413,439	$ 10,445,510	$ 8,480,484	$ 6,685,470
Public safety	37,946,102	37,929,524	37,866,348	35,330,398	32,069,077	29,072,920	23,906,370
Public works	22,727,385	21,653,523	18,514,994	19,152,943	18,288,161	25,266,595	27,612,830
Culture and recreation	13,924,558	11,663,190	11,831,207	15,989,106	15,273,271	14,720,304	9,793,268
Community and economic development	17,884,887	10,083,864	10,485,046	10,892,810	12,540,036	14,016,808	20,548,796
Interest on long-term debt	5,159,660	5,352,084	5,437,269	4,977,495	4,697,555	4,088,608	4,307,208
Total governmental activities expenses	107,669,118	95,205,544	92,844,952	92,756,191	93,313,610	95,645,719	92,853,942
Business-type activities:							
Sewer operations	13,661,231	12,933,042	13,275,949	12,359,594	12,336,175	11,612,949	12,072,674
Parking system	2,130,548	2,214,256	2,297,589	2,223,058	1,987,325	2,089,879	1,625,843
Rivercenter	2,273,405	2,075,251	2,044,864	2,287,829	3,856,510	3,976,124	3,220,654
Public transit	5,243,812	5,108,767	5,200,408	4,781,823	4,464,738	4,343,827	4,443,687
Public housing	1,024,289	1,088,723	1,056,560	984,783	956,687	906,413	960,487
Golf courses	2,215,155	2,360,114	2,388,785	2,204,089	2,651,694	2,142,641	2,105,937
Airport	536,281	564,139	533,995	492,146	446,777	469,150	403,870
Solid waste	4,424,452	4,426,700	4,584,023	4,148,895	4,255,444	1,256,114	1,194,442
Clean water (1)	1,803,626	1,747,692	1,684,045	1,608,951	-	-	-
Total business-type activities expenses	33,312,799	32,518,684	33,066,218	31,091,168	30,955,350	26,797,097	26,027,594
Total primary government expenses	$ 140,981,917	$ 127,724,228	$ 125,911,170	$ 123,847,359	$ 124,268,960	$ 122,442,816	$ 118,881,536
Program revenues							
Governmental activities:							
Charges for services:							
General government	$ 1,906,531	$ 2,492,146	$ 2,185,830	$ 1,807,942	$ 1,677,053	$ 1,547,685	$ 1,599,974
Public safety	1,991,648	1,769,379	1,772,612	2,175,988	1,577,554	1,464,648	1,175,217
Public works	1,891,001	2,212,146	1,486,492	1,941,969	1,753,160	2,058,239	2,059,079
Culture and recreation	1,255,539	1,110,907	1,774,460	3,820,105	499,872	579,825	635,603
Community and economic development	762,264	842,579	872,306	955,624	1,066,391	1,028,891	951,787
Operating grants and contributions	17,583,390	14,562,005	14,410,329	15,244,322	18,165,499	18,263,763	17,819,204
Capital grant and contributions	5,315,374	3,851,299	4,409,902	6,043,958	8,099,263	15,163,936	13,963,733
Total governmental activities program revenues	30,705,747	26,840,461	26,911,931	31,989,908	32,838,792	40,106,987	38,204,597
Business-type activities:							
Charges for services:							
Sewer operations	11,769,322	10,863,016	10,151,322	10,348,088	10,207,702	10,455,763	10,662,507
Parking system	1,675,828	1,699,437	1,765,985	1,657,506	1,630,981	1,779,026	1,261,027
Rivercenter	1,151,073	988,216	918,739	1,153,477	2,693,539	2,464,777	1,792,285
Public transit	479,056	451,139	455,216	453,792	593,905	411,253	356,238
Public housing	388,302	388,640	344,286	334,919	327,173	330,757	327,964
Golf courses	2,237,644	2,236,252	2,310,782	2,358,403	2,404,051	2,246,411	2,221,928
Airport	181,104	185,644	175,622	173,624	154,581	147,081	142,965
Solid waste (1)	4,481,816	4,577,669	4,451,864	3,777,700	3,729,191	1,610,426	1,255,136
Clean water (2)	1,740,483	1,765,014	1,718,423	1,609,020	-	-	-
Operating grants and contributions	1,557,994	1,792,100	1,463,558	1,669,214	1,363,461	1,655,812	1,442,654
Capital grant and contributions	1,603,113	2,169,889	4,192,000	7,466,146	4,340,112	4,158,826	9,392,192
Total business-type activities program revenues	27,265,735	27,117,016	27,947,797	31,001,889	27,444,696	25,260,132	28,854,896
Total primary government program revenues	$ 57,971,482	$ 53,957,477	$ 54,859,728	$ 62,991,797	$ 60,283,488	$ 65,367,119	$ 67,059,493

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue							
Governmental activities	$ (76,963,371)	$ (68,365,083)	$ (65,933,021)	$ (60,766,283)	$ (60,474,818)	$ (55,538,732)	$ (54,649,345)
Business-type activities	(6,047,064)	(5,401,668)	(5,118,421)	(89,279)	(3,510,654)	(1,536,965)	2,827,302
Total primary government net expense	$ (83,010,435)	$ (73,766,751)	$ (71,051,442)	$ (60,855,562)	$ (63,985,472)	$ (57,075,697)	$ (51,822,043)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	$ 56,602,349	$ 54,216,032	$ 52,302,784	$ 49,714,718	$ 47,050,918	$ 43,784,134	$ 41,751,259
Local option sales tax	14,268,556	14,925,248	14,408,214	13,071,274	12,556,556	12,892,682	12,695,189
Hotel/motel tax	1,745,523	1,687,454	1,586,261	1,611,777	1,395,028	1,453,268	1,439,259
Franchise tax	3,213,249	3,337,590	3,355,323	3,212,235	3,293,130	3,082,228	2,680,182
Investment earnings	1,390,993	2,953,986	3,839,767	3,010,775	1,943,966	1,542,997	1,546,216
Gain on sale of capital assets	4,905	51,385	78,176	367,546	-	-	-
Miscellaneous	96,087	62,432	41,118	362,904	295,533	291,640	333,941
Transfers	(346,707)	(501,515)	(784,469)	(11,349,849)	(970,101)	(383,019)	(611,958)
Total governmental activities	76,974,955	76,732,612	74,827,174	60,001,380	65,565,030	62,663,930	59,834,088
Business-type activities:							
Property taxes (public transit)	3,248,353	3,097,575	3,017,365	2,905,895	2,769,893	2,628,096	2,552,247
Investment earnings	400,305	649,905	790,290	698,124	462,890	344,863	444,436
Loss on donation of capital assets	-	-	(5,894,826)	-	-	-	-
Miscellaneous	109,302	65,564	66,151	65,586	56,464	74,114	5,537
Transfers	346,707	501,515	784,469	11,349,849	970,101	383,019	611,958
Total business-type activities	4,104,667	4,314,559	(1,236,551)	15,019,454	4,259,348	3,430,092	3,614,178
Total primary government	$ 81,079,622	$ 81,047,171	$ 73,590,623	$ 75,020,834	$ 69,824,378	$ 66,094,022	$ 63,448,266
Change in Net Assets							
Governmental activities	$ 11,584	$ 8,367,529	$ 8,894,153	$ (764,903)	$ 5,090,212	$ 7,125,198	$ 5,184,743
Business-type activities	(1,942,397)	(1,087,109)	(6,354,972)	14,930,175	748,694	1,893,127	6,441,480
Total primary government	$ (1,930,813)	$ 7,280,420	$ 2,539,181	$ 14,165,272	$ 5,838,906	$ 9,018,325	$ 11,626,223

(1) In fiscal year 2005, the city moved the solid waste division from governmental activities, public works to join the exisiting recycling division and made a combined solid waste business-type activity.

(2) In fiscal year 2006, the city split the clean water division from governmental activities, public works to a business-type activity.

CITY OF DAVENPORT

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

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Reserved	$ 5,837,263	$ 5,468,328	$ 5,897,658	$ 6,466,266	$ 5,932,616
Unreserved	4,961,376	5,057,016	6,658,196	7,561,989	7,173,392
Total general fund	$ 10,798,639	$ 10,525,344	$ 12,555,854	$ 14,028,255	$ 13,106,008
All Other Governmental funds					
Reserved	$ 32,666,636	$ 27,199,618	$ 32,790,103	$ 41,987,883	$ 33,277,257
Unreserved, reported in					
Special revenue funds	980,072	3,754,094	6,527,897	6,116,563	5,554,019
Capital project funds		-	-	(710,670)	(7,430,722)
Total all other governmental funds	$ 33,646,708	$ 30,953,712	$ 39,318,000	$ 47,393,776	$ 31,400,554

Fiscal Year				
2004	2003	2002	2001	2000
$ 5,050,104	$ 5,060,818	$ 6,283,879	$ 7,555,945	$ 8,519,108
7,520,660	6,607,063	6,473,599	6,989,297	6,715,063
$ 12,570,764	$ 11,667,881	$ 12,757,478	$ 14,545,242	$ 15,234,171
$ 33,305,150	$ 35,191,771	$ 36,656,434	$ 27,044,137	$ 24,511,318
6,186,458	5,269,271	5,283,533	6,778,424	6,089,770
(3,067,709)	(3,267,011)	(4,575,568)	(6,022,870)	(3,909,857)
$ 36,423,899	$ 37,194,031	$ 37,364,399	$ 27,799,691	$ 26,691,231

CITY OF DAVENPORT

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

	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues					
Taxes	$ 75,503,579	$ 73,900,380	$ 71,440,755	$ 67,238,905	$ 63,519,997
Special assessments	6,806	139,517	50,982	40,535	55,964
Licenses and permits	1,154,269	1,496,632	1,395,934	1,623,543	1,600,302
Intergovernmental	22,579,386	17,417,503	17,053,854	19,729,182	21,801,090
Charges for services	4,081,012	3,616,388	2,798,325	3,490,189	3,334,847
Use of monies and property	1,390,993	2,953,986	3,839,767	3,010,775	1,943,966
Fines and forfeits	938,544	554,937	873,092	997,004	604,751
Loan repayments	611,113	584,230	663,341	594,829	978,166
Other	1,257,734	2,106,748	2,105,786	4,308,377	3,052,499
Total revenues	107,523,436	102,770,321	100,221,836	101,033,339	96,891,582
Expenditures (1)					
General government	7,849,694	7,908,979	7,215,792	7,242,260	6,878,912
Public safety	37,719,742	37,817,252	36,215,539	33,930,920	31,539,164
Public works	15,838,441	15,316,163	11,812,816	11,789,864	11,829,081
Culture and recreation	11,113,692	10,182,468	9,406,214	8,632,061	7,878,176
Community and economic development	17,030,912	9,930,122	8,960,280	10,016,894	10,937,442
Policy and administration					
Community protection					
Human development					
Home and community environment					
Capital outlay	25,959,860	24,969,390	30,935,403	31,196,883	26,981,978
Debt service					
Principal	12,125,079	12,466,632	13,256,573	13,049,158	10,809,309
Interest	5,030,293	5,151,715	5,238,443	4,816,787	4,549,030
Bond issuance expense	285,250	84,386	68,526	105,731	35,791
Total expenditures	132,952,963	123,827,107	123,109,586	120,780,558	111,438,883
Excess of revenues over (under) expenditures	(25,429,527)	(21,056,786)	(22,887,750)	(19,747,219)	(14,547,301)
Other Financing Sources (Uses)					
Bond issuance	26,820,000	9,910,000	13,940,000	35,660,000	10,355,000
Discount on debt issued	56,945	155,453	(51,222)	(148,544)	(18,161)
Refunding bonds issued	-	4,380,000	10,959,625	-	-
Payment to refunded bond escrow agent	-	(4,354,806)	(11,005,000)	-	-
Sale of capital assets	4,905	51,385	78,176	1,643,684	95,946
Transfers in	17,244,760	14,574,161	14,210,513	14,507,366	11,876,152
Transfers out	(15,730,792)	(14,052,777)	(14,721,821)	(14,999,818)	(12,249,737)
Total other financing sources (uses)	28,395,818	10,663,416	13,410,271	36,662,688	10,059,200
Net change in fund balances	$ 2,966,291	$ (10,393,370)	$ (9,477,479)	$ 16,915,469	$ (4,488,101)
Debt service as a percentage of noncapital expenditures	15.26%	17.72%	19.48%	19.94%	18.18%

(1) In fiscal year 2003 the state changed the expenditure reporting categories.

Fiscal Year				
2004	2003	2002	2001	2000
$ 60,657,581	$ 58,580,723	$ 56,129,537	$ 55,449,443	$ 51,494,417
18,098	95,885	109,613	229,153	146,888
1,556,959	1,474,719	1,350,200	1,337,699	1,306,031
28,447,769	27,433,000	22,009,253	18,185,211	18,410,052
3,594,151	3,462,165	2,931,111	2,506,285	2,567,138
1,542,997	1,546,216	2,185,533	3,695,481	3,100,405
533,863	481,059	565,819	373,862	526,028
976,217	907,832	981,357	915,789	839,195
2,820,598	1,805,786	1,429,359	1,836,291	3,683,236
100,148,233	95,787,385	87,691,782	84,529,214	82,073,390
6,661,912	6,032,938	-	-	-
29,666,713	19,230,179	-	-	-
19,305,594	32,558,630	-	-	-
15,270,977	12,098,168	-	-	-
13,964,776	12,526,841	-	-	-
		6,885,044	6,734,448	6,137,854
		28,937,272	28,519,472	25,950,411
		8,052,451	8,011,876	7,369,459
		19,252,381	20,240,634	18,292,576
26,820,496	9,802,681	16,867,400	15,096,188	13,068,506
11,095,495	9,971,020	9,237,935	8,844,706	8,565,623
4,144,917	4,267,994	4,294,564	4,007,944	4,177,680
230,021	47,565	-	-	-
127,160,901	106,536,016	93,527,047	91,455,268	83,562,109
(27,012,668)	(10,748,631)	(5,835,265)	(6,926,054)	(1,488,719)
27,475,000	10,140,000	13,967,750	7,870,000	4,720,000
(154,069)	(51,468)	-	-	-
11,337,000	-	5,885,000	9,020,000	-
(11,199,276)	-	(5,816,841)	(8,960,105)	-
69,783	12,092	17,762	7,308	57,300
12,028,025	12,158,543	12,882,356	11,845,657	11,991,063
(12,411,044)	(12,770,501)	(13,323,818)	(12,437,275)	(12,348,725)
27,145,419	9,488,666	13,612,209	7,345,585	4,419,638
$ 132,751	$ (1,259,965)	$ 7,776,944	$ 419,531	$ 2,930,919
15.19%	14.72%	17.65%	16.83%	18.08%

CITY OF DAVENPORT

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

		ACTUAL VALUE					
Levy Year	Fiscal Year	Residential	Commercial	Industrial	Agricultural	Utilities	Other
1998	2000	2,073,460	888,155	167,748	15,999	205,271	82,823
1999	2001	2,276,768	965,403	181,899	17,193	199,418	57,598
2000	2002	2,332,603	997,859	183,034	17,461	197,345	32,952
2001	2003	2,583,593	1,144,674	173,102	17,933	202,306	12,730
2002	2004	2,631,773	1,166,494	171,056	18,107	209,260	979
2003	2005	2,912,339	1,296,665	167,366	14,088	221,476	602
2004	2006	3,126,797	1,317,790	165,524	14,030	230,234	919
2005	2007	3,361,503	1,437,813	162,735	14,715	233,767	1,123
2006	2008	3,531,282	1,451,082	158,288	14,580	247,982	1,418
2007	2009	3,747,601	1,562,748	171,687	14,782	239,523	2,317

		TAXABLE VALUE					
Levy Year	Fiscal Year	Residential	Commercial	Industrial	Agricultural	Utilities	Other
1998	2000	1,169,802	882,995	161,135	15,847	205,271	82,823
1999	2001	1,247,654	950,025	176,148	16,402	199,418	56,784
2000	2002	1,311,263	994,595	178,421	17,274	197,344	32,952
2001	2003	1,334,571	1,118,462	173,102	17,933	202,135	12,720
2002	2004	1,351,999	1,166,494	171,056	18,107	208,836	979
2003	2005	1,410,066	1,286,675	167,366	14,088	225,060	598
2004	2006	1,498,414	1,317,790	165,524	14,030	215,864	919
2005	2007	1,545,096	1,425,136	162,735	14,715	206,783	1,113
2006	2008	1,607,643	1,451,082	158,288	14,580	203,541	1,418
2007	2009	1,650,821	1,558,379	171,687	13,319	208,017	2,311

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. For property values as of January 1, 2005, the roll back rate was 45.996% for residential property and .85% for commercial and other. For the remaining classes of property, the taxable value was equal to 100% of actual value.

Source: Levy rate sheet and valuation from Scott County.

Gross valuation	Less Military exemption	Net valuation	Total direct tax rate
3,433,456	(12,160)	3,421,296	13.95%
3,698,279	(11,907)	3,686,372	14.63%
3,761,254	(11,716)	3,749,538	14.63%
4,134,338	(11,692)	4,122,646	14.63%
4,197,669	(11,356)	4,186,313	14.96%
4,612,536	(11,066)	4,601,470	15.24%
4,855,294	(10,756)	4,844,538	15.24%
5,211,656	(10,733)	5,200,923	15.58%
5,404,632	(10,496)	5,394,136	15.58%
5,738,658	(10,515)	5,728,143	15.58%

Gross valuation	Less Military exemption	Net valuation
2,517,873	(12,160)	2,505,713
2,646,431	(11,907)	2,634,524
2,731,849	(11,716)	2,720,133
2,858,923	(11,692)	2,847,231
2,917,471	(11,356)	2,906,115
3,103,853	(11,066)	3,092,787
3,212,541	(10,756)	3,201,785
3,355,578	(10,735)	3,344,843
3,436,552	(10,496)	3,426,056
3,604,534	(10,515)	3,594,019

CITY OF DAVENPORT

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $1,000 of assessed value)

	City Direct Rates							
Fiscal Year	General	Tort Liability	Trust & Agency	Library (1)	Transit	Emergency	Debt Service	Total
2000	8.10	0.46	3.23	-	0.91	0.27	0.99	13.96
2001	8.10	0.36	4.00	-	0.91	0.27	0.99	14.63
2002	8.10	0.36	4.00	-	0.91	0.27	0.99	14.63
2003	8.10	0.00	4.36	-	0.91	0.27	0.99	14.63
2004	8.10	0.34	4.36	-	0.91	0.27	0.99	14.97
2005	8.10	0.34	4.36	0.27	0.91	0.27	0.99	15.24
2006	8.10	0.30	4.40	0.27	0.91	0.27	0.99	15.24
2007	8.10	0.30	3.97	0.27	0.91	0.27	1.76	15.58
2008	8.10	0.30	3.97	0.27	0.91	0.27	1.76	15.58
2009	8.10	0.30	3.97	0.27	0.91	0.27	1.76	15.58

(1) First year for voter approved Library Levy was fiscal year 2005.

Source: City of Davenport Finance Department

Overlapping Rates

Scott County	Davenport Schools	Area IX College	Other	Total
4.06	14.93	0.55	0.36	33.86
4.16	15.51	0.60	0.38	35.28
4.17	15.47	0.60	0.38	35.25
4.48	16.96	0.62	0.44	37.13
4.81	17.08	0.62	0.38	37.86
4.76	17.10	0.59	0.34	38.03
5.57	17.10	0.59	0.33	38.83
5.51	17.11	0.61	0.36	39.17
5.54	17.11	0.61	0.37	39.21
5.34	17.08	0.61	0.35	38.96

CITY OF DAVENPORT

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied	Current Collections	Percentage of Levy
2000	38,128,886	37,449,757	98.22%
2001	41,824,538	41,127,901	98.33%
2002	43,159,271	42,499,603	98.47%
2003	44,910,592	44,143,261	98.29%
2004	46,532,163	45,815,344	98.46%
2005	50,180,308	49,586,833	98.82%
2006	53,083,691	52,441,378	98.79%
2007	55,616,871	55,351,006	99.52%
2008	57,327,443	57,218,872	99.81%
2009	60,026,971	59,657,908	99.39%

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

		2009			2000		
Name of Property	Property type	Taxable Valuation	Rank	% of taxable value	Taxable Valuation	Rank	% of taxable value
Mid American Energy	Utility	$ 149,116,757	1	4.15%	$ 163,096,299	1	6.51%
SDG Macerich Properties	Shopping Center	68,691,858	2	1.91%	65,383,800	2	2.61%
Iowa-American Water Co.	Utility	41,904,671	3	1.17%	41,565,750	3	1.66%
Deere & Company	Manufacturing	22,318,760	5	0.62%	33,157,935	4	1.32%
Quanex	Manufacturing	22,322,600	4	0.62%	22,319,677	6	0.89%
National Amusement Inc.	Theatre Complexes	22,250,429	6	0.62%			
Davenport 1031 LLC	Logistics	20,498,950	7	0.57%			
U S West Communications/QWEST	Utility	15,066,616	9	0.42%	16,044,975	9	0.64%
THF Davenport North Development	Realty	17,316,235	8	0.48%			
Bradley Operating Ltd Partnership	Shopping Center				15,839,100	10	0.63%
Oscar Mayer & Co.	Meat Packing	14,878,421	10	0.41%	27,413,126	5	1.09%
Peterson Properties LC	Industrial Center				18,109,100	8	0.72%
Ralston Purina Co.	Grain Milling				22,248,050	7	0.89%
Total		$ 394,365,297		10.97%	$ 425,177,812		16.97%

Source: Scott County Auditor's Office.

CITY OF DAVENPORT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			
Fiscal Year	General Obligation Bonds	Other General Obligation Debt	Other Long-term Debt	General Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2000	72,348	954	1,173	13,582	88,057	3.48%	904
2001	71,767	881	952	13,573	87,173	3.37%	881
2002	77,018	801	716	22,547	101,082	3.82%	1,031
2003	77,287	715	703	25,648	104,353	3.82%	1,066
2004	94,701	620	407	25,109	120,837	4.36%	1,237
2005	94,549	517	206	24,186	119,458	4.25%	1,226
2006	117,445	404	33	22,280	140,162	4.16%	1,439
2007	118,219	281	20	20,606	139,126	3.93%	1,424
2008	115,865	147	7	19,810	135,829	3.66%	1,372
2009	130,713	-	-	18,392	149,105	unavailable	1,479

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)

Fiscal Year	General Obligation Debt	Percentage of Taxable Value of Property (1)	Per Capita
2000	86,884	3.47%	892
2001	86,221	3.27%	872
2002	100,366	3.69%	1,024
2003	103,650	3.64%	1,059
2004	120,430	4.14%	1,233
2005	119,252	3.86%	1,224
2006	140,129	4.38%	1,439
2007	139,106	4.16%	1,424
2008	135,822	3.96%	1,372
2009	149,105	4.15%	1,479

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.

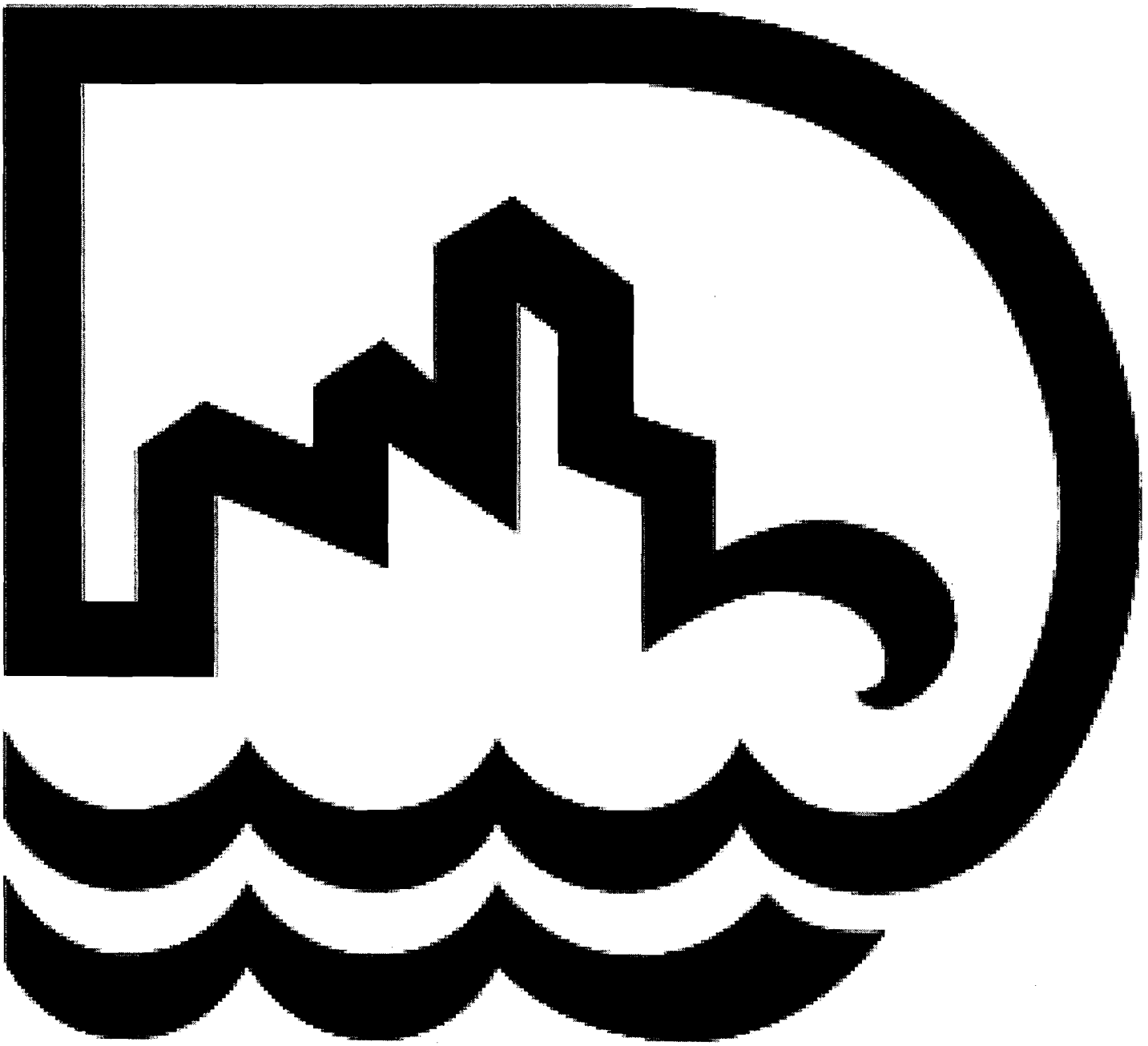
Source: City of Davenport Finance Department and Scott County Auditor's Office.

CITY OF DAVENPORT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009
(dollars in thousands)

Governmental Unit	Debt Outstanding	Percentage applicable to City	Share of Overlapping Debt
North Scott Community School District	$ 365,000	9.32%	$ 34,018
Scott County	77,400,000	53.99%	41,788,260
Bettendorf Community School District	9,565,000	24.44%	2,337,686
Eastern Iowa Community College	57,605,000	31.85%	18,347,193
Subtotal, overlapping debt			62,507,157
City direct debt			149,105,000
Total direct and overlapping debt			$ 211,612,157

Sources: Debt outstanding data provided by each governmental unit. Percent applicable to city provided by Scott County.



CITY OF DAVENPORT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal year	2000	2001	2002	2003
Debt limit	$ 174,859,916	$ 187,655,163	$ 190,875,662	$ 208,925,388
Total net debt applicable to limit	87,314,211	86,443,837	100,366,235	103,649,548
Legal debt margin	$ 87,545,705	$ 101,211,326	$ 90,509,427	$ 105,275,840
Total net debt applicable to the limit as a percentage of debt limit	49.93%	46.07%	52.58%	49.61%

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 2009		
Assessed valuation	$ 5,814,064,930	
Debt limit (5% of assessed value)		$ 290,703,247
Debt applicable to limit:		
General Obligation Bonds	149,125,000	
Tax Increment Financing Rebate Agreements	10,832,382	
Total G.O. Indebtedness		159,957,382
Legal debt margin		$ 130,745,865

2004	2005	2006	2007	2008	2009
$ 211,734,034	$ 232,991,693	$ 246,426,202	$ 263,977,950	$ 274,332,381	$ 290,703,247
129,560,074	128,381,797	148,929,153	148,364,852	148,501,164	130,745,865
$ 82,173,960	$ 104,609,896	$ 97,497,049	$ 115,613,098	$ 125,831,217	$ 159,957,382
61.19%	55.10%	60.44%	56.20%	54.13%	44.98%

CITY OF DAVENPORT

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
1999	96,800	2,437,230,400	25,178	16,904	2.7%
2000	97,400	2,532,692,200	26,003	17,181	3.0%
2001	98,900	2,589,795,400	26,186	16,831	2.9%
2002	98,000	2,646,490,000	27,005	17,210	3.7%
2003	97,900	2,729,354,100	27,879	16,544	4.7%
2004	97,700	2,773,116,800	28,384	16,077	4.5%
2005	97,400	2,811,840,600	28,869	15,543	4.8%
2006	97,400	3,366,046,600	34,559	15,674	4.3%
2007	97,682	3,536,869,856	36,208	15,365	4.3%
2008*	98,975	3,715,026,625	37,535	15,378	4.2%

Sources:

(1) Sales and Marketing Management, Survey of Buying Power, September issues.

(2) BEA website-AMSA04-Advance Metropolitan Statistical Area Income Summary for Davenport, Rock Island, Moline SMSA as of calendar year end.

(3) Davenport Community School District based on census at start of school year.

(4) Iowa Workforce Development, for Davenport as of calendar year end

* Per Capita Personal Income is a preliminary number

CITY OF DAVENPORT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	12/31/1999			12/31/2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Genesis Medical Centers	3,000	2	6.00%	4,900	1	9.67%
Davenport Community Schools	2,384	3	4.77%	2,500	2	4.93%
Kraft Foods/Oscar Mayer	1,800	4	3.60%	1,650	3	3.26%
President/Rhythm City Casino	825	7	1.65%	600	10	1.18%
City of Davenport	947	5	1.89%	1,003	6	1.98%
Eastern Iowa Community College	731	8	1.46%	1,005	5	1.98%
APAC Teleservices	600	9	1.20%	900	7	1.78%
John Deere Davenport Works	889	6	1.78%	520	14	1.03%
Von Maur	550	12	1.10%	560	13	1.11%
United Parcel Service	584	11	1.17%	590	12	1.16%
Sears Manufacturing	590	10	1.18%	600	11	1.18%
MidAmerican Energy Company				1025	4	2.02%
Northpark Mall	3,000	1	6.00%			
St. Ambrose University	490	13	0.98%	636	8	1.26%
Scott County	410	14	0.82%	455	15	0.90%
Quad City Times	400	15	0.80%			
AT&T				610	9	1.20%
	17,200		34.40%	17,554		34.64%

Source: Quad City Development Group, Direct staff contact with Company

CITY OF DAVENPORT

FULL-TIME & PART-TIME EMPLOYEES BY FUNCTION
LAST TEN CALENDAR YEARS
June 30, 2009

	2008		2007		2006		2005		2004	
FUNCTION/PROGRAM	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
PUBLIC SAFETY										
Police	209	27	212	23	209	24	203	24	198	24
Fire	155	0	153	1	149	2	143	-	140	-
PUBLIC WORKS	278	30	278	29	280	26	295	18	293	18
CULTURE & RECREATION										
Leisure Facilities and Services	32	76	35	23	38	32	33	45	36	45
Library	39	35	38	34	43	32	42	22	35	22
Museum of Art	-	-	-	-	-	-	-	- (2)	-	-
COMMUNITY & ECONOMIC DEVELOPMENT	37	12	37	11	33	11	46	6	46	6
GENERAL GOVERNMENT										
Mayor	2	-	2	-	2	-	2	-	2	-
Council	1	11	1	10	1	10	1	10	1	10
Finance	23	2	23	-	22	2	23	-	28	-
Information Technology	10	-	11	-	9	1 (3)	7	1		
Administration	7	-	7	-	7	-	5	-	5	-
Legal	4	-	4	-	5	-	5	-	5	-
Human Resources	5	3	6	4	6	6	6	1	7	1
Civil Rights	4	1	4	2	4	3	4	4	4	4
Total	806	197	811	137	808	149	815	131	800	130

(1) In 2000 the city entered into a management agreement with Compass Facilities Management, Inc. to manage, operate and market the RiverCenter and Adler Theatre. Employees working at these facilities at 12/31/00 were Compass employees whereas they were City employees in prior years.

(2) In 2004 the Museum of Art became a stand alone entity whereas in prior years the employees were City employees.

(3) In 2005 Information Technology became a stand alone department. It had previously been reported with Finance.

Source: City of Davenport Department of Human Resources.

2003 FULL TIME	2003 PART TIME	2002 FULL TIME	2002 PART TIME	2001 FULL TIME	2001 PART TIME	2000 FULL TIME	2000 PART TIME	1999 FULL TIME	1999 PART TIME
203	24	203	25	202	28	197	25	197	23
144	-	146	-	148	-	147	-	146	-
310	21	311	22	303	22	291	23	38	1
43	40	44	33	46	39	45	19 (1	295	22
36	24	34	27	37	25	36	23	36	23
9	4	10	3	16	8	14	8	15	9
43	-	40	1	38	-	37	1	44	32
2	-	2	-	2	-	2	-	2	-
1	10	1	10	1	10	1	11	1	11
28	-	31	-	33	-	30	-	29	-
5	-	5	-	4	-	3	-	4	1
6	-	7	-	6	-	7	-	7	-
5	-	6	-	7	-	8	-	8	-
4	1	5	-	4	1	3	1	2	1
839	124	845	121	847	133	821	111	824	123

CITY OF DAVENPORT

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2009

		FISCAL YEAR				
FUNCTION/PROGRAM		2009	2008	2007	2006	2005
PUBLIC SAFETY						
Fire calls answered		13,842	13,188	13,257	12,294	11,729
Police-arrests	(1)	8,526	8,960	9,813	8,919	7,740
Construction permits issued		2,196	2135	2,051	2,328	2,659
PUBLIC WORKS						
Refuse collected (cu yds per year)		26,789 tons	71,000	74,185	71,627	71,324
Gallons of wastewater processed (in millions) (1)		10,038	10,731	7,884	6,424	6,972
Yard waste composted (cu yds)		109,800	98,030	107,361	68,739	90,226
Citibus ridership		1,125,000	1,088,000	1,045,550	982,663	940,046
Utility service customers		40,000	40,000	40,000	40,000	38,340
CULTURE & RECREATION						
Rounds of golf played		101,813	136,386	113,128	111,329	109,499
Swimming pools attendance		27,708	28,000	31,000	27,373	33,064
Recreation programs available		636	1,061	554	410	305
Recreation program enrollment		38,844	30,396	48,301	53,517	37,097
Library - walk-in patrons served		449,218	395,498	390,394	307,330	279,751
COMMUNITY & ECONOMIC DEVELOPMENT						
Planning & zoning-final development review		5	8	15	15	23
Households assisted with rental assistance		716	701	680	672	711

(1) Amounts for FY 08 and prior have been changed to fiscal year amounts from calendar year amounts

Source: Various City of Davenport departments.

FISCAL YEAR				
2004	2003	2002	2001	2000
11,420	11,177	11,248	10,926	10,142
7,608	7,472	7,178	7,223	6,999
2,690	2,918	3,352	4,020	2,775
70,878	71,481	73,206	74,224	66,994
8,821	7,406	8,818	9,846	8,492
92,042	100,904	95,850	98,834	104,411
881,947	866,001	unavailable	unavailable	unavailable
38,000	38,000	38,000	38,000	38,000
112,712	110,158	89,892	90,830	124,185
27,063	33,729	61,790	42,893	35,625
298	unavailable	unavailable	unavailable	unavailable
4,433	unavailable	unavailable	unavailable	unavailable
295,963	311,733	309,693	310,531	306,759
10	23	20	23	unavailable
725	747	617	616	642

CITY OF DAVENPORT

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2009

	FISCAL YEAR				
FUNCTION/PROGRAM	2009	2008	2007	2006	2005
PUBLIC SAFETY					
Police cars	64	67	94	77	68
Fire stations	7	7	7	7	7
Fire trucks	16	16	14	13	13
PUBLIC WORKS					
Streets (miles)	695	692	692	690	684
Traffic signals	153	152	151	150	146
Street lights	9,632	9,558	9,456	9,237	9,263
Refuse collection trucks	34	30	36	48	40
Buses	21	20	20	20	20
CULTURE & RECREATION					
Golf courses	3	4	4	4	4
Acres of parks	1,700	1,700	1,700	1,700	1,700
Swimming pools	3	4	4	4	4
Libraries	2	2	2	2	1

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				
2004	2003	2002	2001	2000
62	72	61	63	unavailable
7	7	7	7	7
13	14	14	14	unavailable
684	581	581	581	574
144	138	134	125	122
9,174	8,947	8,815	8,766	8,732
42	37	36	35	unavailable
25	30	19	19	unavailable
4	3	3	3	3
1,700	1,700	1,700	1,700	1,700
4	4	4	3	3
1	1	1	1	1