CITY OF CEDAR FALLS, IOWA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Prepared by:

Financial Services Division
Of
Department of Administrative Services

Jennifer Rodenbeck, CPA, CPFO
Finance Manager

City of Cedar Falls, Iowa
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

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DEPARTMENT OF ADMINISTRATIVE SERVICES

CITY OF CEDAR FALLS, IOWA
220 CLAY STREET
CEDAR FALLS, IOWA 50613
PHONE 319-273-8600
FAX 319-268-5126

October 22, 2007

To Mayor Crews, Members of the City Council and Citizens of the City of Cedar Falls:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Falls, Iowa, for the year ended June 30, 2007. This is the fifth CAFR completed in compliance with the Governmental Accounting Standards Board Statement No. 34 (GASB 34). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 of Cedar Falls' MD&A can be found immediately following the report of the independent auditors.

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." Information to comply with OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations," and "Government Auditing Standards" is included in another report under a separate cover.

The City of Cedar Falls provides many municipal services including fire and police protection, streets, garbage collection, parks, recreation, cultural arts, planning, zoning, general administration, and sewer and storm water 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. Financial accountability is determined by several different factors, including fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal entity status. After careful evaluation of these factors, the City has included in this financial report the Cedar Falls Electric Utility, Gas Utility, Water Utility, and Communications Utility, as well as all funds of the City. The Utilities are each reported as discretely presented component units.

GOVERNMENTAL STRUCTURE

The City has operated under the mayor-council form of government since incorporation. Policy-making and legislative authority are vested in the governing council, which consists of seven members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, setting goals, and approving mayor-appointed committees. The full-time mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing department directors. The mayor and Council are elected on a nonpartisan basis. The Council consists of two council members elected at large and one council member elected from each of the five wards as established by ordinance, elected for terms of four years. The mayor is elected at large and to a two-year term.

ECONOMIC CONDITION AND OUTLOOK

The City, incorporated in 1854, is located in the northeastern part of the state, has a land area of 28.9 square miles and a population of 36,145. The City is empowered to levy a property tax on both real and personal property located within its boundaries, and has the power by state statute to extend its corporate limits by annexation, which is seldom done, but will be done when deemed appropriate by the City Council.

The economic condition and outlook of Cedar Falls and the metro area have continued to improve. In the early 1980's, the largest industries in the metro area were John Deere Co. and Rath Meat Packing. When the farm economy declined in the mid-1980's, the business of those firms also declined, which caused an increase in unemployment rates and an exodus of the population in the metro area. The Cedar Falls economy was insulated from many of the impacts created by the recession due to the growth and stability of the University of Northern Iowa and a diverse service business sector.

The Greater Cedar Valley Alliance was formed in the metro area to organize the human resources and generate needed development capital to attract new business and industry to the area and to encourage expansion of businesses already in the area. As a result, many new businesses have located offices and plants in the metro area. Target Corporation constructed a distribution center with an assessed value of approximately $45 million in FY02 and in FY07 started a second refrigeration center. The Cedar Falls Industrial and Technology Park continues to show tremendous expansion.

The increase in new businesses and expansion of established firms has had a positive effect on employment and the City's tax base. Historically, Cedar Falls' unemployment rate has closely followed the State trends, which are significantly lower than the nation's unemployment rate (See Attachment A). This is due to the strong service employment base supported by the state university located in Cedar Falls. Since the devaluation of property in 1986-1988, Cedar Falls has had steady growth in property values. Assessed values increased in FY08 by $82 million, however taxable values only increased by almost $32 million (See Attachment B) due to the rollback.

The City has responded to a portion of this challenge by maintaining a comparatively low tax rate. Cedar Falls has the fifth lowest tax rate per capita of the twenty largest cities in the state of Iowa (See Attachment C). This low rate can be attributed to the efforts of the City to streamline operations over the past twenty years, mainly by reducing the number of employees. Cedar Falls had the one of the lowest number of full-time employees per 1,000 residents in FY07. (See Attachment D).

Over the past ten years Cedar Falls' residential housing sales prices have significantly increased. In 1996, the average sales price reported was $93,238. In 2006, the average sales price was $190,828, which is over a one hundred (100) percent, increase in the past ten years. These statistics indicate that Cedar Falls' local economy is sound and there is a strong market for Cedar Falls homes (See Attachment E).

Housing values have surged from the recession and devaluation of the mid-1980's to values that once again place the homeowners living in Cedar Falls in an advantageous market position. This market growth is a credit to businesses, the school system, utilities, and quality of City services in Cedar Falls. Each entity has worked together to strengthen the local economy, create jobs, and improve Cedar Falls' quality of life.

MAJOR INITIATIVES

Commercial Development: Over the past several years, Cedar Falls continues to have a high percentage of their tax base made up of residential property, almost 75%. This is unique to cities in Iowa and Cedar Falls is adversely affected due to the fact that residential properties in Iowa are taxed at 45.5% of their assessed value compared to 100% for commercial and industrial properties. The taxed percentage, or rollback, on residential properties has declined in the past 15 years from 80% to the now 45%. Therefore, the City Council continues to develop goals to increase the commercial tax base in Cedar Falls. In 2006, a one-year economic development campaign was started. A special website was set up and the City has worked with an advertising agency to create professional promotional materials. These materials were used to attract commercial businesses from across the United States. There are several reasons why Cedar Falls may be an attractive location:

- Centrally Located: Cedar Falls is located in the Midwest and is situated on the crossroads of interstates Highway 20 and 218. It is nearly equidistant from Minneapolis (N), Chicago (E), St. Louis (S), and Omaha (W). All of these commerce centers are approximately 4 hours' drive-time away, making Cedar Falls a competitive central location.

- Connection: Cedar Falls was among the first of the nation's municipalities to provide its businesses and residents with high-speed broadband data services.

- Secure: Cedar Falls offers a secure environment. Individual security is assured because of an equipped and highly trained public-safety team. Police and fire personnel are at the ready 24/7 to respond to any emergency. Post-9/11 procedures are locked in place to ensure the integrity of communication, transportation, shelter, and safety of school children, the infirm, and residents at large. Cedar Falls crime rates are among the lowest in the country (2.8 per 1,000 population).

- Efficient: Cedar Falls has remained on the cutting edge of energy efficiency, waste stream reduction, and abundant, high-quality water. The City is able to do this because it owns and operates a municipal gas, electric, water, refuse-collection, recycling, and communications services. Consequently, Cedar Falls offers some of the most competitive utility rates in the nation.

- Culture and Recreation: Cedar Falls offers various recreational activities, including numerous bike trails, a new aquatic center, a new renovated Recreation Center, and three golf courses. Cedar Falls also has cultural activities including the Hearst Center for the Arts and the new Gallagher-Bluedorn Performing Arts Center located on the University of Northern Iowa campus.

The City of Cedar falls hopes this one-year economic development campaign will continue to help the City of Cedar Falls grow its commercial tax base.

Storm Water Fund and NPDES Requirements: The acronym NPDES stands for National Pollutant Discharge Elimination System. Cedar Falls and other similarly-sized communities across the Country are being charged with enforcing federal mandates designed to clean up our nation's waterways. Emphasis is being placed on monitoring and cleaning up storm water discharges. Any substance that finds its way to a watercourse is capable of polluting our nation's waterways/drinking water sources. Anything that washes off every property in Cedar Falls is capable of finding its way to a storm drain, which provides a direct connection to the water in streams, ponds and lakes. It is not unusual for storm water to include pollutants such as oils, fertilizers, bacterias, pesticides, animal waste and sediments.

A watershed is all of the land area that drains water to a particular point, usually a stream, lake or river. Cedar Falls is in the larger Mississippi River watershed, which is made up of thousands of smaller watersheds that can be as small as a few city blocks. In order to make an effective dent in cleaning up the nations water resources, many cities must take legal action to prevent contamination from entering into the watershed. The Cedar Falls City Council has recently adopted several Ordinances that disallow contaminated substances from being placed in storm sewers. The City has implemented new procedures for containing and preventing erosion of any disturbed site (caused by development) measuring an acre or larger in size. The City has had to take a stronger role in monitoring construction sites to insure that proper containment controls are in place. All of these requirements come with a cost. Developers and homebuilders will incur additional expenses for preparing permitting documentation and containing contaminants at work sites. The City will incur expenses for additional plan review, manpower, monitoring and enforcement.

Impervious surfaces (rooftops, driveways, parking lots, etc.) generate an increased amount of water runoff. Any lot improved with a structure or other hard-surfaced areas generates runoff; dense development generates higher volumes of runoff. Most all cities being forced to comply with NPDES requirements are generating revenue to pay for new expenses by establishing a storm water utility and spreading costs to all property owners that contribute in any way to increased levels of water runoff. In 2006 the Cedar Falls City Council adopted a storm water fee structure. This fee will be assessed on all properties in Cedar Falls and the fee is based on the general land use type and overall size of the property in the City. The City began collecting the fee in July 2006, therefore, FY07 is the first year that the Storm Water Fund is being reported on the City's financial statements. The Storm Water Fund is an enterprise fund and all revenues generated from this fee will be used for the purpose of enforcing the new federal mandates and making improvements to the City's storm water collection system.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorizations.

- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
- Access to assets is permitted only in accordance to management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The definition of accounting control comprehends reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits. The benefit consists of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In accordance with the State of Iowa, the City has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the function level (Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, and Business-Type activities). The City has adhered to these budgetary laws.

INDEPENDENT AUDIT

Eide Bailly, LLP, a firm of independent public accountants has audited the financial records, books of account and transactions of the City for the fiscal year ended June 30, 2007, and their opinion is included in the Financial Section of this report. The financial statements are the responsibility of the City. The responsibility of the independent public accountants is to express an opinion on the City's financial statements based on their audit. An audit is conducted in accordance with U.S. generally accepted auditing standards. Those standards require that the audit be planned and performed in a manner to obtain a reasonable assurance as to whether the financial statements are free of material misstatement.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Falls for its comprehensive annual financial report (CAFR) for the year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Cedar Falls has received a Certificate of Achievement for the last seventeen consecutive years (fiscal years ended 1990-2006). We believe

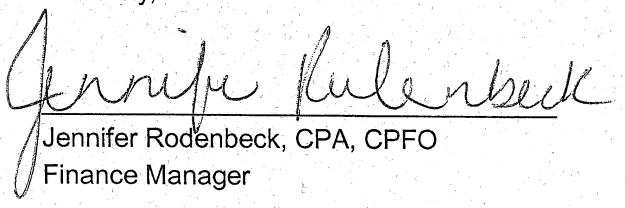
our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget beginning July 1, 2006. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. The City of Cedar Falls has received the GFOA's Award for Distinguished Budget Presentation for the last fourteen years.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the Financial Services Division, particularly Lisa Roeding, Finance Associate and Jamie Kramer, Account Clerk. Each member of the division has my sincere appreciation for the contributions made in the preparation of this report. I would also like to thank the members of the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and prudent manner.

Sincerely,



Jennifer Rodenbeck, CPA, CPFO
Finance Manager

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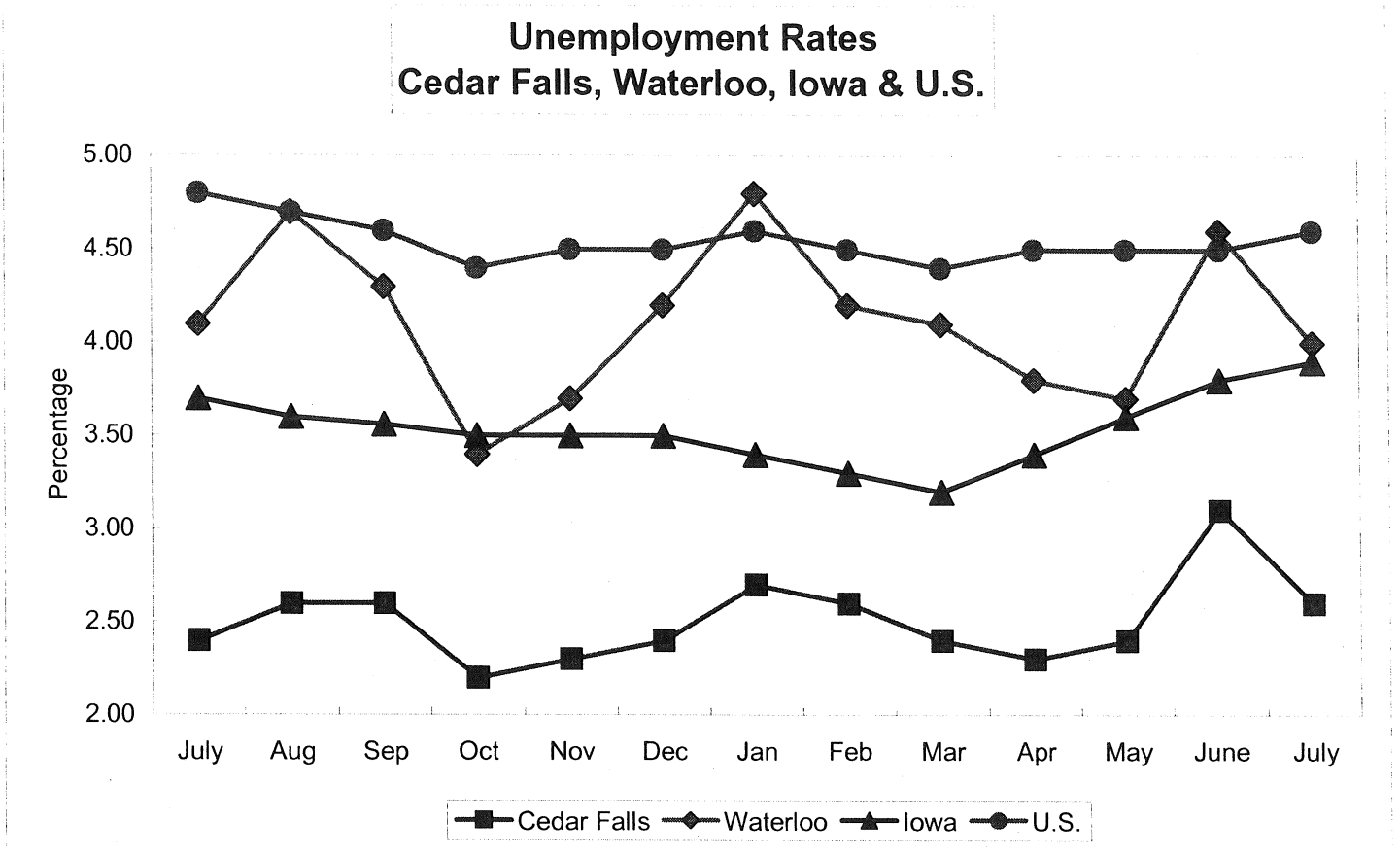


Unemployment Rates
Cedar Falls, Waterloo, Iowa & U.S.

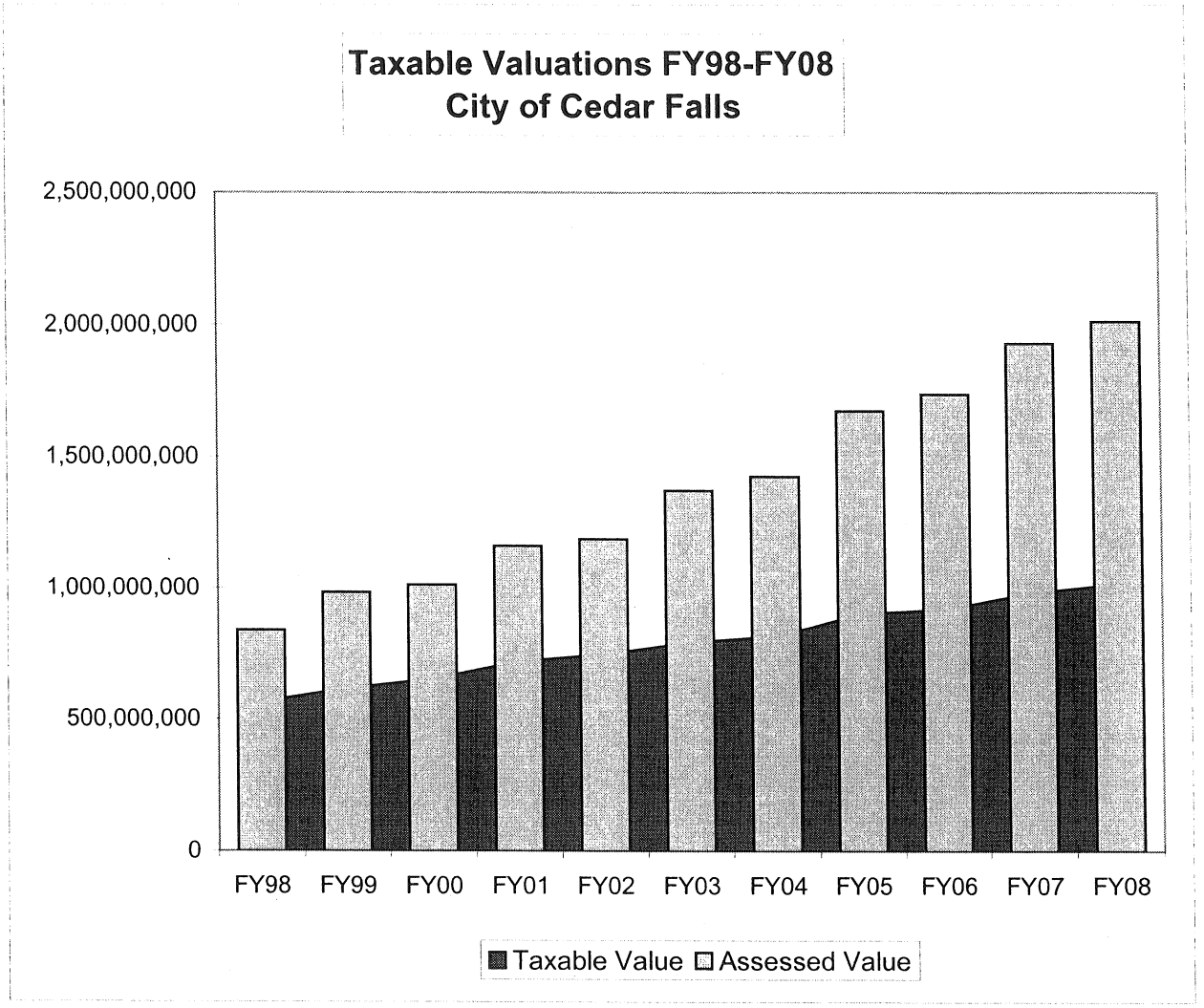
Month 06-07	Cedar Falls (In %)	Waterloo (In %)	Iowa (In %)	U.S. (In %)
July	2.4	4.1	3.7	4.8
Aug	2.6	4.7	3.6	4.7
Sep	2.6	4.3	3.6	4.6
Oct	2.2	3.4	3.5	4.4
Nov	2.3	3.7	3.5	4.5
Dec	2.4	4.2	3.5	4.5
Jan	2.7	4.8	3.4	4.6
Feb	2.6	4.2	3.3	4.5
Mar	2.4	4.1	3.2	4.4
Apr	2.3	3.8	3.4	4.5
May	2.4	3.7	3.6	4.5
June	3.1	4.6	3.8	4.5
July	2.6	4.0	3.9	4.6
Average	2.5	4.1	3.5	4.5

Cedar Falls has consistently remained below Waterloo and the nation's unemployment rates.

Historically Cedar Falls' unemployment rate has closely followed the State trends. Cedar Falls is insulated from many of the economic problems in the Metro area due to a strong service employment base supported by UNI.

ATTACHMENT B

taxvalue08

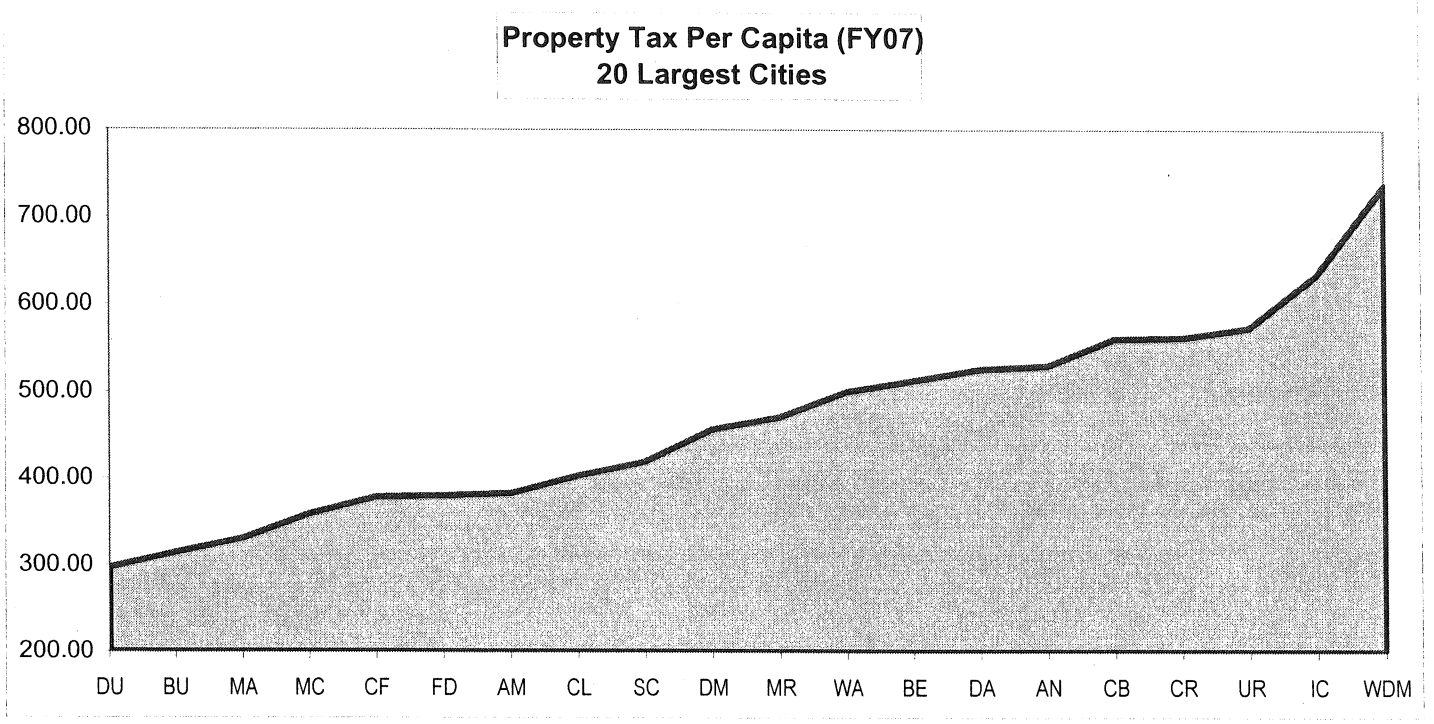


Year	Taxable Value	Assessed Value
FY98	565,333,594	838,595,077
FY99	617,205,551	983,280,851
FY00	653,019,972	1,012,876,271
FY01	722,070,299	1,161,812,891
FY02	747,955,311	1,188,336,276
FY03	794,505,253	1,374,429,803
FY04	817,896,980	1,427,127,146
FY05	903,439,479	1,673,902,007
FY06	920,739,030	1,737,456,552
FY07	985,250,869	1,931,758,484
FY08	1,018,530,684	2,013,812,356

The last ten years have provided a steady growth trend in assessed valuations. In addition, this is the first year that assessed values have exceeded $2 billion and taxable values have exceeded $1 billion.

For FY08, assessed values increased by $82,053,872. However, taxable values only increased by $32,279,815 due mostly to the change in the residential rollback factor to 45.56% for FY08.

Citytaxr



Property Tax Per Capita (FY07)
20 Largest Iowa Cities

City	FY07 Tax Per Person	2000 Population	Abbre-viation
Dubuque	297.82	57,686	DU
Burlington	315.21	26,839	BU
Marshalltown	331.15	26,009	MA
Mason City	359.31	29,172	MC
Cedar Falls	**379.03**	**36,145**	**CF**
Fort Dodge	380.20	25,136	FD
Ames	383.27	50,731	AM
Clinton	403.74	27,772	CL
Sioux City	419.66	85,013	SC
Des Moines	457.37	198,682	DM
Marion	471.85	26,294	MR
Waterloo	501.34	68,747	WA
Bettendorf	513.66	31,275	BE
Davenport	527.05	98,359	DA
Ankeny	530.83	27,117	AN
Council Bluffs	561.75	58,268	CB
Cedar Rapids	562.76	120,758	CR
Urbandale	574.25	29,072	UR
Iowa City	635.00	62,220	IC
West Des Moines	736.46	46,403	WDM
Average	467.09		

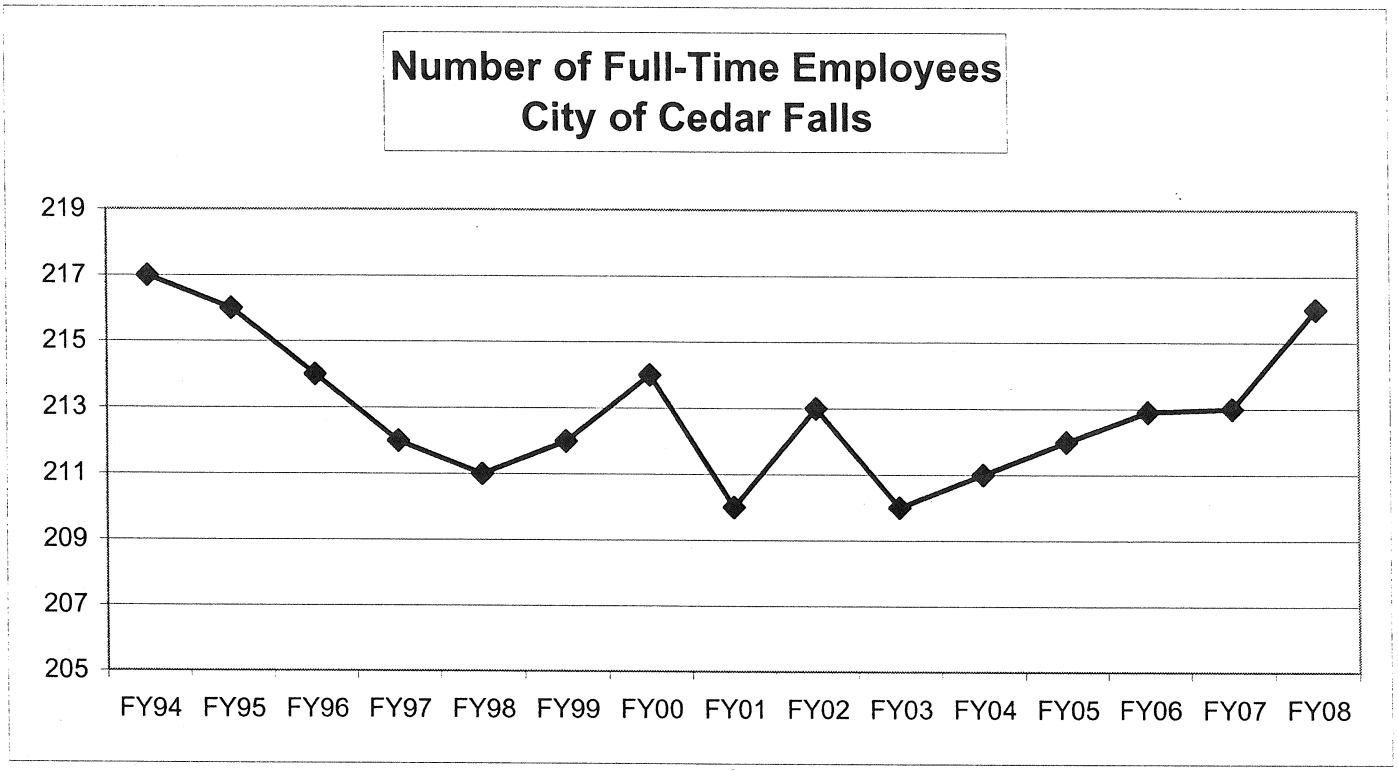
For over two decades Cedar Falls' local government has operated at one of the lowest per capita property tax rates among the 20 largest cities in Iowa.

At a cost of $379.03 per person, the City is substantially below the average rate of $467.09. This rate can be attributed to the City's concerted efforts to streamline operations over the past 20 years.

If the City of Cedar Falls operated at the state average property tax per capita, an additional 3.18 million dollars would be devoted to operations. This would be an increase of 23% of taxes levied in FY07.

Included in Cedar Falls' population are university students who live in campus housing and do not pay property taxes. This results in an even greater property tax burden on the citizens.

ATTACHMENT D



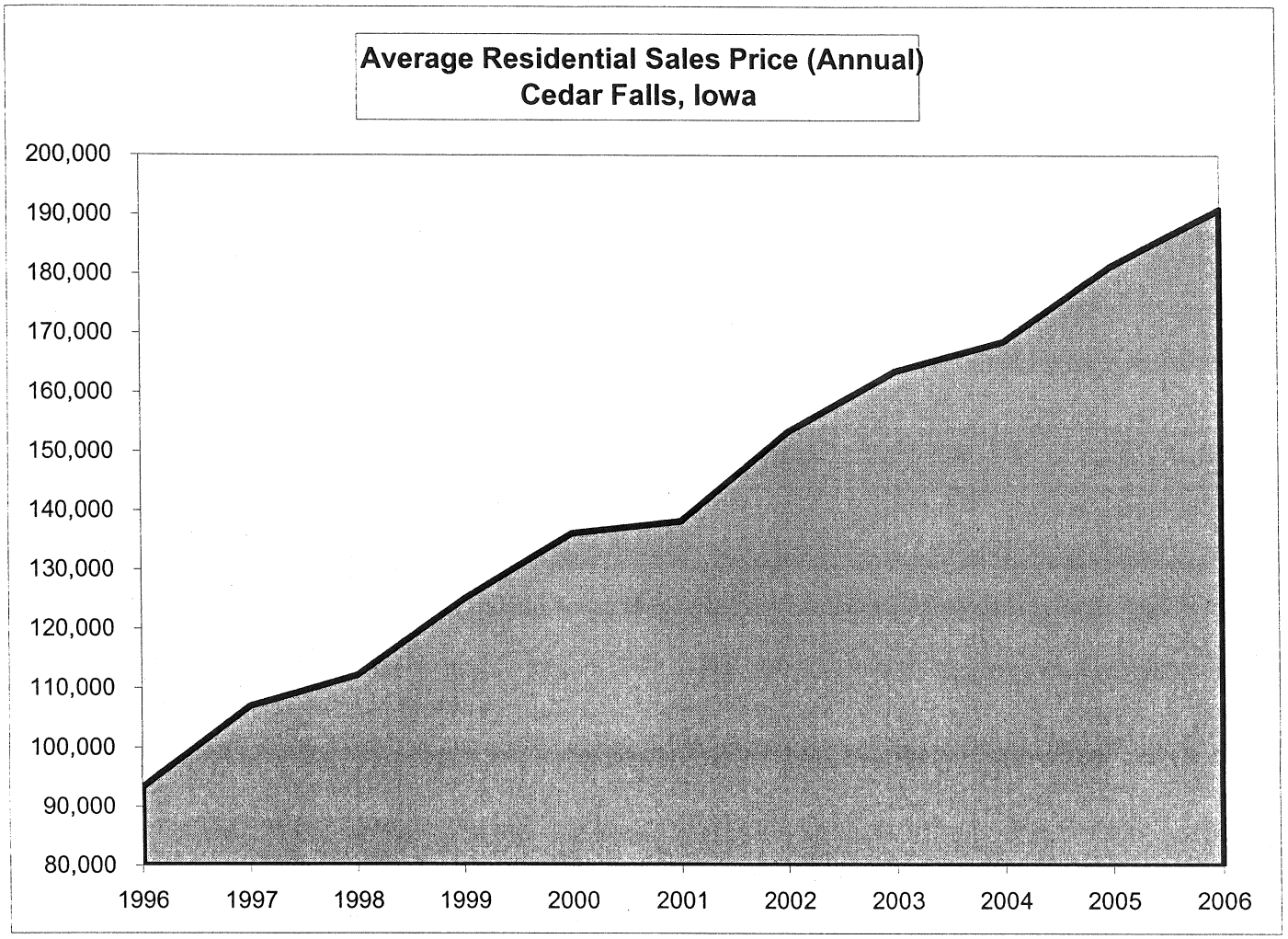
Number of Full-Time Employees
City of Cedar Falls
FY93 - FY07

Year	Number of Employees	Population	Employees per 1,000
FY94	217	34,298	6.33
FY95	216	34,298	6.30
FY96	214	34,298	6.24
FY97	212	34,298	6.18
FY98	211	34,298	6.15
FY99	212	34,298	6.18
FY00	214	34,298	6.24
FY01	210	36,145	5.81
FY02	213	36,145	5.89
FY03	210	36,145	5.81
FY04	211	36,145	5.84
FY05	212	36,145	5.87
FY06	213	36,145	5.89
FY07	213	36,145	5.89
FY08	216	36,145	5.96
Average:			6.04

Full-time employees hired by the City of Cedar Falls have gradually dropped over the past 15 years from a high of 227 in FY93 to a low of 210 in FY01 & FY03.

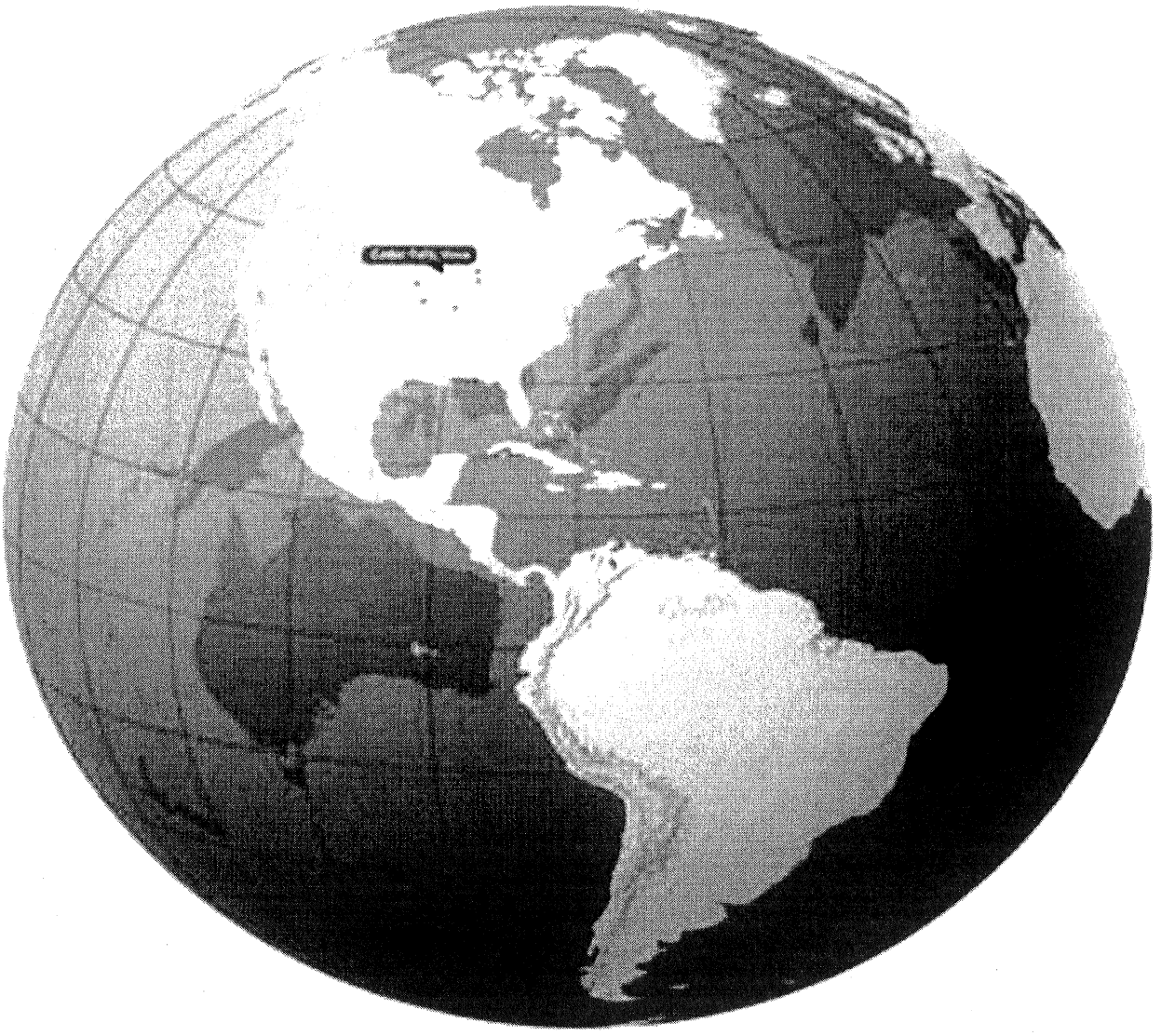
Reductions in employment are created by the policy directives the City Council implemented through reorganization in FY88-91 and early retirement initiatives in FY94 and FY95.

Resale07



Year	Average Sales Price
1996	93,238
1997	107,014
1998	112,208
1999	125,052
2000	136,175
2001	138,226
2002	153,312
2003	163,637
2004	168,589
2005	181,310
2006	190,828
Average	142,690

The average sale price of residential properties in Cedar Falls has grown by 105% between 1996 - 2006 from $93,238 to $190,828.



City of Cedar Falls

Certificate of Achievement for Excellence in Financial Reporting

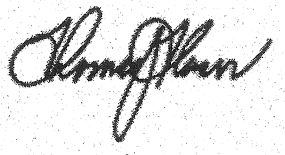
Presented to

City of Cedar Falls

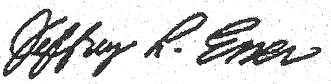
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.

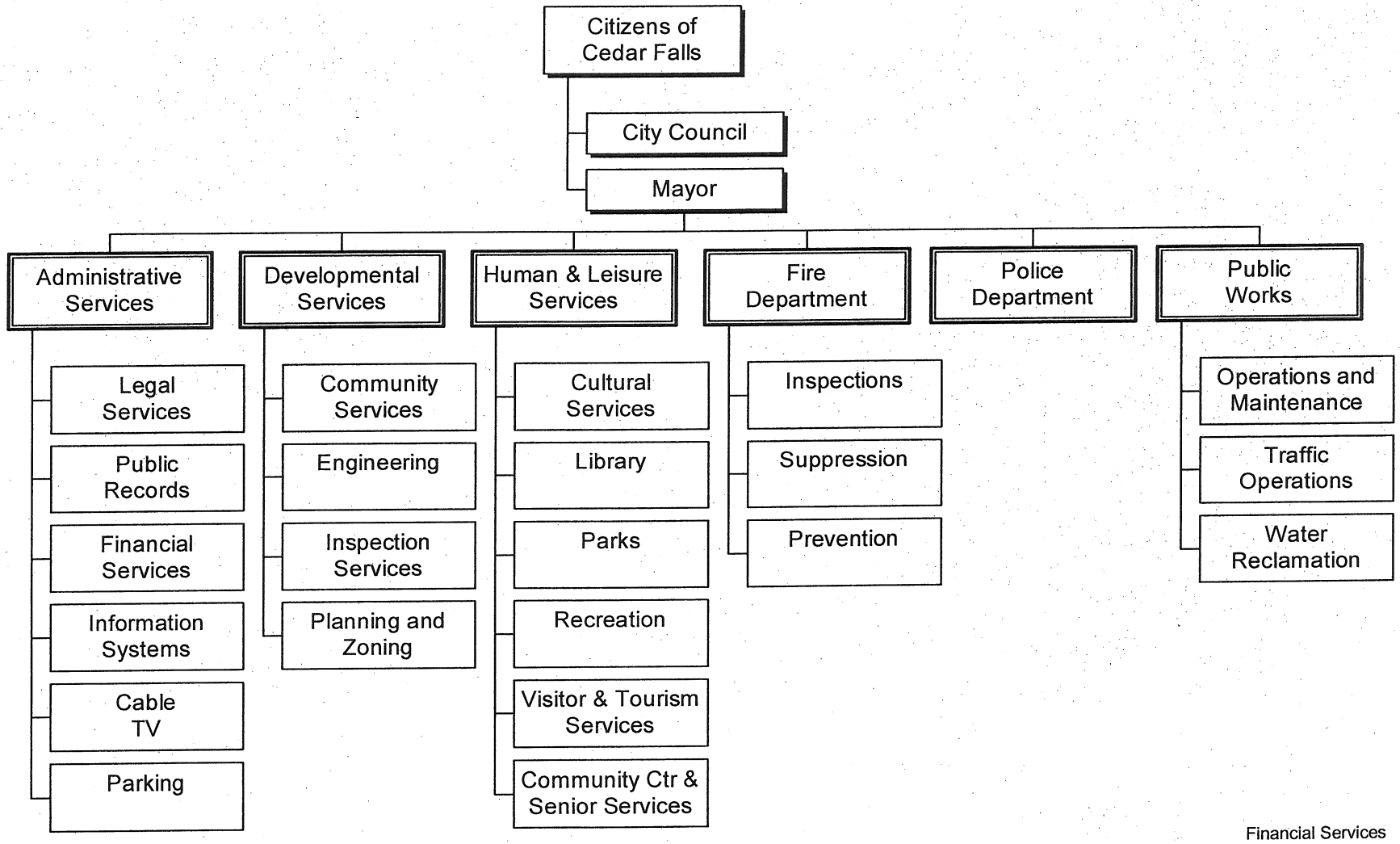


President



Executive Director

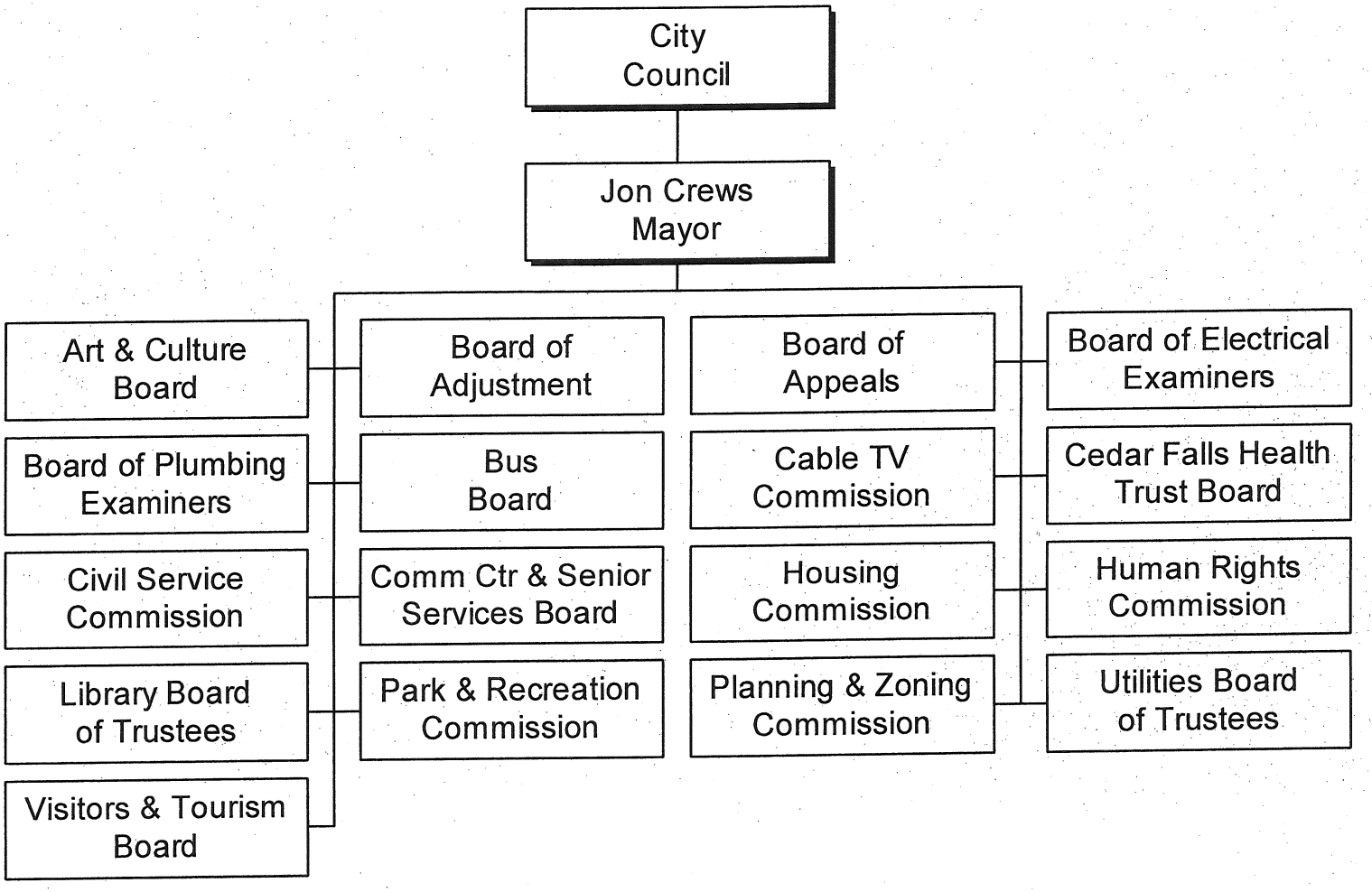
City of Cedar Falls, Iowa
Organizational Chart



City organizational chart.org

Financial Services
November 3, 2005

City of Cedar Falls, Iowa
Boards and Commissions



City boards & commissions.doc

Finance Division
November 3, 2005

CITY OF CEDAR FALLS, IOWA

PRINCIPAL OFFICIALS
June 30, 2007

Title	Name
Mayor	Jon Crews
Council Member – 1st Ward	Tom Hagarty
Council Member – 2nd Ward	Susan deBuhr
Council Member – 3rd Ward	John Runchey
Council Member – 4th Ward	Kamyar Enshayan
Council Member – 5th Ward	Frank Darrah
Council Member – At Large	Axe Haugen
Council Member – At Large	Dave Wieland
Administrative Services Director	Richard L. McAlister
Developmental Services Director	John Page
Human & Leisure Services Director	Ward Stubbs
Fire Chief	Steve Mitchell
Police Chief	Rick Ahlstrom
Public Works Director	Bruce Sorensen
City Attorney	Steve Moore
City Attorney	Susan Staudt
Finance Manager	Jennifer Rodenbeck
City Clerk	Gary Hesse
Data Processing Manager	Laurene Saathoff
Cable TV Manager	Kirk Eastman
City Engineer	Ron Gaines
City Planner	Marty Ryan
Community Services Manager	Robert Seymour
Inspection Services Manager	Dick Cheeseman
Cultural Services Manager	Mary Huber
Park Division Manager	Mark Ripplinger
Recreation Division Manager	Bruce Verink
Visitors & Tourism Manager	Kimberly Burger
Cedar Falls Public Library Director	Sheryl Groskurth
Operations and Maintenance Manager	Brian Heath
Water Reclamation Manager	Lyle Krueger
Cedar Falls Utilities General Manager	Jim Krieg

City of Cedar Falls

Visitor & Tourism Center

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Cedar Falls, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Falls, Iowa, as of and for the year ended June 30, 2007, 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 Cedar Falls, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Falls, Iowa, as of June 30, 2007, 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 October 19, 2007, 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.

3999 Pennsylvania Ave., Ste. 100 ▮ Dubuque, Iowa 52002-2273 ▮ Phone 563.556.1790 ▮ Fax 563.557.7842 ▮ EOE

The Management's Discussion and Analysis and budgetary comparison 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 Cedar Falls, Iowa. The introductory section, combining nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and capital asset schedules 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
October 19, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Cedar Falls' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the transmittal letter found on pages 1 – 11 of this report.

2007 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased 7.95%, or $3,188,719, from fiscal year 2006 to fiscal year 2007. Property taxes increased $1,769,423 for all activities.
- Program expenses only increased 1.25%, or $460,728 in fiscal year 2007 from fiscal year 2006. Public Safety expenses decreased by $318,878.
- The City's net assets increased 8.44%, or $16,991,703, from June 30, 2006 to June 30, 2007. Of this amount, the net assets of the governmental activities increased by $12,211,402 and the net assets of the business-type activities increased by $4,780,301.

USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.
- Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the City as a whole and present an overall view of the City's finances.
- The Fund Financial Statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.
- Other Supplementary Information provides detailed information about the nonmajor Special Revenue and Capital Projects Funds and the Internal Service Funds.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City of Cedar Falls in a better financial position at the end of the fiscal year, compared to last year?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the City's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. A person will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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 not result in cash flows until future fiscal periods.

The Statement of Net Assets and the Statement of Activities report two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the general administration, streets, fire, police, parks, recreation, library, and housing and block grant assistance. Property taxes, local option sales taxes, road use taxes, and federal and state grants finance most of these activities.
- Business-type activities – The City of Cedar Falls charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sewer, refuse, and storm water are reported in this section.

The Government-wide financial statements can be found on pages 30 - 33 of this report.

Fund Financial Statements

The Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City has two kinds of funds:

- Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

  The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

  The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Hospital Fund, Street Repair Fund, Street Construction Fund, Debt Service Fund, Capital Improvements Fund, and Bond Fund, all of which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the supplementary information section of this report.

  The basic Governmental Fund Financial Statements can be found on pages 34 - 38 of this report.

- Proprietary Funds – When the City charges customers for the service it provides, these services are generally reported in proprietary funds. The City 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. The City uses enterprise funds to account for its sewer, refuse and storm water activities.

  Internal Service Funds are used to accumulate and allocate costs internally. The City uses internal service funds for its information systems, vehicle maintenance, and various risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary funds provide the same information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund, Refuse Fund, and Storm Water Fund, all of which are considered major funds. Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements located in the supplementary information section of this report.

  The basic Proprietary Fund Financial Statements can be found on pages 39 - 44 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the change in the net assets for governmental and business-type activities.

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 90,930,619	$ 88,638,847	$ 7,927,539	$ 9,444,717	$ 98,858,158	$ 98,083,564
Capital assets	131,627,948	127,298,975	41,006,479	35,542,085	172,634,427	162,841,060
Total assets	222,558,567	215,937,822	48,934,018	44,986,802	271,492,585	260,924,624
Long-term debt	$ 20,065,943	$ 23,074,855	$ 4,989,558	$ 6,371,011	$ 25,055,501	$ 29,445,866
Other liabilities	27,067,426	29,649,171	1,078,742	530,374	28,146,168	30,179,545
Total liabilities	$ 47,133,369	$ 52,724,026	$ 6,068,300	$ 6,901,385	$ 53,201,669	$ 59,625,411
Net assets:						
Invested in capital assets, net of related debt	$ 113,859,357	$ 108,359,511	$ 36,487,852	$ 30,991,450	$ 150,347,209	$ 139,350,961
Restricted	18,571,430	17,167,913	808,500	808,500	19,379,930	17,976,413
Unrestricted	42,994,411	37,686,372	5,569,366	6,285,467	48,563,777	43,971,839
Total net assets	$ 175,425,198	$ 163,213,796	$ 42,865,718	$ 38,085,417	$ 218,290,916	$ 201,299,213

Net assets of governmental activities increased from FY06 by approximately $12.2 million, or 7.48%. This increase was due to a combination of increase in capital assets and a decrease in long-term debt. In FY06, the City did refinance some outstanding debt and did not issue any new debt in FY07. Net assets of business-type activities increased from FY06 by approximately $4.8 million, or 12.55%. This increase was primarily due to the increase in capital assets during FY07, including the $3.2 million in subdivision infrastructure. The largest portion of the City's net assets is the invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, bond covenants, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations are approximately $48 million at the end of the year.

For the year ended June 30, 2007, net assets changed as follows:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for services	$ 4,039,224	$ 4,224,651	$ 7,272,868	$ 6,438,957	$ 11,312,092	$ 10,663,608
Operating grants and contributions	2,461,032	2,533,024	-	-	2,461,032	2,533,024
Capital grants and contributions	4,922,588	3,622,803	3,221,140	1,553,151	8,143,728	5,175,954
General Revenues						
Property taxes	18,931,378	17,163,242	1,287	-	18,932,665	17,163,242
Local Option Sales Tax	3,927,729	4,099,489	-	-	3,927,729	4,099,489
Hotel/Motel Tax	654,750	610,269	-	-	654,750	610,269
Use of money and property	2,924,080	2,425,140	424,012	301,153	3,348,092	2,726,293
Intergovernmental	3,551,695	3,527,541	-	-	3,551,695	3,527,541
Miscellaneous	474,249	491,847	-	-	474,249	491,847
Utility contribution	1,400,000	1,400,000	-	-	1,400,000	1,400,000
Total revenues	$ 43,286,725	$ 40,098,006	$ 10,919,307	$ 8,293,261	$ 54,206,032	$ 48,391,267
Expenses						
Public safety	$ 6,602,108	$ 6,920,986	$ -	$ -	$ 6,602,108	$ 6,920,986
Public works	9,390,405	9,291,307	-	-	9,390,405	9,291,307
Health and social services	147,007	325,479	-	-	147,007	325,479
Culture and recreation	5,894,494	5,911,073	-	-	5,894,494	5,911,073
Community and economic development	4,341,611	4,353,658	-	-	4,341,611	4,353,658
General government	3,918,550	3,972,891	-	-	3,918,550	3,972,891
Debt service	930,278	968,298	-	-	930,278	968,298
Sewer	-	-	3,359,111	3,212,254	3,359,111	3,212,254
Refuse	-	-	2,011,573	1,797,655	2,011,573	1,797,655
Storm Water	-	-	619,192	-	619,192	-
Total expenses	$ 31,224,453	$ 31,743,692	$ 5,989,876	$ 5,009,909	$ 37,214,329	$ 36,753,601
Increase in net assets before transfers	$ 12,062,272	$ 8,354,314	$ 4,929,431	$ 3,283,352	$ 16,991,703	$ 11,637,666
Transfers	149,130	752,088	(149,130)	(752,088)	-	-
Increase in net assets	$ 12,211,402	$ 9,106,402	$ 4,780,301	$ 2,531,264	$ 16,991,703	$ 11,637,666
Net assets, beginning	163,213,796	154,107,394	38,085,417	35,554,153	201,299,213	189,661,547
Net assets, ending	$ 175,425,198	$ 163,213,796	$ 42,865,718	$ 38,085,417	$ 218,290,916	$ 201,299,213

Property tax revenue increased by approximately $1.8 million from FY06 due to increased TIF revenue. New streets, sewers and storm sewers provided by developers in FY07 caused capital grants and contributions to increase by $3.0 million.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $53,801,135. $6,144,866 is reserved for employee retirement systems, inventory, and debt service. This leaves an unreserved balance of $47,656,269

This governmental fund balance increased by $2,570,851, or 5.02%. The increase was due to property tax revenue and expenditure decreases. The significant expenditure decrease was in capital projects.

The General Fund is the chief operating fund of the City of Cedar Falls. At the end of the current fiscal, unreserved fund balance of the General Fund was $5,350,005, while the total fund balance totaled $5,497,225. As a measure of the General Funds liquidity, it may be useful to compare both unreserved fund balances and total fund balances to total fund expenditures. Unreserved fund balance represents 31.7% of the total General Fund expenditures, while the total fund balance represents 32.6% of that same amount.

The following fund balances in the other major funds, which comprise the Total Governmental Funds are listed below:

	FY07 Amount	FY06 Amount	Increase (Decrease)
Hospital Fund	$ 12,345,730	$ 12,535,647	$ (189,917)
Street Repair Fund	9,324,721	7,649,980	1,674,741
Street Construction Fund	3,566,985	3,977,291	(410,306)
Debt Service Fund	243,403	213,401	30,002
Capital Improvements Fund	5,724,103	4,496,071	1,228,032
Bond Fund	3,429,277	5,390,628	(1,961,351)
Other Governmental Funds	13,669,691	11,385,182	2,284,509

The largest increase in fund balance for the major funds occurred in the Street Repair Fund. This was due to increased grant revenue and increased interest income earned on these funds.

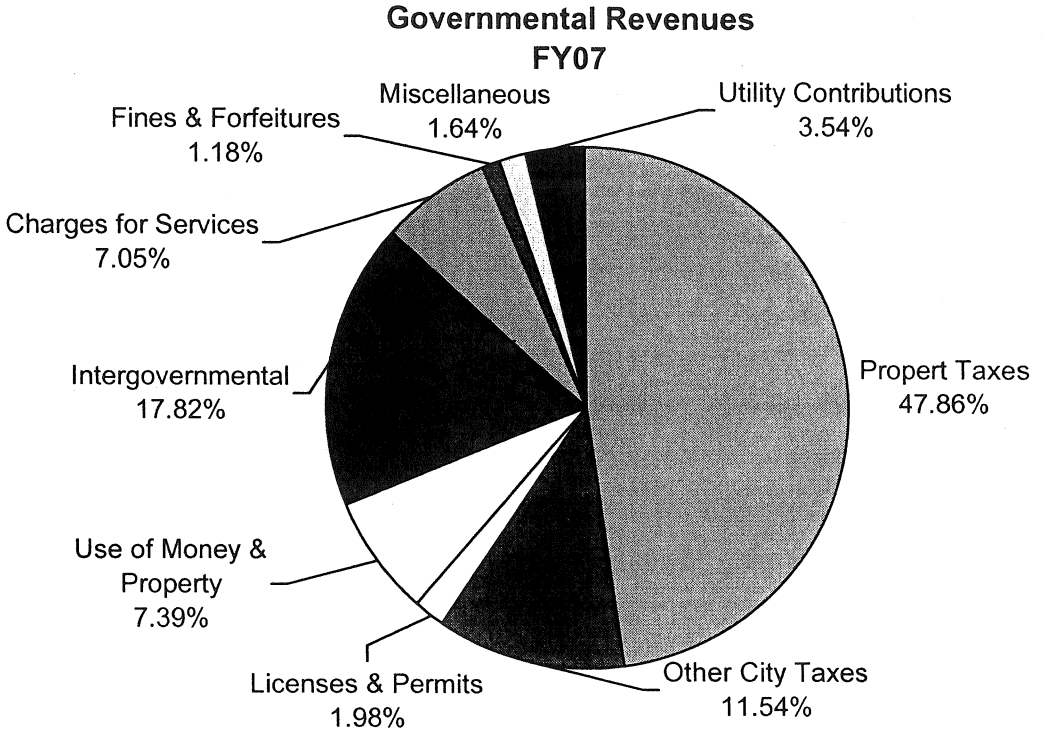
The Bond Fund had the largest decrease in fund balance for the major funds. This decrease was caused by several capital projects that occurred in FY2007, including the completion of the Dam Improvements and Big Woods Trail.

The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2007 and June 30, 2006.

Revenues	FY07 Amount	Percent of Total	FY06 Amount	Increase (Decrease) from FY06	Percent of Increase (Decrease)
Property taxes and assessments	$ 18,931,049	47.86 %	$ 17,186,164	$ 1,744,885	74.79 %
Other city taxes	4,564,009	11.54	4,712,426	(148,417)	(6.36)
Licenses and permits	785,116	1.98	982,954	(197,838)	(8.48)
Use of money and property	2,924,080	7.39	2,425,140	498,940	21.39
Intergovernmental	7,047,600	17.82	6,834,840	212,760	9.12
Charges for services	2,787,909	7.05	2,589,376	198,533	8.51
Fines and forfeitures	466,199	1.18	652,321	(186,122)	(7.98)
Miscellaneous	648,118	1.64	437,966	210,152	9.01
Utility contribution in lieu of taxes	1,400,000	3.54	1,400,000	--	--
	$ 39,554,080	100.00 %	$ 37,221,187	$ 2,332,893	100.00 %

The most significant increase in revenues was in property taxes and assessments. The increase was due to increased TIF revenues from the City's three TIF districts.

The most significant decrease in revenues was in licenses and permits. This decrease was due to the reduction of building permits received by the City. The City had an extraordinary boom in housing developments over the past six years. FY07 was the first year that this activity leveled off.



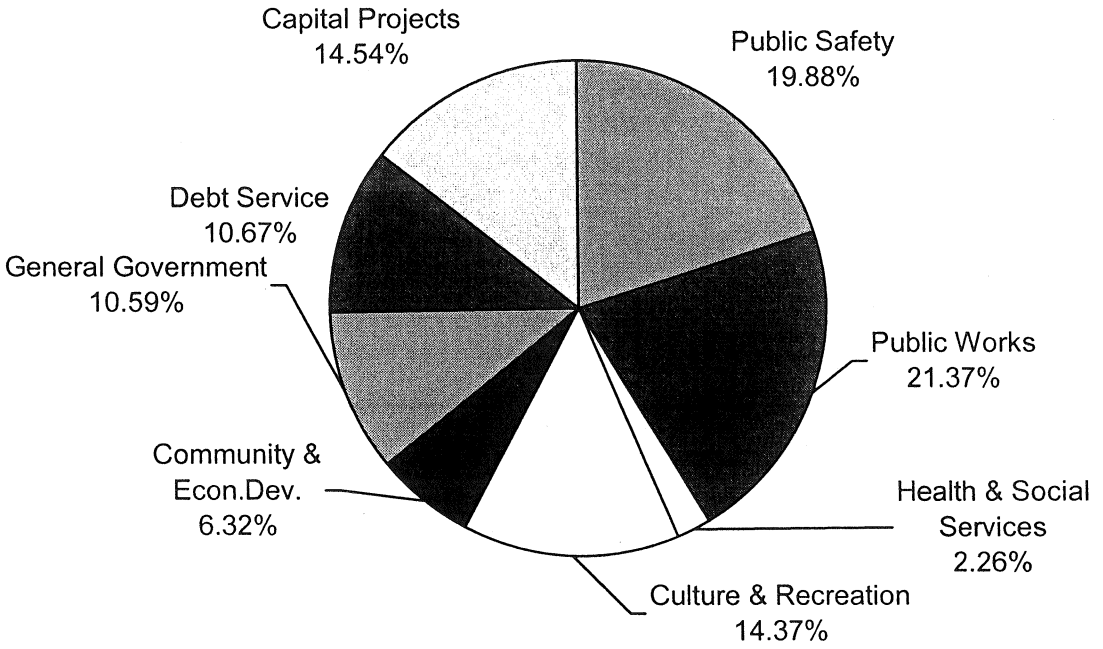
The following schedule presents a summary of governmental expenditures for the fiscal years ended June 30, 2007 and June 30, 2006.

Expenditures	FY07 Amount	Percent of Total	FY06 Amount	Increase (Decrease) from FY06	Percent of Increase (Decrease)
Public Safety	$ 7,373,826	19.88 %	$ 7,173,967	$ 199,859	(7.09) %
Public Works	7,928,949	21.37	7,595,353	333,596	(11.84)
Health & Social Services	838,185	2.26	199,164	639,021	(22.67)
Culture & Recreation	5,330,482	14.37	5,277,687	52,795	(1.87)
Cummunity and Economic Development	2,345,866	6.32	2,384,359	(38,493)	1.37
General Government	3,929,548	10.59	3,814,373	115,175	(4.09)
Debt Service	3,956,414	10.67	3,857,274	99,140	(3.52)
Capital Projects	5,392,998	14.54	9,612,287	(4,219,289)	149.71
	$ 37,096,268	100.00 %	$ 39,914,464	$ (2,818,196)	100.00 %

The most significant decrease in expenditures occurred in the capital projects function. This was due to several projects occurring during FY06.

The most significant increase in expenditures occurred in the health & social services function. This was due to the new Emergency Services Building completed in FY07.

Governmental Expenditures
FY07



Proprietary Funds

City of Cedar Falls proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

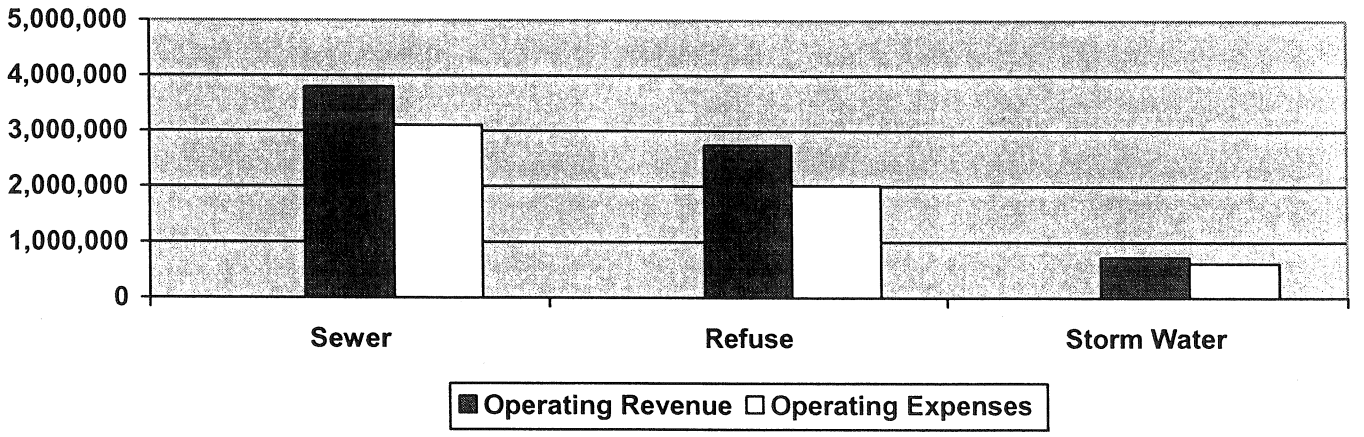
Unrestricted net assets of the Sewer, Refuse and Storm Water funds at the end of the year amounted to $5,569,366. There are unrestricted assets in the Governmental Activities Internal Service fund of $10,179,615.

These funds were established for the City operations that are financed and operated in a manner similar to private business enterprises. The cost of providing the services to the general public is recovered, in whole or in part, through user charges.

The City's enterprise operations are comprised of three separate and distinct activities: Sewer, Refuse and the new Storm Water Fund. Results of operations for these funds for the year ended June 30, 2007 is as follows:

	Sewer		Refuse		Storm Water	
	2007	2006	2007	2006	2007	2006
Operating Revenues	$ 3,794,631	$ 3,862,562	$ 2,746,393	$ 2,576,395	$ 731,844	$ -
Operating Expenses	3,100,133	2,946,562	2,011,573	1,797,655	619,192	-
Non-Operating Revenue (Expenses)	105,016	(10,019)	53,043	45,480	8,262	-
Capital Contributions	1,532,833	1,553,151	-	-	1,688,307	-
Operating Transfers, net	(7,126,832)	423,907	(920,980)	(1,175,995)	7,898,682	-
Net Income	(4,794,485)	2,883,039	(133,117)	(351,775)	9,707,903	-

Proprietary Fund Operating Revenues & Expenses
FY07



BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the budget one time. The amendment was done in May 2007. The amendment was needed due to the timing of various capital projects, and the payment of several escrow funds with various developers. The City did not exceed the amended budgeted amounts in any of its functions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2007, the City had approximately $173 million invested in capital assets including police and fire equipment, public buildings, park facilities, roads, bike trails, bridges, water treatment facilities, sanitary sewer lines, and storm water improvements. (See Table following.) This represents a net increase of approximately $9.8 million or 6.0% over last year.

City of Cedar Falls Capital Assets
(net of depreciation)

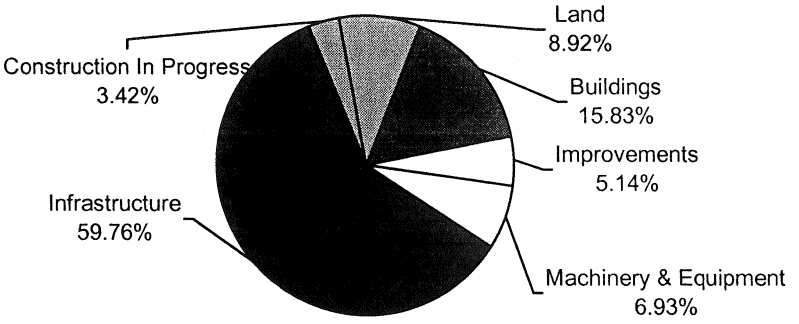
	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 13,864,040	$ 12,684,630	$ 1,542,743	$ 1,319,264	$ 15,406,783	$ 14,003,894
Buildings	20,045,260	19,509,183	7,291,199	7,531,602	27,336,459	27,040,785
Improvements other than buildings	8,876,860	8,435,535	-	-	8,876,860	8,435,535
Machinery and equipment	6,869,630	6,985,873	5,085,473	4,855,037	11,955,103	11,840,910
Infrastructure	78,619,907	73,612,966	24,538,057	21,524,672	103,157,964	95,137,638
Construction in progress	3,352,251	6,070,788	2,549,007	311,510	5,901,258	6,382,298
Total	$ 131,627,948	$ 127,298,975	$ 41,006,479	$ 35,542,085	$ 172,634,427	$ 162,841,060

Major capital asset events during the current fiscal year included the following:

- Completion of West Viking Road.
- Completion of the Cedar River Dam Improvements.
- Completion of the Emergency Services Building.

More detailed information about the City's capital assets is presented in Note 3 to the financial statements.

Capital Assets Net of Depreciation



Debt

At year-end, the City had $25,225,000 in outstanding bonds compared to $29,655,000 last year. That is a decrease of $4,430,000, or 15%.

City of Cedar Falls Outstanding Debt
General Obligation and Revenue Bonds

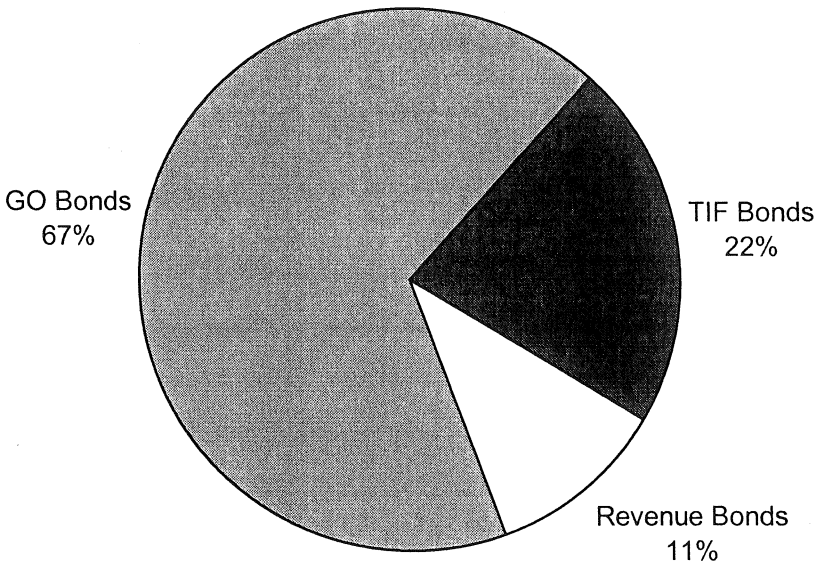
	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	$ 14,670,000	$ 16,860,000	$ 2,270,000	$ 2,980,000	$ 16,940,000	$ 19,840,000
Tax increment financing	5,545,000	6,395,000	--	--	5,545,000	6,395,000
Revenue bonds	--	--	2,740,000	3,420,000	2,740,000	3,420,000
Total	$ 20,215,000	$ 23,255,000	$ 5,010,000	$ 6,400,000	$ 25,225,000	$ 29,655,000

The City of Cedar Falls maintained their Aa2 rating from Moody's Investor Services for all general obligation bond issuances.

State statutes limit the amount of general obligation debt a government entity may issue to 5% of its total assessed valuation. As of June 30, 2007, the City's legal debt margin was $72,032,924.

More detailed information about the City's long-term debt is presented in Note 3 to the financial statements.

City of Cedar Falls Outstanding Debt
FY07



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

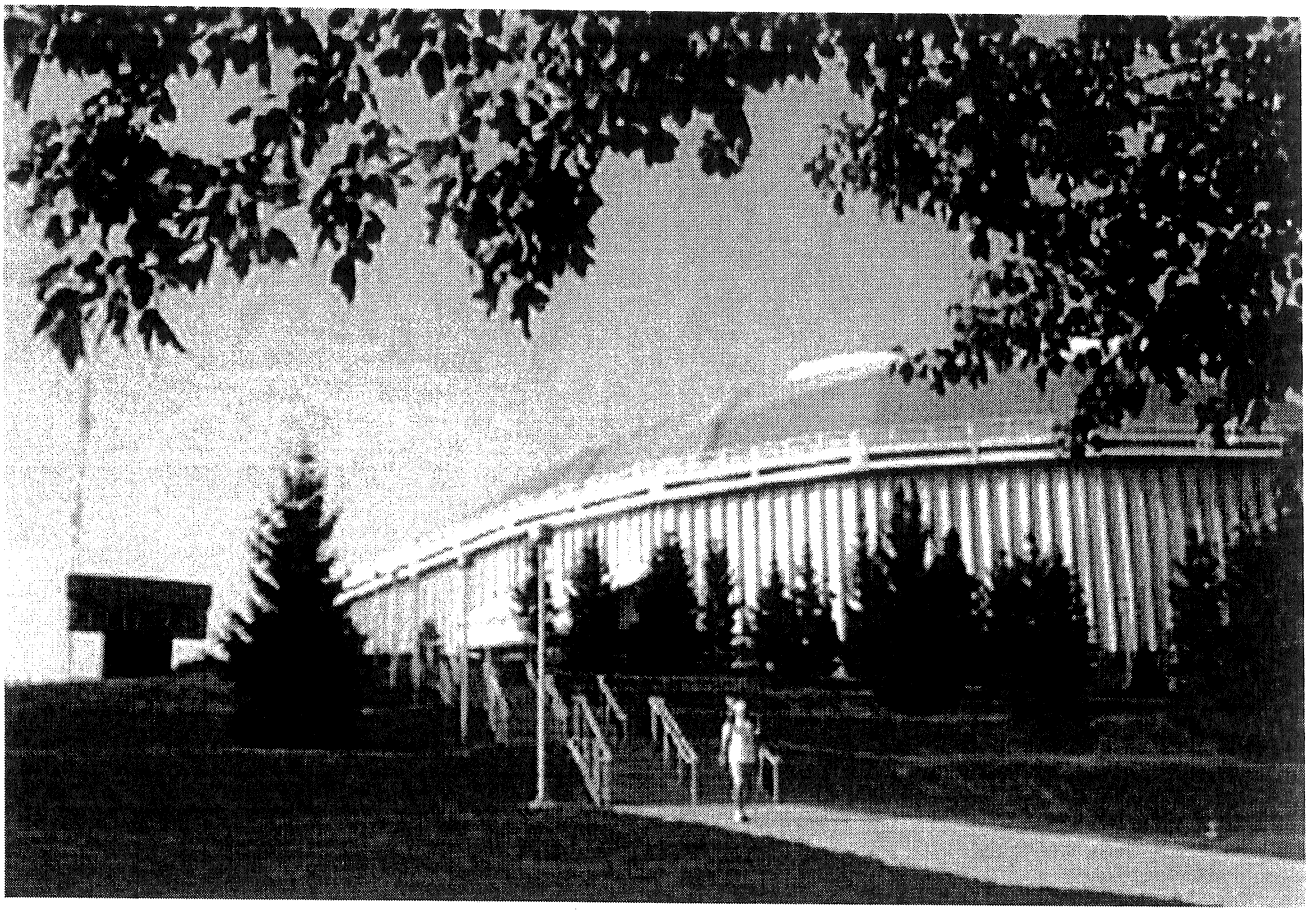
During the state legislative session in 2003, the legislature permanently eliminated certain state funding to local governments starting with FY2004 and will continue in all future years. This along with the continuation of the state rollback on residential properties greatly affects the City's general operating fund.

Even with the State reductions, the City Council did establish a balanced budget in the General Fund for FY08. The tax levy rate per $1,000 of taxable valuation for FY08 is provided below:

General levy	$ 8.10
Trust and Agency levy	3.54
Debt Service levy	1.19
Transit levy	.30
Library levy	.27
Liability Insurance levy	.18
Municipal Band levy	.03
Total levy	$ 13.61

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. The City's discretely presented component units, Cedar Falls Utilities, have separately issued financial statements. If you have questions about this report or need additional information, contact the Department of Administrative Services, 220 Clay Street, Cedar Falls, Iowa 50613.



City of Cedar Falls

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City of Cedar Falls, Iowa

Statement of Net Assets

June 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 64,924,209	$ 5,971,941	$ 70,896,150
Certificates of deposit	--	--	--
US government and agency securities	--	--	--
Receivables, net of allowance for uncollectible amounts:			
Property taxes	19,590,261	--	19,590,261
Other city taxes	819,437	--	819,437
Accrued interest	842,368	90,018	932,386
Special assessments	3,328	10,707	14,035
Notes from associated company	--	--	--
Customers	--	--	--
Library contributions	1,541,106	--	1,541,106
Other	481,157	1,004,132	1,485,289
Due from component unit	700,000	--	700,000
Due from other governments	1,564,673	--	1,564,673
Inventories	363,235	51,741	414,976
Prepaids and other assets	100,845	--	100,845
Restricted assets:			
Cash	--	799,000	799,000
Certificates of deposit	--	--	--
US government and agency securities	--	--	--
Capital assets:			
Land	13,864,040	1,542,743	15,406,783
Land improvements	10,894,611	--	10,894,611
Buildings	25,533,396	11,445,488	36,978,884
Machinery and equipment	13,565,389	6,236,822	19,802,211
Infrastructure	124,797,771	34,366,287	159,164,058
Construction in progress	3,352,251	2,549,007	5,901,258
Accumulated depreciation	(60,379,510)	(15,133,868)	(75,513,378)
Total assets	$ 222,558,567	$ 48,934,018	$ 271,492,585
LIABILITIES			
Accounts payable	$ 3,251,863	$ 593,557	$ 3,845,420
Accrued liabilities	1,350,661	83,223	1,433,884
Due to primary government	--	--	--
Note payable to associated company	--	--	--
Unearned revenue	19,506,691	--	19,506,691
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	2,850,000	1,445,000	4,295,000
Compensated absences	560,227	95,484	655,711
Contracts payable	600,000	--	600,000
Portion due or payable after one year:			
Bonds payable	17,215,943	3,544,558	20,760,501
Compensated absences	1,797,984	306,478	2,104,462
Total liabilities	$ 47,133,369	$ 6,068,300	$ 53,201,669
NET ASSETS			
Invested in capital assets, net of related debt	$ 113,859,357	$ 36,487,852	$ 150,347,209
Restricted:			
Streets	12,725,294	--	12,725,294
Debt service	243,403	799,000	1,042,403
Employee retirement system	5,602,733	--	5,602,733
Post closure costs	--	9,500	9,500
Unrestricted	42,994,411	5,569,366	48,563,777
Total net assets	$ 175,425,198	$ 42,865,718	$ 218,290,916

See notes to financial statements

Component Units			
Electric Utility	Gas Utility	Water Utility	Communications Utility
$ 347,797	$ 3,910,767	$ 250,553	$ 541,949
7,456,006	1,635,000	1,350,000	--
9,593,900	246,400	1,468,100	--
--	--	--	--
--	--	--	--
514,914	58,176	67,359	38,607
--	--	--	--
2,473,090	--	--	--
3,368,607	2,828,796	260,363	1,152,894
--	--	--	--
533,037	14,210	4,059	123,711
--	--	--	--
--	--	--	--
6,675,743	134,647	87,647	328,784
676,743	28,932	16,122	32,653
1,278,099	311,830	--	71,017
3,387,750	--	--	903,000
6,378,123	--	--	--
991,704	41,350	63,466	--
4,683	--	--	--
12,427,338	1,145,704	424,473	--
17,459,262	750,033	454,351	264,512
91,240,046	16,161,337	20,295,880	15,090,639
25,266,384	516,704	635,781	293,776
(64,533,344)	(7,177,673)	(6,548,748)	(7,980,114)
$ 125,539,882	$ 20,606,213	$ 18,829,406	$ 10,861,428
$ 7,080,912	$ 2,201,390	$ 529,779	$ 424,911
1,712,171	408,473	143,928	375,880
1,200,000	200,000	--	--
--	--	--	2,473,090
--	--	--	--
1,460,000	595,000	--	635,000
--	--	--	--
--	--	--	--
36,211,644	398,660	--	4,005,165
626,685	234,300	30,053	46,144
$ 48,291,412	$ 4,037,823	$ 703,760	$ 7,960,190
$ 51,852,314	$ 10,443,794	$ 15,325,203	$ 555,558
--	--	--	--
4,240,916	297,500	--	955,917
--	--	--	--
--	--	--	--
21,155,240	5,827,096	2,800,443	1,389,763
$ 77,248,470	$ 16,568,390	$ 18,125,646	$ 2,901,238

City of Cedar Falls, Iowa
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	$ 6,602,108	$ 567,948	$ 107,267	$ --
Public works	9,390,405	282,146	--	4,723,897
Health and social services	147,007	--	--	--
Culture and recreation	5,894,494	2,024,082	2,346,265	27,577
Community and economic development	4,341,611	--	--	171,114
General government	3,918,550	1,165,048	7,500	--
Interest on long-term debt and related fees	930,278	--	--	--
Total governmental activities	$ 31,224,453	$ 4,039,224	$ 2,461,032	$ 4,922,588
Business-type activities:				
Sewer	$ 3,359,111	$ 3,794,631	$ --	$ 1,532,833
Refuse	2,011,573	2,746,393	--	--
Storm Water	619,192	731,844	--	1,688,307
Total business-type activities	$ 5,989,876	$ 7,272,868	$ --	$ 3,221,140
Total primary government	$ 37,214,329	$ 11,312,092	$ 2,461,032	$ 8,143,728
Component units				
Electric Utility	$ 29,976,132	$ 33,909,783	$ --	$ --
Gas Utility	16,756,122	17,323,049	--	--
Water Utility	2,390,920	2,451,923	--	1,245,901
Communications Utility	7,186,576	8,779,592	--	--
Total component units	$ 56,309,750	$ 62,464,347	$ --	$ 1,245,901
General revenues:				
Property taxes and assessments				
Local option sales tax				
Hotel/motel taxes				
Use of money and property				
Intergovernmental, not restricted to specific programs				
Miscellaneous				
Utility contribution in lieu of taxes				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning				
Net assets - ending				

See notes to financial statements

Net (Expense) Revenue and Changes in Net Assets							
Primary Government			Component Units				
Governmental Activities	Business-type Activities	Total	Electric Utility	Gas Utility	Water Utility	Communications Utility	
$ (5,926,893)	$ --	$ (5,926,893)	$ --	$ --	$ --	$ --	
(4,384,362)	--	(4,384,362)	--	--	--	--	
(147,007)	--	(147,007)	--	--	--	--	
(1,496,570)	--	(1,496,570)	--	--	--	--	
(4,170,497)	--	(4,170,497)	--	--	--	--	
(2,746,002)	--	(2,746,002)	--	--	--	--	
(930,278)	--	(930,278)	--	--	--	--	
$ (19,801,609)	$ --	$ (19,801,609)	$ --	$ --	$ --	$ --	
$ --	$ 1,968,353	$ 1,968,353	$ --	$ --	$ --	$ --	
--	734,820	734,820	--	--	--	--	
--	1,800,959	1,800,959	--	--	--	--	
$ --	$ 4,504,132	$ 4,504,132	$ --	$ --	$ --	$ --	
$ (19,801,609)	$ 4,504,132	$ (15,297,477)	$ --	$ --	$ --	$ --	
$ --	$ --	$ --	$ 3,933,651	$ --	$ --	$ --	
--	--	--	--	566,927	--	--	
--	--	--	--	--	1,306,904	--	
--	--	--	--	--	--	1,593,016	
$ --	$ --	$ --	$ 3,933,651	$ 566,927	$ 1,306,904	$ 1,593,016	
$ 18,931,378	$ 1,287	$ 18,932,665	$ --	$ --	$ --	$ --	
3,927,729	--	3,927,729	--	--	--	--	
654,750	--	654,750	--	--	--	--	
2,924,080	424,012	3,348,092	1,715,079	297,918	147,839	83,318	
3,551,695	--	3,551,695	--	--	--	--	
474,249	--	474,249	--	--	--	--	
1,400,000	--	1,400,000	--	--	--	--	
149,130	(149,130)	--	--	--	--	--	
$ 32,013,011	$ 276,169	$ 32,289,180	$ 1,715,079	$ 297,918	$ 147,839	$ 83,318	
$ 12,211,402	$ 4,780,301	$ 16,991,703	$ 5,648,730	$ 864,845	$ 1,454,743	$ 1,676,334	
163,213,796	38,085,417	201,299,213	71,599,740	15,703,545	16,670,903	1,224,904	
$ 175,425,198	$ 42,865,718	$ 218,290,916	$ 77,248,470	$ 16,568,390	$ 18,125,646	$ 2,901,238	

City of Cedar Falls, Iowa

Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Special Revenue: Hospital Fund	Special Revenue: Street Repair Fund
ASSETS			
Cash	$ 5,109,252	$ 12,188,500	$ 9,037,369
Receivables, net of allowance for uncollectible amounts:			
Property taxes	12,073,795	--	--
Other city taxes	77,467	--	664,503
Accrued interest	173,545	157,230	124,252
Special assessments	--	--	--
Library contributions	1,541,106	--	--
Other	43,525	340,503	--
Due from component unit	700,000	--	--
Due from other funds	--	--	--
Due from other governments	19,533	--	19,500
Inventories	147,220	--	--
Prepaids	--	--	--
Total assets	$ 19,885,443	$ 12,686,233	$ 9,845,624
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 272,255	$ --	$ 501,403
Accrued liabilities	489,215	--	--
Deferred revenue	13,626,748	340,503	19,500
Due to other funds	--	--	--
Total liabilities	$ 14,388,218	$ 340,503	$ 520,903
FUND BALANCES			
Reserved for:			
Employee retirement system	$ --	$ --	$ --
Inventories	147,220	--	--
Debt service	--	--	--
Unreserved:			
Undesignated, reported in:			
General fund	5,350,005	--	--
Special revenue funds	--	12,345,730	9,324,721
Capital projects funds	--	--	--
Total fund balances	$ 5,497,225	$ 12,345,730	$ 9,324,721
Total liabilities and fund balances	$ 19,885,443	$ 12,686,233	$ 9,845,624

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.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of fleet management, management information systems and risk management activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Accrued interest payable and arbitrage payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable and contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Net assets of governmental activities

See notes to financial statements

Special Revenue		Capital Projects			
Street Construction Fund	Debt Service Fund	Capital Improvements Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ 3,504,477	$ 228,448	$ 7,340,206	$ 3,200,019	$ 13,481,021	$ 54,089,292
--	6,030,822	758,757	--	726,887	19,590,261
--	--	--	--	77,467	819,437
--	--	108,245	20,417	100,430	684,119
--	--	3,328	--	--	3,328
--	--	--	--	--	1,541,106
--	--	--	--	97,129	481,157
--	--	--	--	--	700,000
--	--	--	--	701,509	701,509
247,487	--	8,385	410,668	859,100	1,564,673
124,234	--	--	--	27,276	298,730
--	--	--	100,845	--	100,845
$ 3,876,198	$ 6,259,270	$ 8,218,921	$ 3,731,949	$ 16,070,819	$ 80,574,457
$ 261,927	$ --	$ 1,743,452	$ 302,672	$ 72,884	$ 3,154,593
47,286	--	--	--	22,973	559,474
--	6,015,867	751,366	--	1,603,762	22,357,746
--	--	--	--	701,509	701,509
$ 309,213	$ 6,015,867	$ 2,494,818	$ 302,672	$ 2,401,128	$ 26,773,322
$ --	$ --	$ --	$ --	$ 5,602,733	$ 5,602,733
124,234	--	--	--	27,276	298,730
--	243,403	--	--	--	243,403
--	--	--	--	--	5,350,005
3,442,751	--	--	--	4,710,356	29,823,558
--	--	5,724,103	3,429,277	3,329,326	12,482,706
$ 3,566,985	$ 243,403	$ 5,724,103	$ 3,429,277	$ 13,669,691	$ 53,801,135
$ 3,876,198	$ 6,259,270	$ 8,218,921	$ 3,731,949	$ 16,070,819	
					127,905,425
					2,851,055
					13,902,139
					(63,484)
					(2,305,129)
					(20,665,943)
					$ 175,425,198

City of Cedar Falls, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Special Revenue: Hospital Fund	Special Revenue: Street Repair Fund
Revenues:			
Property taxes and assessments	$ 11,634,669	$ --	$ --
Other city taxes	363,764	--	3,927,729
Licenses and permits	785,116	--	--
Use of money and property	580,394	631,901	449,211
Intergovernmental	680,917	--	351,500
Charges for services	2,177,994	--	--
Fines and forfeitures	218,294	--	--
Miscellaneous	68,726	1,617	58,807
Utility contribution in lieu of taxes	1,400,000	--	--
Total revenues	$ 17,909,874	$ 633,518	$ 4,787,247
Expenditures:			
Current:			
Public safety	$ 6,394,033	$ --	$ --
Public works	1,156,486	--	3,112,506
Health and social services	14,750	823,435	--
Culture and recreation	4,932,745	--	--
Community and economic development	718,129	--	--
General government	3,657,228	--	--
Debt service	--	--	--
Capital projects	--	--	--
Total expenditures	$ 16,873,371	$ 823,435	$ 3,112,506
Excess (deficiency) of revenues over (under) expenditures	$ 1,036,503	$ (189,917)	$ 1,674,741
Other financing sources (uses):			
Transfers in	$ 450,591	$ --	$ --
Transfers out	(1,599,584)	--	--
Total other financing sources (uses)	$ (1,148,993)	$ --	$ --
Net change in fund balances	$ (112,490)	$ (189,917)	$ 1,674,741
Fund balances, beginning	5,582,084	12,535,647	7,649,980
Increase (decrease) in reserve for inventories	27,631	--	--
Fund balances, ending	$ 5,497,225	$ 12,345,730	$ 9,324,721

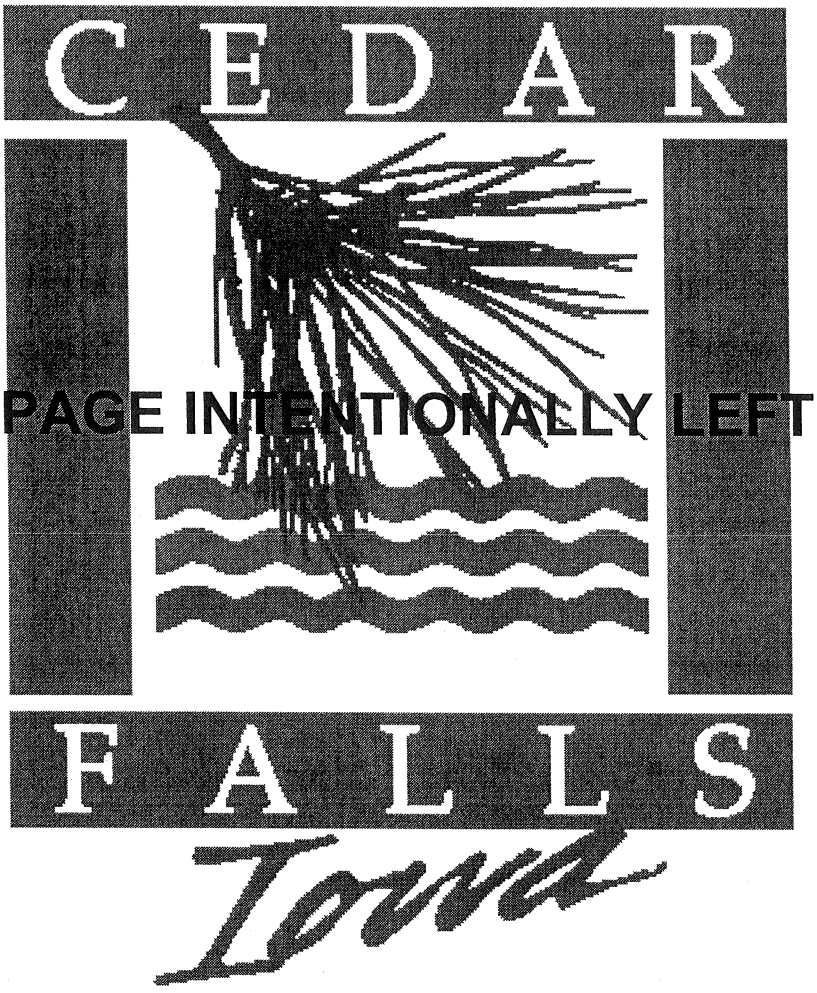
See notes to financial statements

Special Revenue		Capital Projects			
Street Construction Fund	Debt Service Fund	Capital Improvements Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
$ --	$ 5,567,215	$ 970,222	$ --	$ 758,943	$ 18,931,049
--	--	--	--	272,516	4,564,009
--	--	--	--	--	785,116
--	--	356,049	180,355	726,170	2,924,080
3,048,830	--	208,427	698,557	2,059,369	7,047,600
--	--	--	--	609,915	2,787,909
--	--	--	--	247,905	466,199
34,815	--	45,830	189,795	248,528	648,118
--	--	--	--	--	1,400,000
$ 3,083,645	$ 5,567,215	$ 1,580,528	$ 1,068,707	$ 4,923,346	$ 39,554,080
$ --	$ --	$ --	$ --	$ 979,793	$ 7,373,826
3,448,905	--	--	--	211,052	7,928,949
--	--	--	--	--	838,185
--	--	--	--	397,737	5,330,482
--	--	--	--	1,627,737	2,345,866
--	--	--	--	272,320	3,929,548
--	3,956,414	--	--	--	3,956,414
--	--	900,781	2,582,559	1,909,658	5,392,998
$ 3,448,905	$ 3,956,414	$ 900,781	$ 2,582,559	$ 5,398,297	$ 37,096,268
$ (365,260)	$ 1,610,801	$ 679,747	$ (1,513,852)	$ (474,951)	$ 2,457,812
$ 421,475	$ 1,392,160	$ 655,191	$ 150,718	$ 2,844,713	$ 5,914,848
(473,050)	(2,972,959)	(106,906)	(598,217)	(91,791)	(5,842,507)
$ (51,575)	$ (1,580,799)	$ 548,285	$ (447,499)	$ 2,752,922	$ 72,341
$ (416,835)	$ 30,002	$ 1,228,032	$ (1,961,351)	$ 2,277,971	$ 2,530,153
3,977,291	213,401	4,496,071	5,390,628	11,385,182	51,230,284
6,529	--	--	--	6,538	40,698
$ 3,566,985	$ 243,403	$ 5,724,103	$ 3,429,277	$ 13,669,691	$ 53,801,135

City of Cedar Falls, Iowa
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

Net change in fund balances - total governmental funds		$ 2,530,153
Amounts reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Net acquisition of capital assets	10,007,970	
Depreciation expense	(5,480,717)	
		4,527,253
Because some revenues will not be collected for several months after the City's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:		
Property tax	329	
Other	259,716	
		260,045
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues, as follows:		
Discount on general obligation bonds	(31,088)	
Repaid	3,040,000	
Accrued interest	17,224	
		3,026,136
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, as follows:		
Compensated absences	30,548	
Change in inventory	40,698	
		71,246
Internal service funds are used by management to charge the costs of fleet management, management information systems and risk management activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		1,796,569
Change in net assets of governmental activities		$ 12,211,402

See notes to financial statements



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City of Cedar Falls, Iowa
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Fund	
	Sewer Fund	Refuse Fund
ASSETS		
Current assets:		
Cash	$ 5,026,838	$ 556,146
Receivables, net of allowance for uncollectible amounts:		
Accrued interest	73,048	14,515
Special assessments	10,707	--
Other	664,586	306,892
Inventories	22,453	29,288
Total current assets	$ 5,797,632	$ 906,841
Noncurrent assets:		
Restricted assets:		
Cash	$ 799,000	$ --
Capital assets:		
Land	779,878	204,845
Buildings	10,423,276	1,022,212
Machinery and equipment	4,984,116	1,252,706
Infrastructure	23,345,257	--
Construction in progress	1,883,069	--
Accumulated depreciation	(11,379,666)	(863,303)
Total noncurrent assets	$ 30,834,930	$ 1,616,460
Total assets	$ 36,632,562	$ 2,523,301
LIABILITIES		
Current liabilities:		
Accounts payable	$ 481,805	$ 79,387
Accrued liabilities	49,538	27,608
Bonds payable - due within one year	1,445,000	--
Compensated absences - due within one year	51,899	34,955
Total current liabilities	$ 2,028,242	$ 141,950
Noncurrent liabilities:		
Bonds payable- after one year	$ 3,544,558	$ --
Compensated absences - after one year	165,558	117,740
Total noncurrent liabilities	$ 3,710,116	$ 117,740
Total liabilities	$ 5,738,358	$ 259,690
NET ASSETS		
Invested in capital assets, net of related debt	$ 25,517,303	$ 1,616,460
Restricted for debt service	799,000	--
Restricted for post closure costs	--	9,500
Unrestricted	4,577,901	637,651
Total net assets	$ 30,894,204	$ 2,263,611

See notes to financial statements

Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Funds
Storm Water Fund	Total	
$ 388,957	$ 5,971,941	$ 10,834,917
2,455	90,018	158,249
--	10,707	--
32,654	1,004,132	--
--	51,741	64,505
$ 424,066	$ 7,128,539	$ 11,057,671
$ --	$ 799,000	$ --
558,020	1,542,743	--
--	11,445,488	90,302
--	6,236,822	7,189,027
11,021,030	34,366,287	--
665,938	2,549,007	--
(2,890,899)	(15,133,868)	(3,556,806)
$ 9,354,089	$ 41,805,479	$ 3,722,523
$ 9,778,155	$ 48,934,018	$ 14,780,194
$ 32,365	$ 593,557	$ 97,270
6,077	83,223	727,703
--	1,445,000	--
8,630	95,484	26,658
$ 47,072	$ 2,217,264	$ 851,631
$ --	$ 3,544,558	$ --
23,180	306,478	26,424
$ 23,180	$ 3,851,036	$ 26,424
$ 70,252	$ 6,068,300	$ 878,055
$ 9,354,089	$ 36,487,852	$ 3,722,524
--	799,000	--
--	9,500	--
353,814	5,569,366	10,179,615
$ 9,707,903	$ 42,865,718	$ 13,902,139

City of Cedar Falls, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds	
	Sewer Fund	Refuse Fund
Operating revenues:		
Charges for services, pledged for revenue bonds	$ 3,781,823	$ --
Charges for services	--	1,929,962
Other	12,808	816,431
Total operating revenues	$ 3,794,631	$ 2,746,393
Operating expenses:		
Personal services	$ 1,001,535	$ 857,551
Contractual services	582,378	995,268
Supplies and equipment	766,452	71,056
Depreciation	749,768	87,698
Total operating expenses	$ 3,100,133	$ 2,011,573
Operating income	$ 694,498	$ 734,820
Nonoperating revenues (expenses):		
Interest revenue	$ 362,707	$ 53,043
Interest expense	(258,978)	--
Loss on disposal of equipment	--	--
Property taxes and assessments	1,287	--
Property taxes and assessments	1,287	--
Nonoperating revenues (expenses),net	$ 105,016	$ 53,043
Income before contributions and transfers	$ 799,514	$ 787,863
Capital contributions	$ 1,532,833	$ --
Transfers in	380,506	167,740
Transfers out	(7,507,338)	(1,088,720)
Contributions and transfers, net	$ (5,593,999)	$ (920,980)
Change in net assets	$ (4,794,485)	$ (133,117)
Net assets, beginning	35,688,689	2,396,728
Net assets, ending	$ 30,894,204	$ 2,263,611

See notes to financial statements

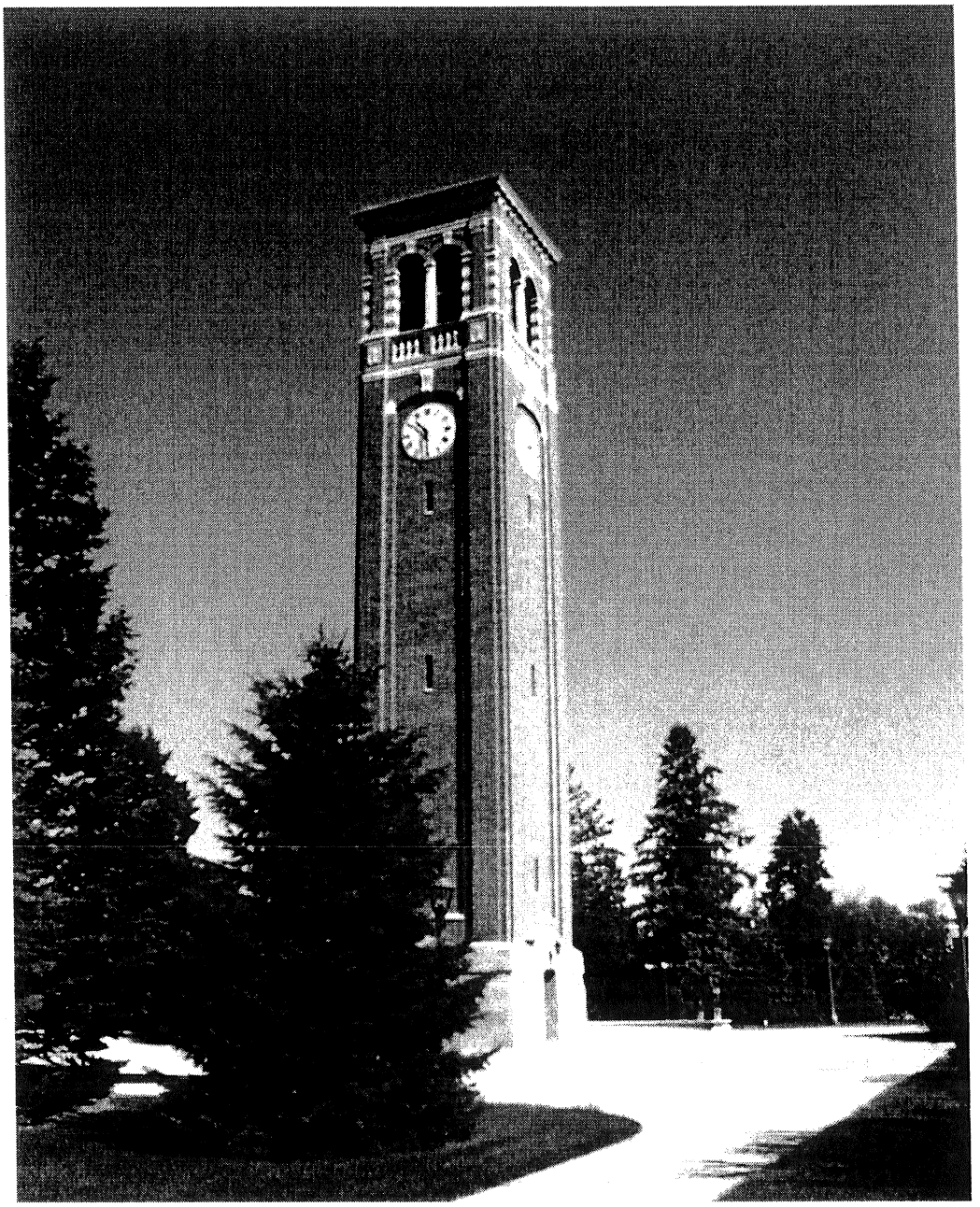
Storm Water Fund	Business-type Activities- Enterprise Funds Total	Governmental Activities- Internal Service Funds
$ --	$ 3,781,823	$ --
731,844	2,661,806	5,168,415
--	829,239	164,649
$ 731,844	$ 7,272,868	$ 5,333,064
$ 232,293	$ 2,091,379	$ 680,816
93,519	1,671,165	2,386,763
60,480	897,988	620,239
232,900	1,070,366	427,600
$ 619,192	$ 5,730,898	$ 4,115,418
$ 112,652	$ 1,541,970	$ 1,217,646
$ 8,262	$ 424,012	$ 577,922
--	(258,978)	--
--	--	(75,788)
--	1,287	--
--	1,287	--
$ 8,262	$ 166,321	$ 502,134
$ 120,914	$ 1,708,291	$ 1,719,780
$ 1,688,307	$ 3,221,140	$ --
7,898,682	8,446,928	114,189
--	(8,596,058)	(37,400)
$ 9,586,989	$ 3,072,010	$ 76,789
$ 9,707,903	$ 4,780,301	$ 1,796,569
--	38,085,417	12,105,570
$ 9,707,903	$ 42,865,718	$ 13,902,139

City of Cedar Falls, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 3,595,874
Receipts from interfund services	--
Payments to suppliers	(903,247)
Payments to employees	(985,380)
Net cash provided by operating activities	$ 1,707,247
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	$ 380,506
Transfers to other funds	(233,162)
Property taxes and assessments	10,817
Net cash provided by (used for) noncapital financing activities	$ 158,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net acquisition of property and equipment	$ (3,791,742)
Capital contributions	1,532,833
Principal paid on debt maturities	(1,390,000)
Interest paid	(256,301)
Net cash (used for) capital and related financing activities	$ (3,905,210)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	$ 361,669
Net increase (decrease) in cash	$ (1,678,133)
CASH BALANCES, Beginning	7,503,971
CASH BALANCES, Ending	$ 5,825,838
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 694,498
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	749,768
Change in assets and liabilities:	
(Increase) decrease in:	
Customer and other receivables	(199,160)
Inventories	4,414
Increase (decrease) in accounts payable, accrued and other liabilities	457,727
Net cash provided by operating activities	$ 1,707,247
NONCASH CAPITAL ACTIVITIES:	
Contributions of capital assets (to) from other funds	$ (7,274,176)

See notes to financial statements

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Refuse Fund	Storm Water Fund	Total	
$ 2,695,644	$ 699,191	$ 6,990,709	$ --
--	--	--	5,168,415
(1,029,740)	(121,631)	(2,054,618)	(3,583,996)
(864,919)	(194,406)	(2,044,705)	(742,299)
$ 800,985	$ 383,154	$ 2,891,386	$ 842,120
$ 167,740	$ 624,506	$ 1,172,752	$ 114,189
(1,088,720)	--	(1,321,882)	(37,400)
--	--	10,817	--
$ (920,980)	$ 624,506	$ (138,313)	$ 76,789
$ (430,207)	$ (2,312,817)	$ (6,534,766)	$ (305,108)
--	1,688,307	3,221,140	--
--	--	(1,390,000)	--
--	--	(256,301)	--
$ (430,207)	$ (624,510)	$ (4,959,927)	$ (305,108)
$ 54,331	$ 5,807	$ 421,807	$ 548,012
$ (495,871)	$ 388,957	$ (1,785,047)	$ 1,161,813
1,052,017	--	8,555,988	9,673,104
$ 556,146	$ 388,957	$ 6,770,941	$ 10,834,917
$ 734,820	$ 112,652	$ 1,541,970	$ 1,217,646
87,698	232,900	1,070,366	427,600
(46,770)	(32,653)	(278,583)	--
(1,025)	--	3,389	(12,233)
26,262	70,255	554,244	(790,893)
$ 800,985	$ 383,154	$ 2,891,386	$ 842,120
$ --	$ 7,274,176	$ --	$ --



City of Cedar Falls

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CITY OF CEDAR FALLS, IOWA
NOTES TO FINANCIAL STATEMENTS
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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Cedar Falls is a municipal corporation governed by an elected mayor and seven-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City. The discretely presented electric, gas, water, and communications utilities each have a December 31 year end.

Discretely Presented Component Units. The electric, gas, water, and communications utilities serve all the citizens of the City and are governed by a five-member board appointed by the mayor of the City of Cedar Falls. The rates for user charges and bond issuance authorizations are approved by the City Council, and the legal liability for the general obligation portion of the Utilities' debt remains with the City.

Complete financial statements for the Utilities may be obtained at the administrative offices.

Cedar Falls Utilities
Utility Parkway
Cedar Falls, Iowa 50613

Jointly Governed Organizations. The City also participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Black Hawk County Consolidated Public Safety Communications Center, Black Hawk County Solid Waste Management Commission, Black Hawk County Criminal Justice Information Systems and Metropolitan Transit Authority.

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 activities of the primary government and its component units. For the most part, the effect of interfund 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 support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net assets presents the 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 that are attributed 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 that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 government 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.

Property taxes, franchise taxes, licenses, interest, fines and forfeitures, and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the criteria for accrual has been met.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *hospital fund* accounts for the lease income derived from Sartori Memorial Hospital.

The *street repair* fund accounts for local option sales tax received from the state to be used to repair streets.

The *street construction fund* accounts for state revenues allocated to the City to be used to maintain and improve the City's streets.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds

The *capital improvements fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *bond fund* accounts for all bond proceeds not related to proprietary funds and all the related capital projects associated with the bond sales.

The City reports the following major proprietary funds:

The *sewer* fund accounts for the operations and maintenance of the City's sanitary sewer system.

The *refuse* fund accounts for the operations and maintenance of the City's garbage collection.

The *storm water* fund accounts for the operations and maintenance of the city's storm water system.

Additionally, the City reports the following fund type:

Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. These include data processing, vehicle maintenance, health insurance, health insurance severance, payroll, and risk management activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between the government's refuse and sewer functions and various other functions of the government. Elimination of the charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the refuse fund, sewer fund, and the government's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of

services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City and the Utility to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. Investments of the City and the Utility are reported at fair value. Due to legal and budgetary reasons, the General Fund is assigned a portion of the investment earnings associated with the other funds. These funds are Street Construction, Debt Service, and the Cemetery Perpetual Care Funds.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The County Treasurer bills and collects taxes for the City. Taxes for the year ended June 30, 2007, were certified with the County during the preceding fiscal year and were due in two equal installments by September 30, 2006 and March 31, 2007. On July 1, 2006 the taxes were levied by the County and became an enforceable lien against property. Any County collections on the 2006-2007 tax levy remitted to the City within sixty days subsequent to June 30, 2007, are recorded as property tax revenues. Taxes not collected and remitted to the City within sixty days subsequent to June 30, 2007, are delinquent and have been recorded as receivables and deferred revenue.

By statute, the City is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

3. Inventories and Prepaid Items

Inventories in the governmental fund types are valued at cost using the first-in/first-out method. The costs of governmental fund type inventories are recognized as expenditures when purchased.

Inventories in the proprietary fund types and component unit are valued at the lower of first-in/first-out cost or market, except for fuel inventories of the Electric Utility, which are valued at the lower of last-in/first-out method cost or market. The cost of proprietary fund type and component unit inventories are recognized as expenses when consumed.

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.

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond operation and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "revenue bond improvement" account is used to report those proceeds of revenue bond issuances that are restricted to make up potential deficiencies in the revenue bond sinking account and the revenue bond reserve account, and to the extent not required for the forgoing, to pay the cost of extraordinary maintenance expenses and capital improvements. The "revenue bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond sinking account.

Certain assets of the component units are also restricted because of applicable bond provisions.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net assets. Capital assets are defined by the government as equipment with initial, individual cost of $2,500 or greater or a purchase of land, land improvements, building, or infrastructure with a value of $5,000 or greater and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Computer Equipment	10 years	Streets	30 years
Equipment	10-30 years	Buildings	40-50 years
Office Equipment	10-30 years	Land Improvements	40 years
Vehicles	10-20 years	Storm Water	40 years
Parking Lots	15 years	Bridges	45 years
Furniture	20 years	Lift Stations	50 years
Large Vehicles	20-40 years	Sewer	50 years
Traffic Signals	20 years	Historic Buildings	100 years

6. *Compensated Absences*

City employees accumulate vacation, sick leave, and comp-time hours for subsequent use or for payment upon termination, death, or retirement. Earned vacation pay and a maximum of one-half of all unused sick leave may be paid upon termination of employment.

All severance is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect on June 30, 2007.

7. *Long-term Obligations*

In the government-wide financial statements and proprietary 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 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.

In the fund financial statements, governmental fund types recognize bond premium 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 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.

8. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary information

The City prepares and adopts an annual budget on a function basis for the City as a whole, rather than at the fund level, as prescribed by Iowa statutes. The state of Iowa mandates that annual budgets for the fiscal year beginning July 1 be certified to the County Auditor no later than March 15 preceding the beginning of the fiscal year. The review and adoption of the budget for the City is in accordance with state laws and City budget procedures as stated in City Code, recodified November 1971, and amended by ordinance adoption thereafter. Budget proposals for all operating department requests are conducted by the Department of Administrative Services who prepares, for the Mayor's consideration, a preliminary budget by January 1 of each year for the coming fiscal year. The budget proposal presented to the City Council by the Mayor and Director of Administrative Services is a complete financial plan for the upcoming fiscal year. The proposal is submitted on or before the first Monday of February. The City Council holds various budget meetings with the Mayor, Director of Administrative Services, department heads, and boards and commissions, as well as holding a public hearing prior to adopting the budget. The Council adopts the budget by resolution and certifies it to

the County Auditor by the 15th of March preceding the beginning of the fiscal year. This budget becomes the appropriation for operations of the City.

The adopted budget presents expenditures in nine functions- Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, and Business-type Activities. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level. Appropriations as adopted lapse at the end of the fiscal year.

Amendments to the City budget are considered annually as funding sources are available. Management is not authorized to amend the budget or to make budgetary transfers between functions without the approval of the City Council. An additional levy of property taxes is not allowed by state law. The City budget for the current year may be amended for any of the following purposes:

- To permit the appropriation and expenditure of unexpended, unencumbered fund balances on hand at the end of the preceding fiscal year.
- To permit the appropriation and expenditure of amounts anticipated being available from sources other than property taxation.
- To permit transfers between funds as prescribed by state law.
- To permit transfers between functions.

The Council adopts the amended budget by resolution and certifies it to the County Auditor by May 31 of the budget year. The amended budget becomes the appropriation for operations of the City. The City Council adopted one budget amendment resolution during the year ended June 30, 2007.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Due to the emphasis placed on monitoring budgets, as a result of limited resources to provide City services, major classifications such as personal services, capital outlays, contractual services, and commodities are monitored throughout the year by the Department of Administrative Services.

Monthly reports are prepared by department and activity. Any major deviations must be approved by the Department of Administrative Services and the Mayor. While the legal level of control is the program level of expenditure, departments are responsible for not expending more than the amount of the appropriation for each activity within their area of responsibility, unless approved by the Department of Administrative Services and the Mayor.

The City budgets all receipts, disbursements, and interfund and intrafund transfers on the cash basis plus recorded accounts payable. The budget amounts included in this report are the final cash basis budget for the year for all funds excluding the trust and agency funds, which are not budgeted for by the City. Budgeted interfund transfers and intrafund transfers have been eliminated in the following statement of program disbursements - budget and actual.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the General Fund and most of the special revenue funds, unexpended budgeted amounts lapse at the end of the budget year.

B. Deficit Fund Balance

The Vision Iowa and the Sidewalk Assessment, nonmajor capital projects funds, have deficit fund balances of $700,000 and $1,932. The deficits are expected to be recovered through future state grant payments and property tax assessments respectively.

Note 3. Detailed Notes On All Funds

A. Deposits and Investments

The City's deposits in banks and credit unions at June 30, 2007 were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name 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 depository 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; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Cash balances as of June 30, 2007, consist of the following:

Cash – unrestricted	$ 70,896,150
Cash – restricted	799,000
	$ 71,695,150

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

A reconciliation of cash as shown on the combined balance sheet for the primary government follows:

Carrying amount of deposits	$ 71,695,150
Cash – Governmental Activities	$ 64,924,209
Cash – Business-type Activities	5,971,941
Cash – Business-type Activities, restricted	799,000
Total	$ 71,695,150

Interest Rate Risk: The City's investment policy limits the investments of operating funds (funds expected to be expended in the current budget year of within fifteen months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Credit Risk: The City's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The City did not invest in any commercial paper or other corporate debt during the year.

Concentration of credit risk: The City's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The City held no such investments during the year.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposits are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City did not hold any investments during the year.

The component units' deposits were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the entity or its agent in the entity's name, or by a multiple financial institution collateral pool 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.

Cash balances as of December 31, 2006, consist of the following:

	Electric Utility	Gas Utility	Water Utility	Communications Utility
Cash – unrestricted	$ 347,797	$ 3,910,767	$ 250,553	$ 541,949
Cash – restricted	1,278,099	311,830	--	71,017
	$ 1,625,896	$ 4,222,597	$ 250,553	$ 612,966

At year-end, the Component Units had the following investments and maturities:

Utility	Type of Investment	Investment Maturities (In Years) Less than 1	1 to 3	Total
Electric:	U.S. government and agency securities	$ 15,003,723	$ 968,300	$ 15,972,023
Gas:	U.S. government and agency securities	246,400	--	246,400
Water:	U.S. government and agency securities	499,800	968,300	1,468,100

A reconciliation of cash and investments as shown on the statement for net assets for the component units follows:

	Electric Utility	Gas Utility	Water Utility	Communications Utility
Carrying amount of deposits	$ 1,625,896	$ 4,222,597	$ 250,553	$ 612,966
Carrying amount of certificates	10,843,756	1,635,000	1,350,000	903,000
Carrying amount of investments	15,972,023	246,400	1,468,100	--
Total	$ 28,441,675	$ 6,103,997	$ 3,068,653	$ 1,515,966
Cash	$ 347,797	$ 3,910,767	$ 250,553	$ 541,949
Cash - Restricted	1,278,099	311,830	--	71,017
Investments:				
Certificates of deposit	7,456,006	1,635,000	1,350,000	--
U.S. government and agency securities	9,593,900	246,400	1,468,100	--
Certificates of deposit - restricted	3,387,750	--	--	903,000
U.S. government and agency securities - restricted	6,378,123	--	--	--
Total	$ 28,441,675	$ 6,103,997	$ 3,068,653	$ 1,515,966

B. Receivable

On June 30, 2007, the City has recorded a $1,541,106 receivable for library contributions held by the Cedar Falls Civic Foundation. The funds will be used to support library services, therefore is reported as an asset to the General Fund.

C. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 12,684,630	$ 1,179,410	$ --	$ 13,864,040
Construction in progress	6,070,788	2,939,821	5,658,358	3,352,251
Total capital assets, not being depreciated	$ 18,755,418	$ 4,119,231	$ 5,658,358	$ 17,216,291
Capital assets, being depreciated:				
Buildings	$ 24,380,917	$ 1,152,479	$ --	$ 25,533,396
Land improvements	9,973,771	920,840	--	10,894,611
Machinery and equipment	13,119,158	836,275	390,044	13,565,389
Infrastructure	115,817,373	8,980,398	--	124,797,771
Total capital assets, being depreciated	$ 163,291,219	$ 11,889,992	$ 390,044	$ 174,791,167
Less accumulated depreciation for:				
Buildings	$ 4,871,734	$ 616,402	$ --	$ 5,488,136
Land improvements	1,538,236	479,515	--	2,017,751
Machinery and equipment	6,133,285	838,944	276,470	6,695,759
Infrastructure	42,204,407	3,973,457	--	46,177,864
Total accumulated depreciation	$ 54,747,662	$ 5,908,318	$ 276,470	$ 60,379,510
Total capital assets, being depreciated, net	$ 108,543,557	$ 5,981,674	$ 113,574	$ 114,411,657
Governmental activities capital asset, net	$ 127,298,975	$ 10,100,905	$ 5,771,932	$ 131,627,948

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,319,264	$ 223,479	$ --	$ 1,542,743
Construction in progress	311,510	2,308,839	71,342	2,549,007
Total capital assets, not being depreciated	$ 1,630,774	$ 2,532,318	$ 71,342	$ 4,091,750
Capital assets, being depreciated:				
Buildings	$ 11,445,488	$ --	$ --	$ 11,445,488
Machinery and equipment	5,846,746	412,384	22,308	6,236,822
Infrastructure	30,704,888	3,661,399	--	34,366,287
Total capital assets, being depreciated	$ 47,997,122	$ 4,073,783	$ 22,308	$ 52,048,597
Less accumulated depreciation for:				
Buildings	$ 3,913,886	$ 240,403	$ --	$ 4,154,289
Machinery and equipment	991,709	181,948	22,308	1,151,349
Infrastructure	9,180,216	648,014	--	9,828,230
Total accumulated depreciation	$ 14,085,811	$ 1,070,365	$ 22,308	$ 15,133,868
Total capital assets, being depreciated, net	$ 33,911,311	$ 3,003,418	$ --	$ 36,914,729
Business-type activities capital assets, net	$ 35,542,085	$ 5,535,736	$ 71,342	$ 41,006,479

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

Governmental activities:	
Public safety	$ 67,401
Public works	3,951,690
Health and social services	129,736
Culture and recreation	1,096,976
Community and economic development	71,589
General government	163,326
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	427,600
Total depreciation expense - governmental activities	$ 5,908,318
Business-type activities	
Sewer	$ 749,768
Refuse	87,698
Storm Water	232,899
Total depreciation expense - business-type activities	$ 1,070,365

Construction Commitments

The City has active construction projects as of June 30, 2007. At year-end the City's commitments with contractors are as follows:

	Project Authorization	Expended to Date	Remaining Commitment
Big Woods Recreation Trail	$ 255,681	$ 254,663	$ 1,018
College Street	1,048,156	65,002	983,154
Digester Upgrades	1,837,512	1,520,133	317,379
East Viking Road	3,165,138	612,046	2,553,092
Greenhill Road Extension	240,000	38,406	201,594
Hudson Rd. Rec Trail	148,529	131,399	17,130
Hwy 58 Pedestrian Bridge	82,000	34,471	47,529
Intersection Reconstruction	617,744	600,749	16,995
Lake Street Sanitary Sewer	1,429,448	329,213	1,100,235
Lap Pool Addition	959,050	56,550	902,500
Minnetonka Storm Sewer	26,466	-	26,466
Sanitary Sewer	300,955	287,979	12,976
Sidewalk Repair	30,443	-	30,443
Southwest Branch Dry Run Channel Improv.	39,500	18,205	21,295
Southwest Dry Run Creek	142,500	139,900	2,600
Storm Sewers	141,189	-	141,189
Street reconstruction	1,276,298	513,690	762,608
Street restoration	1,660,792	668,961	991,831
Tourist Park Lift Station	173,015	21,143	151,872
University Branch Dry Run Creek	153,000	84,099	68,901
Vehicle Storage Building	978,249	896,735	81,514
West 1st Street	56,600	12,467	44,133
	$ 14,762,265	$ 6,285,811	$ 8,476,454

Discretely Presented Component Units

Activity for the Electric Utility for the year ended December 31, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 991,704	$ --	--	$ 991,704
Construction in progress	22,575,670	3,607,233	916,519	25,266,384
Total capital assets, not being depreciated	$ 23,567,374	$ 3,607,233	$ 916,519	$ 26,258,088
Capital assets, being depreciated:				
Buildings	$ 12,240,914	$ 228,877	$ 42,453	$ 12,427,338
Land improvements	4,683	--	--	4,683
Machinery and equipment	15,070,537	2,820,998	432,273	17,459,262
Infrastructure	79,481,804	12,127,675	369,433	91,240,046
Total capital assets, being depreciated	$ 106,797,938	$ 15,177,550	$ 844,159	$ 121,131,329
Less accumulated depreciation	62,354,265	3,241,967	1,062,888	64,533,344
Total capital assets, being depreciated, net	$ 44,443,673	$ 11,935,583	$ (218,729)	$ 56,597,985
Electric Utility capital assets, net	$ 68,011,047	$ 15,542,816	$ 697,790	$ 82,856,073

Activity for the Gas Utility for the year ended December 31, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 41,350	$ --	$ --	$ 41,350
Construction in progress	92,439	481,857	57,592	516,704
Total capital assets, not being depreciated	$ 133,789	$ 481,857	$ 57,592	$ 558,054
Capital assets, being depreciated:				
Buildings	$ 1,136,911	$ 11,400	$ 2,607	$ 1,145,704
Machinery and equipment	661,692	88,341	--	750,033
Infrastructure	15,818,222	395,493	52,378	16,161,337
Total capital assets, being depreciated	$ 17,616,825	$ 495,234	$ 54,985	$ 18,057,074
Less accumulated depreciation	6,589,522	654,472	66,321	7,177,673
Total capital assets, being depreciated, net	$ 11,027,303	$ (159,238)	$ (11,336)	$ 10,879,401
Gas Utility capital assets, net	$ 11,161,092	$ 322,619	$ 46,256	$ 11,437,455

Activity for the Water Utility for the year ended December 31, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 63,581	$ --	$ 115	$ 63,466
Construction in progress	329,352	367,901	61,472	635,781
Total capital assets, not being depreciated	$ 392,933	$ 367,901	$ 61,587	$ 699,247
Capital assets, being depreciated:				
Buildings	$ 420,751	$ 4,766	$ 1,044	$ 424,473
Machinery and equipment	400,605	55,807	2,061	454,351
Infrastructure	18,513,891	1,840,241	58,252	20,295,880
Total capital assets, being depreciated	$ 19,335,247	$ 1,900,814	$ 61,357	$ 21,174,704
Less accumulated depreciation	6,150,127	460,092	61,471	6,548,748
Total capital assets, being depreciated, net	$ 13,185,120	$ 1,440,722	$ (114)	$ 14,625,956
Water Utility capital assets, net	$ 13,578,053	$ 1,808,623	$ 61,473	$ 15,325,203

Activity for the Communications Utility for the year ended December 31, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	$ 133,655	$ 470,159	$ 310,038	$ 293,776
Total capital assets, not being depreciated	$ 133,655	$ 470,159	$ 310,038	$ 293,776
Capital assets, being depreciated:				
Machinery and equipment	$ 248,666	$ 15,846	$ --	$ 264,512
Infrastructure	13,900,942	1,499,736	310,039	15,090,639
Total capital assets, being depreciated	$ 14,149,608	$ 1,515,582	$ 310,039	$ 15,355,151
Less accumulated depreciation	7,007,987	1,285,812	313,685	7,980,114
Total capital assets, being depreciated, net	$ 7,141,621	$ 229,770	$ (3,646)	$ 7,375,037
Communications Utility capital assets, net	$ 7,275,276	$ 699,929	$ 306,392	$ 7,668,813

D. Leases

Sartori Memorial Hospital

On January 1, 1997, the operations of Sartori Memorial Hospital (Hospital) were sold to Covenant Health Systems, Inc. As part of this sale, the City entered into a lease agreement with Sartori Memorial Hospital, Inc. (SMH), whereas the City will lease to SMH the land and buildings owned by the City and used in the Hospital's operations. The initial term of the lease shall be for a period of 25 years, with variable lease payments each year. The lease may be extended for up to three additional terms, with each additional term being for a period of five years. At the termination of this lease, Covenant Health Systems, Inc. will also pay to the City an amount of $660,378, which represents the liability arising from accrued vacation of Hospital personnel as of December 31, 1996. The present value of this liability as of June 30, 2007, is recorded as a receivable and deferred revenue in the Hospital Fund in the amount of $340,503.

Crystal Distribution Services

On November 12, 2001, the City entered into a lease agreement with Crystal Distribution Services, Inc. for the former Top Air building constructed in the City's industrial and technology park. The lease was amended on November 24, 2003. The lease agreement is for a period of twelve years with various monthly payments ranging from $10,000 to $20,000 payable to the City. Crystal Distribution Services will have the option to purchase the building upon expiration of the lease.

The leases for the Hospital and with Crystal Distribution Services are both being treated as operating leases by the City. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Hospital	Building
2008	$ 31,796	$ 143,100
2009	31,796	143,100
2010	31,796	143,100
2011	31,796	143,100
2012	31,796	143,100
2013 - 2017	158,978	274,275
2018 - 2021	127,179	--
Total	$ 445,137	$ 989,775

The capital assets being leased through the operating leases are as follows:

	Governmental Activities	
	Hospital	Building
Land	$ 151,494	$ --
Building	5,052,624	2,153,925
Less:		
Accumulated depreciation	(1,326,314)	(569,892)
Total	$ 3,877,804	$ 1,584,033

E. Long-term Debt

General Obligation Bonds

Unmatured general obligation bonds totaling $16,809,401, net of unamortized discount and unamortized deferred amount on refunding of $130,599, are outstanding as of June 30, 2007. These bonds bear interest with rates ranging from 1.15% to 5.25%; mature in varying annual amounts through June 30, 2018; and were originally issued for $27,730,000. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008	1,970,000	562,333	755,000	78,848
2009	1,860,000	492,668	165,000	56,198
2010	1,925,000	423,170	170,000	50,258
2011	2,045,000	349,585	180,000	44,095
2012	2,125,000	270,043	185,000	37,523
2013-2017	4,345,000	416,175	815,000	78,650
2018	400,000	46,023	--	--
Total	$ 14,670,000	$ 2,559,997	$ 2,270,000	$ 345,572

Tax Increment Financing Bonds

Unmatured tax increment financing bonds totaling $5,520,948 net of unamortized discount and unamortized deferred amount on refunding of $24,052, are outstanding as of June 30, 2007. These bonds bear interest with rates ranging from 2.50% to 4.70%; mature in varying annual amounts through June 30, 2014; and were originally issued for $8,405,000. Annual debt service requirements to maturity for tax increment financing bonds are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2008	880,000	199,478
2009	905,000	168,203
2010	835,000	134,838
2011	870,000	104,740
2012	905,000	73,023
2013-2014	1,150,000	59,293
Total	$ 5,545,000	$ 739,575

Revenue Bonds

Unmatured revenue bonds totaling $2,725,152, net of unamortized discounts of $14,848, are outstanding as of June 30, 2007. These bonds bear interest at rates of 2.00% to 5.50%; mature in varying annual amounts through June 30, 2012; and were originally issued for $5,490,000.

The revenue bond ordinances require that certain cash and investment amounts be segregated into various restricted reserve accounts, and that these amounts be used only for the payment of principal and interest on the related bonds when due or for other purposes, as set forth in the bond ordinances. As of the reporting date of each fund, $799,000 of cash and investments were segregated and included in the restricted reserve accounts.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2008	690,000	116,368
2009	750,000	85,548
2010	780,000	51,528
2011	255,000	15,488
2012	265,000	8,348
Total	$ 2,740,000	$ 277,280

As of June 30, 2007, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

Estimated actual valuation of taxable property within the City	$ 1,931,758,484
Debt limit - 5% of total actual valuation	$ 96,587,924
Debt applicable to debt limit:	
General obligation bonds	22,485,000
General obligation bonds - component unit	2,070,000
Legal debt margin	$ 72,032,924

All tax-exempt debt issued by the City is subject to IRS arbitrage rebate unless the City meets the $5 million small issuers exemption in a given year. As of June 30, 2007, the City had no arbitrage liability.

The City did not issue bonds during FY07.

Debt Summary

Following is a summary of the City's debt transactions for the year ended June 30, 2007, and the total bonded indebtedness of the City as of that date.

	Date of Issue	Balance Beginning of Year	Issued/ Incurred During Year	Redeemed/ Paid During Year	Balance End of Year	Amount Due Within One Year
Governmental Activities:						
General obligation bonds:						
Essential corporate purpose	1999	$ 40,000	$ --	$ 10,000	$ 30,000	$ 15,000
Essential corporate purpose	1999	2,085,000	--	215,000	1,870,000	225,000
Essential corporate purpose	2002	2,375,000	--	355,000	2,020,000	370,000
Essential corporate purpose	2002	385,000	--	385,000	--	--
Essential corporate purpose	2002	700,000	--	355,000	345,000	345,000
Essential corporate purpose	2004	2,035,000	--	225,000	1,810,000	230,000
Essential corporate purpose	2004	755,000	--	75,000	680,000	75,000
Essential corporate purpose	2006	8,485,000	--	570,000	7,915,000	710,000
		$ 16,860,000	$ --	$ 2,190,000	$ 14,670,000	$ 1,970,000
Less unamortized discount		68,060	--	11,312	56,748	--
Less unamortized deferred amount on refunding		83,003	--	14,746	68,257	--
		$ 16,708,937	$ --	$ 2,163,942	$ 14,544,995	$ 1,970,000
Tax increment financing bonds:						
Tax increment financing	1999	$ 285,000	--	$ 90,000	$ 195,000	$ 95,000
Tax increment financing	2001	1,945,000	--	290,000	1,655,000	305,000
Tax increment financing	2004	4,165,000	--	470,000	3,695,000	480,000
		$ 6,395,000	$ --	$ 850,000	$ 5,545,000	$ 880,000
Less unamortized discount		28,590	--	4,538	24,052	--
Less unamortized deferred amount on refunding		492	--	492	--	--
		$ 6,365,918	$ --	$ 844,970	$ 5,520,948	$ 880,000
Governmental activity total long-term debt		$ 23,074,855	$ --	$ 3,008,912	$ 20,065,943	$ 2,850,000
Business-type activities						
General obligation bonds:						
Sewer	2002	$ 1,465,000	$ --	$ 710,000	$ 755,000	$ 755,000
Sewer	2006	1,515,000	--	--	1,515,000	--
		$ 2,980,000	$ --	$ 710,000	$ 2,270,000	$ 755,000
Less unamortized discount		6,230	--	636	5,594	--
Less unamortized deferred amount on refunding		3,609	--	3,609	--	--
		$ 2,970,161	$ --	$ 705,755	$ 2,264,406	$ 755,000
Revenue bonds:						
Refunding	2002	$ 1,960,000	$ --	$ 455,000	$ 1,505,000	$ 460,000
Sewer	2004	1,460,000	--	225,000	1,235,000	230,000
		$ 3,420,000	$ --	$ 680,000	$ 2,740,000	$ 690,000
Less unamortized discount		19,150	--	4,302	14,848	--
		$ 3,400,850	$ --	$ 675,698	$ 2,725,152	$ 690,000
Business-type activity total long-term debt		$ 6,371,011	$ --	$ 1,381,453	$ 4,989,558	$ 1,445,000

Revenue Bonds and Installment Agreements – Electric Utility

The Series 1999A, 1999B, 2003, and 2005 revenue bonds require annual principal payments, due December 1, and semiannual interest payments, due June 1 and December 1. Interest rates throughout the term of the bonds are in a range between 3.25% and 7.125%. The bonds are secured by the future net revenues of the Utility. Long-term debt matures and bears interest as follows:

	Component Unit - Revenue Bonds	
Year Ending	Principal	Interest
2007	1,460,000	1,622,038
2008	1,525,000	1,557,341
2009	1,595,000	1,489,161
2010	1,670,000	1,414,140
2011	1,750,000	1,334,479
2012-2016	10,005,000	5,426,078
2017-2021	12,275,000	3,236,217
2022-2024	7,770,000	636,922
	$ 38,050,000	$ 16,716,376

The bond resolution provides certain covenants relating to the collection, segregation, and distribution of revenues from customers; places certain restrictions on the future of borrowing and leasing or disposition of assets; and requires that minimum insurance coverage be maintained.

Debt Summary – Electric Utility

Long-term debt activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
Series 1999A	$ 3,250,000	$ --	$ 375,000	$ 2,875,000	$ 400,000
Series 1999B	1,695,000	--	205,000	1,490,000	215,000
Series 2003	9,525,000	--	245,000	9,280,000	250,000
Series 2005	24,975,000	--	570,000	24,405,000	595,000
Total revenue bonds	$ 39,445,000	$ --	$ 1,395,000	$ 38,050,000	$ 1,460,000
Less: Unamortized discount	598,042	--	79,470	518,572	--
Add: Unamortized premium	161,252	--	21,036	140,216	--
Total long-term debt	$ 39,008,210	$ --	$ 1,336,566	$ 37,671,644	$ 1,460,000

Capital Loan Notes – Gas Utility

The Series 2005 capital loan notes require annual principal payments, due July 1, and semiannual interest payments, due January 1 and July 1. Interest rates throughout the term of the bonds and notes are in a range between 2.6% and 3.0%. The capital loan notes are secured by the future net revenues of the Utility. The capital loan notes mature and bear interest as follows:

	Component Unit - Capital Loan Notes	
Year Ending	Principal	Interest
2007	595,000	28,660
2008	400,000	12,000
	$ 995,000	$ 40,660

The bond resolution provides certain covenants relating to the collection, segregation, and distribution of revenues from customers; places certain restrictions on the future of borrowing and leasing or disposition of assets; and requires that minimum insurance coverage be maintained.

Debt Summary – Gas Utility

Long-term debt activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Capital Loan Notes:					
Series 2005	1,555,000	--	560,000	995,000	595,000
Less:					
Unamortized discount	1,985	--	645	1,340	--
Total long-term debt	$ 1,553,015	$ --	$ 559,355	$ 993,660	$ 595,000

General Obligation Bonds – Communications Utility

All general obligation (G.O.) bonds have been issued by the City on behalf of the Utility. The G.O. bonds require annual principal payments, due December 1, and semiannual interest payments, due June 1 and December 1. Interest rates throughout the term of the bonds are in a range between 2.50% and 5.50%. The total debt service obligations over the remaining term of the bonds are as follows:

	Component Unit - G.O. Bonds	
Year Ending	Principal	Interest
2007	365,000	81,917
2008	385,000	69,579
2009	395,000	56,120
2010	410,000	41,445
2011	145,000	25,518
2012-2013	370,000	32,857
	$ 2,070,000	$ 307,436

Capital Loan Notes – Communications Utility

The Series 1999 capital loan notes require annual principal payments, due December 1, and semiannual interest payments, due June 1 and December 1. Interest rates throughout the term of the bonds are in a range between 4.60% and 5.50%. The bonds are secured by the future net revenues of the Utility. The bonds mature and bear interest as follows:

	Component Unit - Capital Loan Notes	
Year Ending	Principal	Interest
2007	270,000	135,293
2008	285,000	122,062
2009	295,000	107,813
2010	310,000	92,768
2011	325,000	76,648
2012-2014	1,090,000	121,115
	$ 2,575,000	$ 655,699

The bond resolution provides certain covenants relating to the collection, segregation, and distribution of revenues from customers; places certain restrictions on the future of borrowing and leasing or disposition of assets; and requires that minimum insurance coverage be maintained.

The Board of Trustees of the Municipal Electric Utility authorized a loan to be extended to the Utility under Resolution No. 2759, 2840, 2939, 2994, and 3086. The December 31, 2006 outstanding balance on this loan was $1,848,090, bearing interest as 3.1%. The Board of Trustees of the Municipal Electric Utility approved a loan to be extended to the Utility under Resolution No. 3497. The December 31, 2006 outstanding balance on this loan was $625,000, bearing interest at 3.10%.

Debt Summary – Communications Utility

Long-term debt activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bond:					
Series 1998	$ 480,000	$ --	$ 35,000	$ 445,000	$ 40,000
Series 1999	475,000	--	45,000	430,000	45,000
Series 2002	1,470,000	--	275,000	1,195,000	280,000
Series 1999 capital loan notes	2,830,000	--	255,000	2,575,000	270,000
	$ 5,255,000	$ --	$ 610,000	$ 4,645,000	$ 635,000
Less: unamortized discount on debt	3,891	--	1,012	2,879	--
Less: unamortized premium on debt	675	--	(1,281)	1,956	--
	$ 5,250,434	$ --	$ 610,269	$ 4,640,165	$ 635,000

F. Long-term Liabilities

Accrued Compensated Absences

Following is a summary of the City's activity for accrued compensated absences for the year-ended June 30, 2007, and the total liability of the City as of that date as reported on the government-wide statement of net assets:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amount Payable Within One Year
Governmental activities	$ 2,386,412	$ 67,586	$ 95,787	$ 2,358,211	$ 560,227
Business-type activities	$ 367,423	$ 58,043	$ 23,504	$ 401,962	$ 95,484

The majority of compensated absences expenditures are paid for out of the General Fund. On July 1, 2004 the City instituted a new severance program. The new program will allow non-union employees hired after July 1, 1989 to accumulate sick leave. This accumulation may then be used by the employee for health insurance costs upon their termination with the city.

Contracts Payable

During FY04 the City entered into an agreement to purchase a total of 180 acres of land at an approximate total cost of $1.8 million. The contract includes 3 installments of 60 acres or $600,000 per installment. The City paid the first installment in FY04 and the second installment in FY05. Following is a summary of the City's activity for contracts payable for the year-ended June 30, 2007, and the total liability of the City as of that date as reported on the government-wide statement of net assets:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amount Payable Within One Year
Governmental activities	$ 600,000	$ --	$ --	$ 600,000	$ 600,000

G. Interfund Transactions

The following transfers represent individual fund interfund transfers as stated in the Fund Financial Statements.

Transfer To	Transfer From	Amount
General Fund	Street Construction Fund	$ 121,720
	Capital Improvements Fund	54,530
	Non-major Governmental Funds	91,791
	Sewer Fund	79,890
	Refuse Fund	102,660
		$ 450,591
Street Construction Fund	Refuse Fund	$ 421,475
Debt Service Fund	General Fund	$ 1,106,000
	Street Construction Fund	286,160
		$ 1,392,160
Capital Improvements Fund	General Fund	$ 74,809
	Debt Service	166,515
	Refuse Fund	413,867
		$ 655,191
Bond Fund	Refuse Fund	$ 150,718
Non-major Governmental Funds	General Fund	$ 418,775
	Debt Service Fund	2,425,938
		$ 2,844,713
Internal Service Fund	Bond Fund	$ 114,189
Sewer Fund	Debt Service	$ 380,506
Refuse Fund	Street Construction Fund	$ 65,170
	Sewer Fund	65,170
	Internal Service Fund	37,400
		$ 167,740
Storm Water	Bond Fund	$ 484,028
	Captial Improvement Fund	52,376
	Sewer Fund	7,362,278
		$ 7,898,682
	Total	$ 14,475,965

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move debt service payments from proprietary or special revenue funds to the debt service fund as debt service payments come due, (3) to move receipts from user fee generated funds to the general fund for certain administrative and custodial costs in the general fund, and (4) to move capital assets from the sewer fund to the newly created storm water fund.

H. Interfund Balances

Individual interfund receivable and payable balances by fund type as of June 30, 2007, were stated in the fund financial statements as follows:

Fund	Total Interfund Receivables	Total Interfund Payables
Nonmajor Governmental Funds	$ 701,509	$ 701,509

The balances are due to the elimination of reporting negative cash.

Note 4. Other Notes

A. Retirement Systems

IPERS

The City contributes to the Iowa Public Employees Retirement System (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 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The City's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were $443,459, $432,844, and $407,865 respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan), 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. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Fire and Police Retirement System of Iowa, 7155 Lake Dr., West Des Moines, Iowa 50263.

Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rate may not be less than 27.75% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 2007, 2006, and 2005 were $967,811 $961,066, and $824,382 respectively, which met the required minimum contribution for each year.

B. Due To/From Component Unit

Amounts due from the component unit to the general fund at June 30, 2007, were as follows:

	Due from
Component Unit:	
Electric utility	$ 600,000
Gas Utility	100,000
Total	$ 700,000

This amount differs from the amount reported as due to primary government since the Electric Utility and Gas Utility component units have a calendar year end of December 31, 2006.

C. Related Party Transactions

During the fiscal year ended June 30, 2003, the Black Hawk County Solid Waste Management Commission, which is a jointly governed organization, passed a resolution for annual distributions of its excess funds. The prorated share for the City of Cedar Falls is estimated at $564,721 to be received each year for the next fifteen years. The payments received in fiscal years ended June 30, 2003, 2004, 2005, 2006 and 2007 have been recorded in the Refuse Fund as other operating revenue.

D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government has established various funds to account for and finance its uninsured risks of loss.

The City has established a Health Insurance Reserve Fund for insuring 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 stop loss amount of $85,000 and an aggregate stop loss of approximately $2,377,760 for 2007. Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate.

All funds of the City participate in the program and make payments to the Health Insurance Reserve Fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The City has also established reserve funds for insuring workers' compensation, liability, and long-term disability claims which are included in the general fund type. Liability benefits were self-insured up to a specific stop loss amount of $100,000 and an aggregate stop loss amount of $260,000. Long-term disability benefits are self funded for the first six months, and the maximum benefit per individual is $18,000. Workers' compensation benefits were self-insured up to an aggregate stop loss amount of $350,000 with no specific stop loss amount. Coverage from private insurers is maintained for losses in excess of the stop loss amounts. An independent claims administrator performs all claims handling procedures.

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

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim

adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Changes in reported liabilities for the fiscal year ended June 30, 2007, are summarized as follows:

	Health Insurance Reserve Fund	Risk Management Fund: Workers' Compensation Reserve	Risk Management Fund: Liability Reserve	Risk Management Fund: Long-Term Disability Reserve	Total
Claim liabilities June 30, 2005	$ 252,806	$ 1,150,914	$ --	$ --	$ 1,403,720
Claims and changes in estimates during fiscal year 2006	1,707,599	458,875	--	--	2,166,474
Claim payments	(1,666,005)	(513,862)	--	--	(2,179,867)
Claim liabilities June 30, 2006	$ 294,400	$ 1,095,927	$ --	$ --	$ 1,390,327
Claims and changes in estimates during fiscal year 2007	1,584,959	(130,381)	--	--	1,454,578
Claim payments	(1,617,523)	(518,932)	--	--	(2,136,455)
Claim liabilities June 30, 2007	$ 261,836	$ 446,614	$ --	$ --	$ 708,450

E. Commitments and Contingencies

Legal counsel has reported that as of June 30, 2007, there were claims and losses that are on file against the City. The City has the authority to levy additional taxes outside the regular limit to fund any uninsured judgment against the City. However, it is estimated that all of these claims and losses will be covered by insurance when exceeding stop loss limits, and the amounts prior to reaching these limits would not materially affect future financial statements of the City.

F. New Governmental Accounting Standards Board (GASB) Standards

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

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* issued April 2004, will be effective for the City for the fiscal year ending June 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26. This statement affects reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* issued June 2004, will be effective for the City for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable,

required supplementary information (RSI) in the financial reports of state and local governmental employers.

Statement No. 47, *Accounting for Termination Benefits* issued June 2005, establishes accounting standards for termination benefits. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, this statement is effective for the fiscal year ended June 30, 2006.

Statement No. 48, *Sales and Pledges of Receivables and Future Revenue and Intra–Entity Transfers of Assets and Future Revenues* issued September 2006, establishes criteria that government will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged or sold. This statement is effective for the fiscal year ending June 30, 2008

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* issued November 2006, provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. This statement is effective for the fiscal year ending June 30, 2009.

Statement No. 50, *Pension Disclosures* issued May 2007, will be effective for the fiscal year ending June 30, 2008. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits.

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 that all intangible assets not specifically excluded by its scope be classified as capital assets.

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

City of Cedar Falls

Downtown Parkade

City of Cedar Falls, Iowa

Budgetary Comparison Schedule - Function Budget
For the Year Ended June 30, 2007

	Budgeted Amounts	
	Original	Final
Revenues:		
Property taxes and assessments	$ 18,910,457	$ 18,910,457
Other City taxes	4,361,070	4,373,770
Licenses and permits	764,000	764,000
Use of money and property	1,504,800	1,554,900
Intergovernmental	13,012,710	13,160,710
Charges for services	8,630,100	8,825,430
Miscellaneous	5,521,443	7,624,243
Total revenues	$ 52,704,580	$ 55,213,510
Expenditures:		
Current:		
Public safety	$ 7,527,260	$ 7,646,260
Public works	9,444,810	9,561,810
Health and social services	862,400	862,400
Culture and recreation	5,359,100	5,618,530
Community and economic development	2,318,250	2,361,250
General government	3,925,020	3,958,520
Debt service	4,430,560	4,475,560
Capital projects	14,245,280	20,645,280
Business-type	8,142,630	9,566,330
Total expenditures	$ 56,255,310	$ 64,695,940
Excess (deficiency) of revenues over (under) expenditures	$ (3,550,730)	$ (9,482,430)
Other financing sources (uses):		
Proceeds from long-term debt	$ 4,696,000	$ 4,696,000
Transfers in	10,492,840	10,492,840
Transfers out	(10,492,840)	(10,492,840)
Total other financing sources (uses)	$ 4,696,000	$ 4,696,000
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	$ 1,145,270	$ (4,786,430)
Fund balances, beginning	50,378,461	50,378,461
Fund balances, ending	$ 51,523,731	$ 45,592,031

See notes to the required supplementary information.

Actual Amounts	Variance with Final Budget - Positive (Negative)
$ 18,928,988	$ 18,531
4,534,808	161,038
772,224	8,224
3,461,025	1,906,125
8,453,347	(4,707,363)
8,861,802	36,372
3,840,172	(3,784,071)
$ 48,852,366	$ (6,361,144)
$ 7,351,267	$ 294,993
7,486,746	2,075,064
838,185	24,215
5,308,733	309,797
2,301,544	59,706
3,920,132	38,388
4,398,937	76,623
9,732,042	10,913,238
9,267,059	299,271
$ 50,604,645	$ 14,091,295
$ (1,752,279)	$ 7,730,151
$ --	$ (4,696,000)
13,862,385	3,369,545
(13,862,385)	(3,369,545)
$ --	$ (4,696,000)
$ (1,752,279)	$ 3,034,151
60,873,934	10,495,473
$ 59,121,655	$ 13,529,624

Note A - Budgetary Reporting

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis plus recorded accounts payable following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and

Formal and legal budgetary control is based upon 9 major classes of disbursements known as functions, not by fund or fund type. These 9 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by $8,440,630. These budget amendments are reflected in the final budget amounts.

Note B - Explanation of Differences between Budgetary Sources and Uses of funds and GAAP Revenues and Expenditures for the GAAP General Fund and Major Special Revenue Funds

	Function Budget
Sources	
Actual amounts (budgetary basis) "total revenues" from the budgetary comparison schedule - function budget	$ 48,852,366
Adjustments:	
The City budgets for all receipts on the cash basis, rather than the modified accrual or accrual basis	(2,025,418)
Total revenues for the function budget on a GAAP basis of accounting	$ 46,826,948
Reclassifications:	
The City reports sources of funds in the function budget as revenues in other major and nonmajor funds for GAAP reporting:	
Debt Service Fund	(5,567,215)
Capital Improvements capital projects Fund	(1,580,528)
Bond capital projects Fund	(1,068,707)
Nonmajor governmental GAAP funds	(4,923,346)
Business-type enterprise funds	(7,272,868)
Total revenues for general fund and major special revenue funds	$ 26,414,284
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	$ 17,909,874
Hospital Fund	633,518
Street Repair Fund	4,787,247
Street Construction Fund	3,083,645
Total revenues for general fund and major special revenue funds	$ 26,414,284

	Function Budget
Uses	
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule - function budget	$ 50,604,645
Adjustments	
The City budgets for expenditures on the cash basis, rather than on the modified accrual or accrual basis on all items except payments to suppliers	
The city does not budget for depreciation	(7,777,479)
Total uses for the function budget on a GAAP basis of accounting	$ 42,827,166
Reclassifications:	
The City reports uses of funds in the function budget as expenditures in other major and nonmajor funds for GAAP reporting:	
Debt Service Fund	(3,956,414)
Capital Improvements capital projects Fund	(900,781)
Bond capital projects Fund	(2,582,559)
Nonmajor governmental GAAP funds	(5,398,297)
Business-type enterprise funds	(5,730,898)
Total expenditures for general fund and major special revenue funds	$ 24,258,217
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds:	
General Fund	$ 16,873,371
Hospital Fund	823,435
Street Repair Fund	3,112,506
Street Construction Fund	3,448,905
Total expenditures for general fund and major special revenue funds	$ 24,258,217

City of Cedar Falls

College Hill Arts Festival

City of Cedar Falls, Iowa

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Page 1 of 3)

	Community Development Fund	Housing Assistance Fund	Recreation & Public Safety Fund
ASSETS			
Cash	$ 47,580	$ 1,264,241	$ 1,079,575
Receivables, net of allowance for uncollectible amounts:			
Property taxes	--	--	--
Other city taxes	--	--	--
Accrued interest	--	--	10,750
Other	--	--	--
Due from other funds	--	--	--
Due from other governments	91,108	--	--
Inventories	--	--	--
Total assets	$ 138,688	$ 1,264,241	$ 1,090,325
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 19,503	$ 276	$ 4,309
Accrued liabilities	3,686	2,932	--
Deferred revenue	31,009	--	--
Due to other funds	--	--	--
Total liabilities	$ 54,198	$ 3,208	$ 4,309
FUND BALANCES			
Reserved for:			
Employee retirement system	$ --	$ --	$ --
Inventories	--	--	--
Unreserved, undesignated, reported in:			
Special revenue funds	84,490	1,261,033	1,086,016
Capital projects funds	--	--	--
Total fund balances (deficit)	$ 84,490	$ 1,261,033	$ 1,086,016
Total liabilities and fund balances	$ 138,688	$ 1,264,241	$ 1,090,325

Special Revenue				
Cable Television	Cultural Services	Parking Fund	Police Retirement	Fire Retirement
$ 768,170	$ 109,115	$ 729,460	$ 2,957,900	$ 2,616,897
--	--	--	399,917	326,970
--	--	--	--	--
11,416	1,419	11,221	14,002	9,734
97,129	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	3,065	--	--
$ 876,715	$ 110,534	$ 743,746	$ 3,371,819	$ 2,953,601
$ 6,923	$ --	$ 13,781	$ --	$ --
7,994	--	2,869	--	--
--	--	--	397,517	325,170
--	--	--	--	--
$ 14,917	$ --	$ 16,650	$ 397,517	$ 325,170
$ --	$ --	$ --	$ 2,974,302	$ 2,628,431
--	--	3,065	--	--
861,798	110,534	724,031	--	--
--	--	--	--	--
$ 861,798	$ 110,534	$ 727,096	$ 2,974,302	$ 2,628,431
$ 876,715	$ 110,534	$ 743,746	$ 3,371,819	$ 2,953,601

(continued)

City of Cedar Falls, Iowa

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Page 2 of 3)

	Special Revenue		
	Visitor & Tourism	Community Center & Sr Services	Greenwood Perpetual Care
ASSETS			
Cash	$ 303,330	$ 11,249	$ 168,741
Receivables, net of allowance for uncollectible amounts:			
Property taxes	--	--	--
Other city taxes	77,467	--	--
Accrued interest	3,384	577	--
Other	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Inventories	24,211	--	--
Total assets	$ 408,392	$ 11,826	$ 168,741
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 18,693	$ 1,204	$ --
Accrued liabilities	4,889	603	--
Deferred revenue	77,467	--	--
Due to other funds	--	--	--
Total liabilities	$ 101,049	$ 1,807	$ --
FUND BALANCES			
Reserved for:			
Employee retirement system	$ --	$ --	$ --
Inventories	24,211	--	--
Unreserved, undesignated, reported in:			
Special revenue funds	283,132	10,019	168,741
Capital projects funds	--	--	--
Total fund balances (deficit)	$ 307,343	$ 10,019	$ 168,741
Total liabilities and fund balances	$ 408,392	$ 11,826	$ 168,741

Special Revenue		Capital Projects			
Fairview Perpetual Care	Hillside Perpetual Care	Washington Park Renovation	FEMA	Flood Reserve	Vision Iowa
$ 91,994	$ 28,568	$ 27,097	$ 367,462	$ 150,284	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	409	5,549	2,288	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	67,992	700,000
--	--	--	--	--	--
$ 91,994	$ 28,568	$ 27,506	$ 373,011	$ 220,564	$ 700,000
$ --	$ --	$ --	$ --	$ --	$ 423
--	--	--	--	--	--
--	--	--	--	60,674	700,000
--	--	--	--	--	699,577
$ --	$ --	$ --	$ --	$ 60,674	$ 1,400,000
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
91,994	28,568	--	--	--	--
--	--	27,506	373,011	159,890	(700,000)
$ 91,994	$ 28,568	$ 27,506	$ 373,011	$ 159,890	$ (700,000)
$ 91,994	$ 28,568	$ 27,506	$ 373,011	$ 220,564	$ 700,000

(continued)

City of Cedar Falls, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Page 3 of 3)

	Capital Projects		
	Sidewalk Assessment	Economic Development Capital	Total
ASSETS			
Cash	$ --	$ 2,759,358	$ 13,481,021
Receivables, net of allowance for uncollectible amounts:			
Property taxes	--	--	726,887
Other city taxes	--	--	77,467
Accrued interest	--	29,681	100,430
Other	--	--	97,129
Due from other funds	--	701,509	701,509
Due from other governments	--	--	859,100
Inventories	--	--	27,276
Total assets	$ --	$ 3,490,548	$ 16,070,819
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ --	$ 7,772	$ 72,884
Accrued liabilities	--	--	22,973
Deferred revenue	--	11,925	1,603,762
Due to other funds	1,932	--	701,509
Total liabilities	$ 1,932	$ 19,697	$ 2,401,128
FUND BALANCES			
Reserved for:			
Employee retirement system	$ --	$ --	$ 5,602,733
Inventories	--	--	27,276
Unreserved, undesignated, reported in:			
Special revenue funds	--	--	4,710,356
Capital projects funds	(1,932)	3,470,851	3,329,326
Total fund balances (deficit)	$ (1,932)	$ 3,470,851	$ 13,669,691
Total liabilities and fund balances	$ --	$ 3,490,548	$ 16,070,819

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007
(Page 1 of 3)

	Community Development Fund	Housing Assistance Fund	Recreation & Public Safety Fund
Revenues:			
Property taxes and assessments	$ --	$ --	$ --
Other city taxes	--	--	--
Use of money and property	--	45,638	38,505
Intergovernmental	448,271	1,603,781	--
Charges for services	--	--	196,277
Fines and forfeitures	--	--	38,744
Miscellaneous	--	8,190	--
Total revenues	$ 448,271	$ 1,657,609	$ 273,526
Expenditures:			
Current:			
Public safety	$ --	$ --	$ 11,983
Public works	--	--	--
Culture and recreation	--	--	61,471
Community and economic development	429,165	1,198,572	--
General government	--	--	--
Capital projects	--	--	--
Total expenditures	$ 429,165	$ 1,198,572	$ 73,454
Excess (deficiency) of revenues over (under) expenditures	$ 19,106	$ 459,037	$ 200,072
Other financing sources (uses):			
Transfers in	$ --	$ --	$ 298,395
Transfers out	--	--	--
Total other financing sources (uses)	$ --	$ --	$ 298,395
Net change in fund balances	$ 19,106	$ 459,037	$ 498,467
Fund balances, beginning	65,384	801,996	587,549
Increase (decrease) in reserve for inventories	--	--	--
Fund balances, ending	$ 84,490	$ 1,261,033	$ 1,086,016

Special Revenue				
Cable Television	Cultural Services	Parking Fund	Police Retirement	Fire Retirement
$ --	$ --	$ --	$ 420,403	$ 338,362
--	--	--	--	--
41,153	3,803	39,825	128,868	112,734
--	--	--	--	--
368,013	--	34,240	--	--
--	--	209,161	--	--
11,075	7,429	--	--	--
$ 420,241	$ 11,232	$ 283,226	$ 549,271	$ 451,096
$ --	$ --	$ --	$ 534,433	$ 433,377
--	--	211,052	--	--
--	8,470	--	--	--
--	--	--	--	--
272,320	--	--	--	--
--	--	--	--	--
$ 272,320	$ 8,470	$ 211,052	$ 534,433	$ 433,377
$ 147,921	$ 2,762	$ 72,174	$ 14,838	$ 17,719
$ --	$ --	$ --	$ --	$ --
(34,160)	--	(12,010)	--	--
$ (34,160)	$ --	$ (12,010)	$ --	$ --
$ 113,761	$ 2,762	$ 60,164	$ 14,838	$ 17,719
748,037	107,772	666,434	2,959,464	2,610,712
--	--	498	--	--
$ 861,798	$ 110,534	$ 727,096	$ 2,974,302	$ 2,628,431

(continued)

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007
(Page 2 of 3)

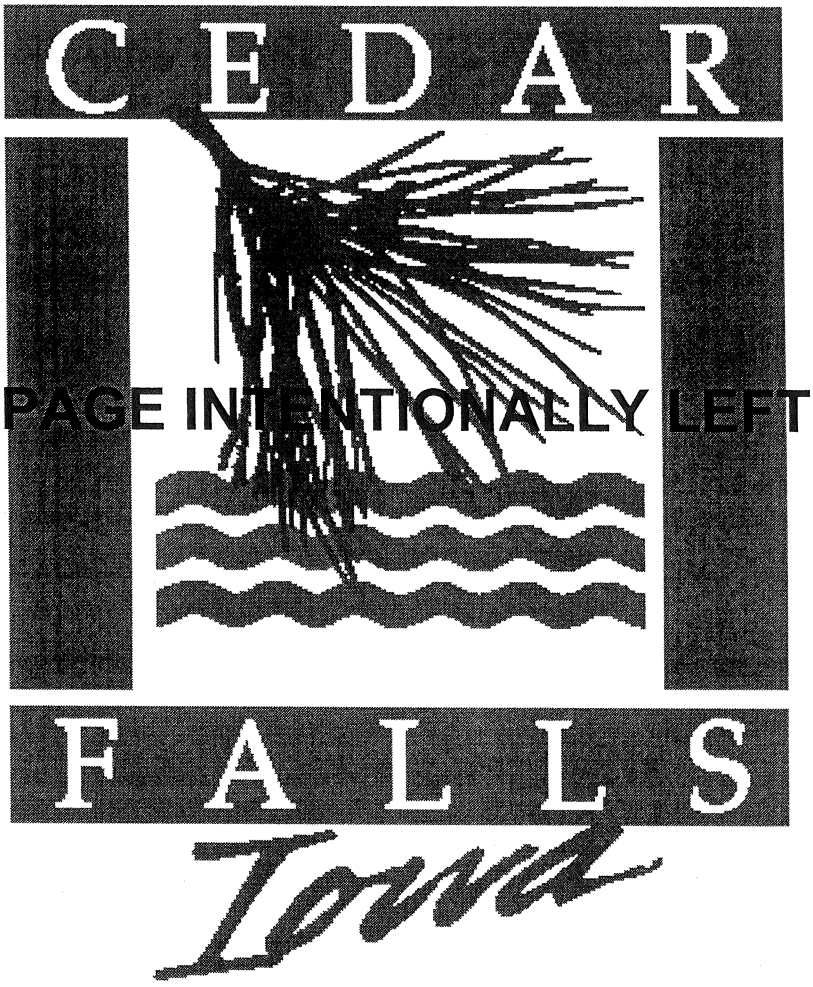
	Special Revenue		
	Visitor & Tourism	Community Center & Sr Services	Greenwood Perpetual Care
Revenues:			
Property taxes and assessments	$ --	$ --	$ --
Other city taxes	272,516	--	--
Use of money and property	14,267	19,743	--
Intergovernmental	--	--	--
Charges for services	--	2,839	3,295
Fines and forfeitures	--	--	--
Miscellaneous	26,507	--	--
Total revenues	$ 313,290	$ 22,582	$ 3,295
Expenditures:			
Current:			
Public safety	$ --	$ --	$ --
Public works	--	--	--
Culture and recreation	290,306	37,490	--
Community and economic development	--	--	--
General government	--	--	--
Capital projects	--	--	--
Total expenditures	$ 290,306	$ 37,490	$ --
Excess (deficiency) of revenues over (under) expenditures	$ 22,984	$ (14,908)	$ 3,295
Other financing sources (uses):			
Transfers in	$ 50,380	$ --	$ --
Transfers out	(9,648)	(15,973)	--
Total other financing sources (uses)	$ 40,732	$ (15,973)	$ --
Net change in fund balances	$ 63,716	$ (30,881)	$ 3,295
Fund balances, beginning	237,587	40,900	165,446
Increase (decrease) in reserve for inventories	6,040	--	--
Fund balances, ending	$ 307,343	$ 10,019	$ 168,741

Special Revenue		Capital Projects			
Fairview Perpetual Care	Hillside Perpetual Care	Washington Park Renovation	FEMA	Flood Reserve	Vision Iowa
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	1,485	20,143	7,907	--
--	--	--	--	7,317	--
4,366	885	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
$ 4,366	$ 885	$ 1,485	$ 20,143	$ 15,224	$ --
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	103,122
$ --	$ --	$ --	$ --	$ --	$ 103,122
$ 4,366	$ 885	$ 1,485	$ 20,143	$ 15,224	$ (103,122)
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
$ --	$ --	$ --	$ --	$ --	$ --
$ 4,366	$ 885	$ 1,485	$ 20,143	$ 15,224	$ (103,122)
87,628	27,683	26,021	352,868	144,666	(596,878)
--	--	--	--	--	--
$ 91,994	$ 28,568	$ 27,506	$ 373,011	$ 159,890	$ (700,000)

(continued)

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007
(Page 3 of 3)

	Capital Projects		
	Sidewalk Assessment	Economic Development Capital	Total
Revenues:			
Property taxes and assessments	$ 178	$ --	$ 758,943
Other city taxes	--	--	272,516
Use of money and property	--	252,099	726,170
Intergovernmental	--	--	2,059,369
Charges for services	--	--	609,915
Fines and forfeitures	--	--	247,905
Miscellaneous	--	195,327	248,528
Total revenues	$ 178	$ 447,426	$ 4,923,346
Expenditures:			
Current:			
Public safety	$ --	$ --	$ 979,793
Public works	--	--	211,052
Culture and recreation	--	--	397,737
Community and economic development	--	--	1,627,737
General government	--	--	272,320
Capital projects	--	1,806,536	1,909,658
Total expenditures	$ --	$ 1,806,536	$ 5,398,297
Excess (deficiency) of revenues over (under) expenditures	$ 178	$ (1,359,110)	$ (474,951)
Other financing sources (uses):			
Transfers in	$ --	$ 2,495,938	$ 2,844,713
Transfers out	--	(20,000)	(91,791)
Total other financing sources (uses)	$ --	$ 2,475,938	$ 2,752,922
Net change in fund balances	$ 178	$ 1,116,828	$ 2,277,971
Fund balances, beginning	(2,110)	2,354,023	11,385,182
Increase (decrease) in reserve for inventories	--	--	6,538
Fund balances, ending	$ (1,932)	$ 3,470,851	$ 13,669,691



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City of Cedar Falls, Iowa

Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

	Health Insurance	Health Insurance Severance	Payroll
ASSETS			
Current assets:			
Cash	$ 3,660,219	$ 5,856	$ 2,028,443
Receivables, net of allowance for uncollectible amounts:			
Accrued interest	48,817	--	31,785
Inventories	--	--	--
Total current assets	$ 3,709,036	$ 5,856	$ 2,060,228
Noncurrent assets:			
Capital assets:			
Buildings	$ --	$ --	$ --
Machinery and equipment	--	--	--
Accumulated depreciation	--	--	--
Total noncurrent assets	$ --	$ --	$ --
Total assets	$ 3,709,036	$ 5,856	$ 2,060,228
LIABILITIES			
Current liabilities:			
Accounts payable	$ 5,056	$ 5,856	$ --
Accrued liabilities	261,836	--	--
Compensated absences due within one year	--	--	--
Noncurrent liabilities:			
Compensated absences after one year	--	--	--
Total liabilities	$ 266,892	$ 5,856	$ --
NET ASSETS			
Invested in capital assets	$ --	$ --	$ --
Unrestricted	3,442,144	--	2,060,228
Total net assets	$ 3,442,144	$ --	$ 2,060,228

Risk Management	Data Processing	Vehicle Maintenance	Total
$ 3,839,542	$ 700,679	$ 600,178	$ 10,834,917
57,261	9,703	10,683	158,249
--	3,528	60,977	64,505
$ 3,896,803	$ 713,910	$ 671,838	$ 11,057,671
$ --	$ --	$ 90,302	$ 90,302
--	910,350	6,278,677	7,189,027
--	(540,037)	(3,016,769)	(3,556,806)
$ --	$ 370,313	$ 3,352,210	$ 3,722,523
$ 3,896,803	$ 1,084,223	$ 4,024,048	$ 14,780,194
$ 26,261	$ 2,930	$ 57,167	$ 97,270
446,614	8,879	10,374	727,703
--	13,616	13,042	26,658
--	--	26,424	26,424
$ 472,875	$ 25,425	$ 107,007	$ 878,055
$ --	$ 370,314	$ 3,352,210	$ 3,722,524
3,423,928	688,484	564,831	10,179,615
$ 3,423,928	$ 1,058,798	$ 3,917,041	$ 13,902,139

City of Cedar Falls, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2007

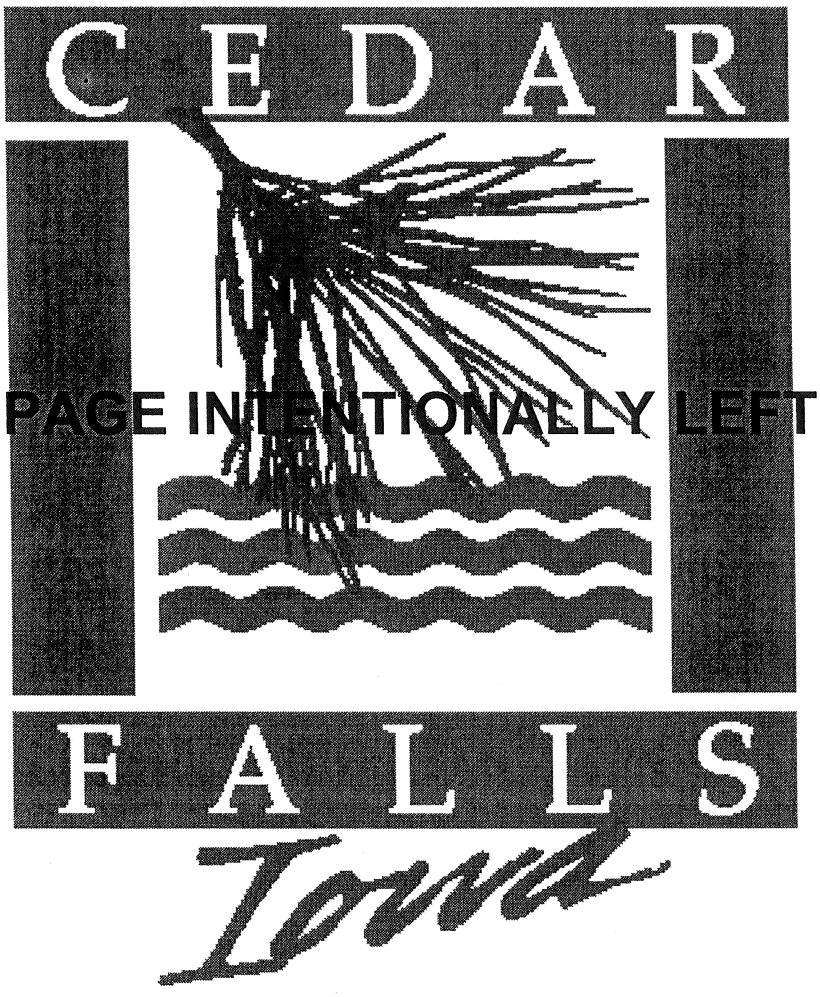
	Health Insurance	Health Insurance Severance	Payroll
Operating revenues:			
Charges for services	$ 2,438,081	$ --	$ 227,760
Other	131,996	--	159
Total operating revenues	$ 2,570,077	$ --	$ 227,919
Operating expenses:			
Personal services	$ --	$ --	$ 113,499
Contractual services	1,818,442	--	--
Supplies and equipment	--	--	--
Depreciation	--	--	--
Total operating expenses	$ 1,818,442	$ --	$ 113,499
Operating income (loss)	$ 751,635	$ --	$ 114,420
Nonoperating revenues (expenses):			
Use of money and property	$ 180,867	$ --	$ 116,441
Loss on disposal of equipment	--	--	--
Nonoperating revenues (expenses)	$ 180,867	$ --	$ 116,441
Income (loss) before transfers	$ 932,502	$ --	$ 230,861
Transfers in	$ --	$ --	$ --
Transfers out	--	--	--
Total transfers	$ --	$ --	$ --
Change in net assets	$ 932,502	$ --	$ 230,861
Net assets, beginning	2,509,642	--	1,829,367
Net assets, ending	$ 3,442,144	$ --	$ 2,060,228

Risk Management	Data Processing	Vehicle Maintenance	Total
$ 686,429	$ 580,885	$ 1,235,260	$ 5,168,415
3,224	232	29,038	164,649
$ 689,653	$ 581,117	$ 1,264,298	$ 5,333,064
$ --	$ 251,843	$ 315,474	$ 680,816
199,082	216,345	152,894	2,386,763
--	43,675	576,564	620,239
--	72,338	355,262	427,600
$ 199,082	$ 584,201	$ 1,400,194	$ 4,115,418
$ 490,571	$ (3,084)	$ (135,896)	$ 1,217,646
$ 206,930	$ 36,452	$ 37,232	$ 577,922
--	(7,390)	(68,398)	(75,788)
$ 206,930	$ 29,062	$ (31,166)	$ 502,134
$ 697,501	$ 25,978	$ (167,062)	$ 1,719,780
$ --	$ 114,189	$ --	$ 114,189
--	--	(37,400)	(37,400)
$ --	$ 114,189	$ (37,400)	$ 76,789
$ 697,501	$ 140,167	$ (204,462)	$ 1,796,569
2,726,427	918,631	4,121,503	12,105,570
$ 3,423,928	$ 1,058,798	$ 3,917,041	$ 13,902,139

City of Cedar Falls, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2007

	Health Insurance	Health Insurance Severance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interfund services	$ 2,438,081	$ --
Payments to suppliers	(1,719,010)	--
Payments to employees	--	(5,837)
Net cash provided by (used for) operating activities	$ 719,071	$ (5,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	$ --	$ --
Transfers to other funds	--	--
Net cash provided by (used for) financing activities	$ --	$ --
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net acquisition of property and equipment	$ --	$ --
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	$ 165,710	$ --
Net increase (decrease) in cash	$ 884,781	$ (5,837)
CASH BALANCES, Beginning	2,775,438	11,693
CASH BALANCES, Ending	$ 3,660,219	$ 5,856
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ 751,635	$ --
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	--	--
Change in assets and liabilities:		
(Increase) decrease in:		
Inventories	--	--
Increase (decrease) in accounts payable, accrued and other liabilities	(32,564)	(5,837)
Net cash provided by (used for) operating activities	$ 719,071	$ (5,837)

Payroll	Risk Management	Data Processing	Vehicle Maintenance	Total
$ 227,760	$ 686,429	$ 580,885	$ 1,235,260	$ 5,168,415
--	(880,495)	(289,835)	(694,656)	(3,583,996)
(174,183)	--	(250,587)	(311,692)	(742,299)
$ 53,577	$ (194,066)	$ 40,463	$ 228,912	$ 842,120
$ --	$ --	$ 114,189	$ --	$ 114,189
--	--	--	(37,400)	(37,400)
$ --	$ --	$ 114,189	$ (37,400)	$ 76,789
$ --	$ --	$ (120,467)	$ (184,641)	$ (305,108)
$ 110,810	$ 200,298	$ 34,298	$ 36,896	$ 548,012
$ 164,387	$ 6,232	$ 68,483	$ 43,767	$ 1,161,813
1,864,056	3,833,310	632,196	556,411	9,673,104
$ 2,028,443	$ 3,839,542	$ 700,679	$ 600,178	$ 10,834,917
$ 114,420	$ 490,571	$ (3,084)	$ (135,896)	$ 1,217,646
--	--	72,338	355,262	427,600
--	--	(5)	(12,228)	(12,233)
(60,843)	(684,637)	(28,786)	21,774	(790,893)
$ 53,577	$ (194,066)	$ 40,463	$ 228,912	$ 842,120



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City of Cedar Falls, Iowa

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source*
June 30, 2007 and 2006

	2007	2006
Governmental fund capital assets:		
Land	$ 13,864,040	$ 12,684,630
Land improvements	10,894,611	9,973,771
Buildings	25,443,094	24,290,615
Machinery and equipment	6,376,362	5,903,645
Infrastructure	124,797,771	115,817,373
Construction in progress	3,352,251	6,070,788
Total governmental funds capital assets	$ 184,728,129	$ 174,740,822
Investments in governmental funds capital assets by source:		
General fund	$ 21,162,521	$ 21,158,584
Special revenue funds	30,500,123	27,396,846
Capital projects funds	104,892,487	101,666,734
Internal service	10,875	10,875
Donations	28,162,123	24,507,783
Total governmental funds capital assets	$ 184,728,129	$ 174,740,822

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Cedar Falls, Iowa

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity *
June 30, 2007

Function and Activity	Land	Land Improvements	Buildings
Public Safety	$ 12,500	$ --	$ 970,339
Public Works	177,384	1,829,059	426,524
Health & Social Services	151,494	--	5,873,537
Culture and Recreation	2,628,942	8,738,006	12,074,448
Community and Economic Development	10,839,819	327,546	2,153,925
General Government	53,901	--	3,944,321
	$ 13,864,040	$ 10,894,611	$ 25,443,094

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Machinery and Equipment	Infrastructure	Construction in Progress	Total
$ 502,189	$ --	$ --	$ 1,485,028
2,441,015	119,517,310	2,749,729	127,141,021
--	--	--	6,025,031
2,456,366	5,280,461	601,072	31,779,295
26,278	--	1,450	13,349,018
950,514	--	--	4,948,736
$ 6,376,362	$ 124,797,771	$ 3,352,251	$ 184,728,129

City of Cedar Falls, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity *
For the Fiscal Year Ended June 30, 2007

	Governmental Funds Capital Assets July 1, 2006	Additions	Deletions	Governmental Funds Capital Assets June 30, 2007
Public Safety	$ 1,164,890	$ 342,614	$ 22,476	$ 1,485,028
Public Works	119,507,344	12,713,451	5,079,774	127,141,021
Health & Social Services	5,204,119	820,912	--	6,025,031
Culture and Recreation	31,025,254	763,692	9,651	31,779,295
Community and Economic Development	12,917,755	999,050	567,787	13,349,018
General Government	4,921,460	35,622	8,346	4,948,736
	$ 174,740,822	$ 15,675,341	$ 5,688,034	$ 184,728,129

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Cedar Falls, Iowa
Statistical Section

This part of the City statistical'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 the city's overall financial health.

Contents Page

Financial Trends
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time. 101

Revenue Capacity
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax. 111

Debt Capacity
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future 119

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place. 131

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs. 136

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Cedar Falls, Iowa
Net Assets by Component
Last Five Fiscal Years
(Accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Governmental activities			
Invested in capital assets, net of related debt	$ 82,419,682	$ 94,618,419	$ 100,850,333
Restricted	14,924,796	15,944,416	16,688,108
Unrestricted	37,157,458	34,315,853	36,568,953
Total governmental activities net assets	$ 134,501,936	$ 144,878,688	$ 154,107,394
Business-type activities			
Invested in capital assets, net of related debt	$ 24,686,106	$ 26,644,501	$ 28,566,202
Restricted	609,000	808,500	808,500
Unrestricted	6,566,425	6,340,472	6,179,451
Total business-type activities net assets	$ 31,861,531	$ 33,793,473	$ 35,554,153
Primary government			
Invested in capital assets, net of related debt	$ 107,105,788	$ 121,262,920	$ 129,416,535
Restricted	15,533,796	16,752,916	17,496,608
Unrestricted	43,723,883	40,656,325	42,748,404
Total primary government net assets	$ 166,363,467	$ 178,672,161	$ 189,661,547

Fiscal Year	
2006	2007
$ 108,359,511	$ 113,859,357
17,167,913	18,571,430
37,686,372	42,994,411
$ 163,213,796	$ 175,425,198
$ 30,991,450	$ 36,487,852
808,500	808,500
6,285,467	5,569,366
$ 38,085,417	$ 42,865,718
$ 139,350,961	$ 150,347,209
17,976,413	19,379,930
43,971,839	48,563,777
$ 201,299,213	$ 218,290,916

City of Cedar Falls, Iowa
Changes in Net Assets
Last Five Fiscal Years
(Accrual basis of accounting)
(Page 1 of 2)

	Fiscal Year	
	2003	2004
Expenses		
Governmental activities:		
Public safety	$ 5,485,120	$ 6,378,906
Public works	7,554,513	8,083,107
Health and social services	367,638	177,236
Culture and recreation	4,388,937	4,788,464
Community and economic development	2,461,419	2,641,914
General government	3,164,667	3,309,062
Debt service	1,267,811	1,046,548
Capital projects	174,271	119,579
Total governmental activities expenses	24,864,376	26,544,816
Business-type activities:		
Sewer	2,722,667	2,656,015
Refuse	1,668,192	1,699,546
Storm Water	--	--
Total business-type activities expenses	4,390,859	4,355,561
Total primary government expenses	$ 29,255,235	$ 30,900,377
Program Revenues		
Governmental activities:		
Charges for services	$ 2,653,599	$ 3,378,534
Operating grants and contributions	2,077,794	2,207,574
Capital grants and contributions	993,846	4,210,176
Total governmental activities program revenues	5,725,239	9,796,284
Business-type activities:		
Charges for services:		
Sewer	3,638,914	3,747,185
Refuse	2,097,720	2,471,886
Storm Water	--	--
Capital grants and contributions: sewer and storm water	8,720	11,687
Total business-type activities program revenues	5,745,354	6,230,758
Total primary government program revenues	$ 11,470,593	$ 16,027,042
Net (Expense)/Revenues		
Governmental activities	$ (19,139,137)	(16,748,532)
Business-type activities	1,354,495	1,875,197
Total primary government net expense	$ (17,784,642)	$ (14,873,335)

Fiscal Year		
2005	2006	2007
$ 6,786,083	$ 6,920,986	$ 6,602,108
8,121,486	9,291,307	9,390,405
261,476	325,479	147,007
5,350,058	5,911,073	5,894,494
3,345,487	4,353,658	4,341,611
3,751,183	3,972,891	3,918,550
960,961	968,298	930,278
--	--	--
28,576,734	31,743,692	31,224,453
2,777,820	3,212,254	3,359,111
2,176,174	1,797,655	2,011,573
--	--	619,192
4,953,994	5,009,909	5,989,876
$ 33,530,728	$ 36,753,601	$ 37,214,329
$ 3,604,935	$ 4,224,651	$ 4,039,224
3,143,285	2,533,024	2,461,032
2,759,995	3,622,803	4,922,588
9,508,215	10,380,478	11,422,844
3,777,236	3,862,562	3,794,631
2,460,525	2,576,395	2,746,393
--	--	731,844
820,264	1,553,151	3,221,140
7,058,025	7,992,108	10,494,008
$ 16,566,240	$ 18,372,586	$ 21,916,852
(19,068,519)	(21,363,214)	(19,801,609)
2,104,031	2,982,199	4,504,132
$ (16,964,488)	$ (18,381,015)	$ (15,297,477)

(continued)

City of Cedar Falls, Iowa
Changes in Net Assets
Last Five Fiscal Years
(Accrual basis of accounting)
(Page 2 of 2)

	Fiscal Year	
	2003	2004
General Revenues and Other Changes in Net Assets		
Governmental activities:		
General revenues:		
Property taxes and assessments	$ 12,807,408	$ 14,110,761
Other city taxes	3,893,997	4,169,362
Use of money and property	3,031,121	2,618,556
Intergovernmental	4,053,397	3,785,710
Fines and forfeitures	527,966	--
Miscellaneous	1,156,311	946,121
Gain on sale of assets	(56,459)	72,034
Utility contribution in lieu of taxes	1,500,000	1,400,000
Transfers	(371,589)	(20,070)
Total governmental activities	26,542,152	27,082,474
Business-type activities:		
General revenues:		
Property taxes and assessments	10,396	54,475
Use of money and property	170,254	116,420
Transfers	371,589	20,070
Total business-type activities	552,239	190,965
Total primary government	$ 27,094,391	$ 27,273,439
Change in Net Assets		
Governmental activities	$ 7,403,015	$ 10,333,942
Business-type activities	1,906,734	2,066,162
Total primary government	$ 9,309,749	$ 12,400,104

Fiscal Year		
2005	2006	2007
$ 16,034,121	$ 17,163,242	$ 18,931,378
4,349,790	4,709,758	4,582,479
1,874,497	2,425,140	2,924,080
3,809,479	3,527,541	3,551,695
--	--	--
207,661	491,847	474,249
65,215	--	--
1,400,000	1,400,000	1,400,000
556,462	752,088	149,130
28,297,225	30,469,616	32,013,011
149	--	1,287
212,962	301,153	424,012
(556,462)	(752,088)	(149,130)
(343,351)	(450,935)	276,169
$ 27,953,874	$ 30,018,681	$ 32,289,180
$ 9,228,706	$ 9,106,402	$ 12,211,402
1,760,680	2,531,264	4,780,301
$ 10,989,386	$ 11,637,666	$ 16,991,703

City of Cedar Falls, Iowa
Fund Balances, Governmental Funds,
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
General Fund			
Reserved	$ 95,374	$ 78,299	$ 86,234
Unreserved	3,874,706	4,202,156	4,759,091
Total general fund	$ 3,970,080	$ 4,280,455	$ 4,845,325
All Other Governmental Funds			
Reserved	$ 6,049,806	$ 6,095,148	$ 6,099,299
Designated for long-term debt	1,050,000	--	--
Unreserved, reported in:			
Special revenue funds	21,941,288	24,902,596	25,907,185
Capital projects funds	11,544,108	12,215,078	13,537,485
Total all other governmental funds	$ 40,585,202	$ 43,212,822	$ 45,543,969

Fiscal Year 2006	Fiscal Year 2007
$ 119,589	$ 147,220
5,462,495	5,350,005
$ 5,582,084	$ 5,497,225
$ 5,922,020	$ 5,997,646
--	--
27,560,891	29,823,558
12,165,289	12,482,706
$ 45,648,200	$ 48,303,910

City of Cedar Falls, Iowa
Changes in Fund Balances, Governmental Funds,
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Revenues:			
Property taxes and assessments	$ 12,807,404	$ 14,085,403	$ 16,033,558
Other city taxes	3,893,996	4,169,362	4,210,658
Licenses and permits	724,041	847,158	923,727
Use of money and property	3,031,124	2,618,556	1,874,497
Intergovernmental	7,125,038	6,324,283	6,457,295
Charges for services	1,929,559	1,984,119	2,244,467
Fines and forfeitures	527,965	547,257	436,741
Miscellaneous	473,127	2,460,384	975,478
Utility contribution in lieu of taxes	1,500,000	1,400,000	1,400,000
Total revenues	$ 32,012,254	$ 34,436,522	$ 34,556,421
Expenditures:			
Current:			
Public safety	$ 6,057,219	$ 6,288,812	$ 6,692,528
Public works	6,683,343	6,987,749	7,364,214
Health and social services	252,322	50,921	135,160
Culture and recreation	4,336,496	4,246,829	4,756,551
Community and economic development	2,469,573	2,600,174	2,523,565
General government	3,151,579	3,075,636	3,455,372
Debt service			
Principal	3,605,000	4,025,954	3,408,713
Interest	1,239,970	1,067,520	1,029,414
Capital projects	4,355,970	6,656,971	8,257,673
Total expenditures	$ 32,151,472	$ 35,000,566	$ 37,623,190
Excess (deficiency) of revenues over (under) expenditures	$ (139,218)	$ (564,044)	$ (3,066,769)
Other financing sources (uses):			
Issuance of long-term debt	$ 3,554,596	$ 2,355,000	$ 5,450,000
Issuance of refunding debt	--	--	--
Discount on long-term debt	(13,450)	(14,130)	(17,594)
Land contract	--	1,200,000	--
Payments on refunding bonds	(3,485,000)	--	--
Transfers in	4,438,310	3,777,372	7,349,861
Transfers out	(4,754,718)	(3,822,938)	(6,824,892)
Total other financing sources (uses)	$ (260,262)	$ 3,495,304	$ 5,957,375
Net change in fund balances	$ (399,480)	$ 2,931,260	$ 2,890,606
Debt service as a percentage of noncapital expenditures	17.4%	18.0%	15.1%

2006	2007
$ 17,186,164	$ 18,931,049
4,712,426	4,564,009
982,954	785,116
2,425,140	2,924,080
6,834,840	7,047,600
2,589,376	2,787,909
652,321	466,199
437,966	648,118
1,400,000	1,400,000
$ 37,221,187	$ 39,554,080
$ 7,173,967	$ 7,373,826
7,595,353	7,928,949
199,164	838,185
5,277,687	5,330,482
2,384,359	2,345,866
3,814,373	3,929,548
2,920,000	3,040,000
937,274	916,414
9,612,287	5,392,998
$ 39,914,464	$ 37,096,268
$ (2,693,277)	$ 2,457,812
$ 2,835,000	$ --
5,650,000	--
(43,274)	--
--	--
(5,650,000)	--
5,999,757	5,914,848
(5,288,524)	(5,842,507)
$ 3,502,959	$ 72,341
$ 809,682	$ 2,530,153
12.7%	12.5%

City of Cedar Falls, Iowa
Assessed and Taxable Value of Property
Last Ten Fiscal Years
(Unaudited)

Levy Year	For Fiscal Year Ending June 30,	Real and Personal Property			
		Regular		Agricultural Land	
		Taxable Value	Assessed Value	Taxable Value	Assessed Value
1997	1998	$ 565,333,594	$ 838,595,077	$ 5,435,000	$ 5,435,000
1998	1999	617,205,551	976,751,581	6,295,564	6,529,270
1999	2000	653,019,972	1,006,391,551	6,484,720	6,484,720
2000	2001	722,070,299	1,154,915,581	6,643,223	6,897,310
2001	2002	747,955,311	1,181,469,596	6,866,680	6,866,680
2002	2003	794,505,253	1,367,280,273	7,149,530	7,149,530
2003	2004	817,896,980	1,420,200,646	6,926,500	6,926,500
2004	2005	903,439,479	1,668,483,277	5,418,730	5,418,730
2005	2006	920,739,030	1,732,108,902	5,347,650	5,347,650
2006	2007	985,250,869	1,925,987,344	5,771,140	5,771,140

Source: Black Hawk County Auditor's Office.

Note: Property in the city is reassessed every other year. Tax rates are per $1,000 of assessed value.

Total		Total Taxable Value as a Percentage of Assessed Value	Total Direct Tax Rate
Taxable Value	Assessed Value		
$ 570,768,594	$ 844,030,077	67.62 %	$ 14.90577
623,501,115	983,280,851	63.41	14.49049
659,504,692	1,012,876,271	65.11	14.58793
728,713,522	1,161,812,891	62.72	14.12498
754,821,991	1,188,336,276	63.52	14.10036
801,654,783	1,374,429,803	58.33	13.65069
824,823,480	1,427,127,146	57.80	14.10410
908,858,209	1,673,902,007	54.30	13.65325
926,086,680	1,737,456,552	53.30	14.05084
991,022,009	1,931,758,484	51.30	13.84420

City of Cedar Falls, Iowa
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

	Overlapping Rates					
	City of Cedar Falls			Black Hawk County		
Fiscal Year	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Millage
1998	$ 12.18259	$ 2.72318	$ 14.90577	$ 7.55193	$ 0.67633	$ 8.22826
1999	11.56944	2.92105	14.49049	6.79867	0.60754	7.40621
2000	11.69479	2.89314	14.58793	6.90463	0.58975	7.49438
2001	11.19250	2.93248	14.12498	6.78238	0.53875	7.32113
2002	11.21875	2.88161	14.10036	7.08003	0.60897	7.68900
2003	11.85892	1.79177	13.65069	7.01176	0.60721	7.61897
2004	11.93225	2.17185	14.10410	7.15152	0.59469	7.74621
2005	11.85492	1.79833	13.65325	6.90953	0.58284	7.49237
2006	12.39156	1.65928	14.05084	7.04780	0.56052	7.60832
2007	12.51746	1.32674	13.84420	6.83182	0.55784	7.38966

Source: Black Hawk County Auditor's Office.

Note: The city's general fund maximum property tax rate may only be $8.10 per $1,000 of valuation. The remaining portion of the operating rate and the rate for debt service are set based on each year's requirements.

Overlapping Rates				
Schools				
Operating Millage	Debt Service	Total School Millage	Other	Total
$ 14.53680	$ --	$ 14.53680	$ 1.29704	$ 38.96787
14.24056	--	14.24056	1.24187	37.37913
13.71475	--	13.71475	1.11145	36.90851
12.84387	--	12.84387	1.08713	35.37711
13.63050	--	13.63050	1.13630	36.55616
13.95173	--	13.95173	1.17929	36.40068
13.91234	--	13.91234	1.13876	36.90141
13.00577	--	13.00577	1.36743	35.51882
13.02846	--	13.02846	1.42197	36.10959
13.02447	--	13.02447	1.34392	35.60225

City of Cedar Falls, Iowa
Principal Property Taxpayers
Current Year and Nine Years Ago

	1998		
Taxpayer	Assessed Valuation for Levy Year 1997 - 1998	Rank	Percentage of Total Assessed Valuation
Target Corporation			
College Square Mall Assoc. LLC	$ --	--	-- %
R and N Investments	--	--	--
Panther Development, LLC	--	--	--
Twenty Seventh Street Assoc, LLC	--	--	--
WB CF Assoc LTD Partners	5,494,780	4	0.65
Cedar Falls Investments, LLC	--	--	--
Walmart Re Business Trust	--	--	--
Christopherson, Jerry	--	--	--
Bossard US Holdings, Inc.	--	--	--
Tri State Joint Ventures	22,488,770	1	2.66
Viking Pump	10,964,770	2	1.30
Deere & Company	10,039,310	3	1.19
Quest Corporation (US West, Inc)	5,474,659	5	0.65
Cedar Falls Utilities	5,314,161	6	0.63
Land Use, Inc	1,865,640	9	0.22
Kinsath Hospitalities	3,223,950	7	0.38
TR Apartments LTD Partnership	3,062,570	8	0.36
H&H Machine Tool	1,493,470	10	0.18
	$ 69,422,080		8.23 %

Source: Black Hawk County Auditor's Office

2007		
Assessed Valuation for Fiscal Year 2006 - 2007	Rank	Percentage of Total Assessed Valuation
$ 42,724,630	1	2.21 %
33,663,760	2	1.74
13,093,600	4	0.68
12,035,500	3	0.62
11,900,000	5	0.62
9,800,000	6	0.51
9,463,530	7	0.49
8,883,330	8	0.46
8,116,980	9	0.42
7,592,950	10	0.39
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
$ 157,274,280		8.14 %

City of Cedar Falls, Iowa
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Levy Year	For Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collection	Percentage of Current Taxes Collected	Delinquent Tax Collections
1997	1998	$ 8,518,497	$ 8,461,212	99.33 %	$ 388
1998	1999	9,076,030	9,139,100	100.69	858
1999	2000	9,674,208	9,736,770	100.65	18
2000	2001	10,462,320	10,515,407	100.51	1,455
2001	2002	10,804,380	10,858,889	100.50	1,791
2002	2003	11,051,455	11,120,412	100.62	246
2003	2004	11,796,749	11,824,764	100.24	104
2004	2005	12,646,619	12,643,423	99.97	--
2005	2006	13,267,496	13,397,500	100.98	--
2006	2007	13,963,307	14,007,960	100.32	--

Source: Black Hawk County Auditor's Office.

Total Tax Collections	Total Tax Collections as a Percentage of Total Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percentage of Total Tax Levy
$ 8,461,600	99.33 %	$ 70,247	0.82 %
9,139,958	100.70	76,254	0.84
9,736,788	100.65	83,143	0.86
10,516,862	100.52	137,121	1.31
10,860,680	100.52	126,374	1.17
11,120,658	100.63	111,382	1.01
11,824,868	100.24	84,733	0.72
12,643,423	99.97	84,230	0.67
13,397,500	100.98	56,511	0.43
14,007,960	100.32	48,550	0.35

City of Cedar Falls, Iowa
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities	
Fiscal Year	General Obligation Bonds	Tax Increment Financing Bonds	Capital Loan Note	General Obligation Bonds	Revenue Bonds
1998	$ 21,720,000	$ 2,480,000	$ 545,000	$ 4,450,000	$ 4,895,000
1999	20,005,000	2,230,000	490,000	4,365,000	3,760,000
2000	21,205,000	2,685,000	430,000	4,275,000	6,160,000
2001	18,945,000	2,310,000	365,000	4,185,000	4,905,000
2002	21,615,000	4,955,000	--	4,090,000	3,590,000
2003	18,750,000	4,280,000	--	3,505,000	3,200,000
2004	18,210,000	3,115,000	--	2,850,000	4,705,000
2005	16,115,000	7,225,000	--	2,160,000	4,075,000
2006	16,860,000	6,395,000	--	2,980,000	3,420,000
2007	14,670,000	5,545,000	--	2,270,000	2,740,000

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

[1] Population and personal income data can be found on page 131.

Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
$ 34,090,000	4.52 %	$ 956
30,850,000	3.80	861
34,755,000	4.10	961
30,710,000	3.64	848
34,250,000	3.83	950
29,735,000	3.20	824
28,880,000	2.96	795
29,575,000	2.95	813
29,655,000	2.60	814
25,225,000	2.15	692

City of Cedar Falls, Iowa
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds [1]	Taxable Value of Property	Percentage Taxable Value of Property	Assessed Value of Property
1998	$ 21,720,000	$ 570,768,594	3.81 %	$ 844,030,077
1999	20,005,000	623,501,115	3.21	983,280,851
2000	21,205,000	659,504,692	3.22	1,012,876,271
2001	18,945,000	728,713,522	2.60	1,161,812,891
2002	21,615,000	754,821,991	2.86	1,188,336,276
2003	18,750,000	801,654,783	2.34	1,374,429,803
2004	18,210,000	824,823,480	2.21	1,427,127,146
2005	16,115,000	908,858,209	1.77	1,673,902,007
2006	16,860,000	926,086,680	1.82	1,737,456,552
2007	14,670,000	991,022,009	1.48	1,931,758,484

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

[1] Includes only general obligation bonds supported by property tax dollars.

Percentage Assessed Value of Property	Per Capita
2.57 %	$ 609.12
2.03	558.36
2.09	586.47
1.63	522.89
1.82	599.48
1.36	519.82
1.28	501.06
0.96	442.96
0.97	462.97
0.76	402.70

City of Cedar Falls, Iowa
Direct and Overlapping Debt
As of June 30, 2007

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct, City of Cedar Falls, Iowa	$ 22,485,000	100.00 %	$ 22,485,000
Overlapping:			
Black Hawk County	$ 12,730,000	29.96	$ 3,813,908
Cedar Falls Public School District	--	--	--
Area VII Hawkeye Institute of Technology	6,340,000	17.57	1,113,938
Total Overlapping	$ 19,070,000		$ 4,927,846
Total	$ 41,555,000		$ 27,412,846

Source: Black Hawk County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cedar Falls. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Cedar Falls, Iowa
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	1998	1999	2000	2001	2002
Debt Limit	$ 41,929,754	$ 49,164,043	$ 50,643,814	$ 58,090,645	$ 59,416,814
Total net debt applicable to limit	32,895,000	30,690,000	32,715,000	29,685,000	34,295,000
Legal debt margin	$ 9,034,754	$ 18,474,043	$ 17,928,814	$ 28,405,645	$ 25,121,814
Total net debt applicable to the limit as a percentage of of debt limit	78.45%	62.42%	64.60%	51.10%	57.72%

Note: Under Iowa code, the city's outstanding general obligation debt should not exceed 5 percent of total assessed property value.

Fiscal Year				
2003	2004	2005	2006	2007
$ 68,721,490	$ 71,356,357	$ 83,695,100	$ 86,872,828	96,587,924
29,920,000	27,265,000	28,260,000	28,660,000	24,555,000
$ 38,801,490	$ 44,091,357	$ 55,435,100	$ 58,212,828	72,032,924
43.54%	38.21%	33.77%	32.99%	25.42%

Legal Debt Margin Calculation for Fiscal Year 2007

Estimated actual valuation	$ 1,931,758,484
Debt limit - 5% of total actual valuation	$ 96,587,924
Debt applicable to debt limit:	
General obligation bonds	22,485,000
General obligation bonds - component unit	2,070,000
Legal debt margin	$ 72,032,924

City of Cedar Falls, Iowa
Revenue Bond Coverage
Sewer Authority
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Operating Expenses [1]	Net Revenue Available for Debt Service	Debt Service Requirements [2]	
				Principal	Interest
1998	$ 3,633,517	$ 1,363,849	$ 2,269,668	$ 1,070,000	$ 310,268
1999	3,793,363	1,370,221	2,423,142	1,135,000	242,429
2000	4,178,205	1,227,350	2,950,855	1,190,000	185,418
2001	4,585,938	1,487,413	3,098,525	1,255,000	305,434
2002	4,372,064	1,553,672	2,818,392	1,315,000	257,545
2003	4,264,604	1,523,040	2,741,564	390,000	193,405
2004	4,047,494	1,533,885	2,513,609	395,000	172,735
2005	4,873,178	1,622,886	3,250,292	630,000	212,068
2006	6,235,223	2,021,641	4,213,582	655,000	175,227
2007	6,071,963	2,350,397	3,721,566	680,000	146,788

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

[1] Net of depreciation, interest, and debt service transfers.

[2] Includes principal and interest of revenue bonds only.

Debt Service Requirements[2]	
Total	Coverage
$ 1,380,268	1.64
1,377,429	1.76
1,375,418	2.15
1,560,434	1.99
1,572,545	1.79
583,405	4.70
567,735	4.43
842,068	3.86
830,227	5.08
826,788	4.50

City of Cedar Falls, Iowa
Sales History and Total Sewer Charges
Last Ten Fiscal Years

Fiscal Year	Water Sales (CCF)	Sewer Charges
1997 - 98	1,587,392	3,224,396
1998 - 99	1,563,641	3,318,057
1999 - 00	1,669,268	3,407,731
2000 - 01	1,628,644	3,367,856
2001 - 02	1,589,986	3,549,232
2002 - 03	1,683,593	3,547,913
2003 - 04	1,868,675	3,686,981
2004 - 05	1,700,179	3,603,778
2005 - 06	1,737,946	3,644,514
2006 - 07	1,695,516	3,694,725

Source: Cedar Falls Utilities

City of Cedar Falls, Iowa
Water Meter by Rate Class
Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Government	Other	Total
1997	9,007	747	41	169	2	9,966
1998	9,145	773	43	170	3	10,134
1999	9,233	787	43	151	3	10,217
2000	9,426	805	42	168	3	10,444
2001	9,607	820	40	173	3	10,643
2002	9,903	854	39	168	3	10,967
2003	10,057	866	39	168	3	11,133
2004	10,313	889	38	164	3	11,407
2005	10,548	920	36	175	3	11,682
2006	10,878	948	35	177	3	12,041

City of Cedar Falls, Iowa
Largest Sewer Customers
Fiscal Year 2007

Customer	Water Sales (CCF)	Percent of Total Water Sales	Sewer Charges	Percent of Total Sewer Charges
University of Northern Iowa	122,610	7.23 %	$ 237,306	6.42 %
CF City Hall	21,699	1.28	44,546	1.21
County Terrace Mobile Home Ct.	21,190	1.25	77,923	2.11
Western Home Communities	16,284	0.96	41,918	1.13
Sartori Memorial Hospital	12,288	0.72	20,859	0.56
College Park Mills	11,798	0.70	33,571	0.91
Metokote Corporation	11,476	0.68	20,647	0.56
Gold Falls Villa Apartments	10,852	0.64	46,948	1.27
Lutheran Home	10,793	0.64	25,398	0.69
CF Schools	9,633	0.57	24,458	0.66
High Acers Mobile Home Court	6,061	0.36	15,592	0.42
College Square Apartments I	5,926	0.35	15,464	0.42
Clark Enterpirse LLC	5,528	0.33	29,369	0.79

Total 2007 CCF	1,695,516
Total 2007 Billings	$3,694,725

City of Cedar Falls, Iowa
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income[1]	Median Age	School Enrollment	Unemployment Rate
1998	35,658	754,309,332	21,154	36.8	4,626	2.6
1999	35,828	811,217,576	22,642	34.7	4,531	3.3
2000	36,157	846,869,254	23,422	32.7	4,456	2.5
2001	36,231	843,675,066	23,286	36.2	4,322	3.0
2002	36,056	894,008,520	24,795	34.4	4,339	3.3
2003	36,070	928,730,360	25,748	34.4	4,385	3.8
2004	36,343	975,664,178	26,846	34.4	4,437	4.0
2005	36,380	1,001,577,780	27,531	35.9	4,393	3.7
2006	36,417	1,140,981,027	31,331	35.9	4,435	2.9
2007	36,429	1,174,398,102	32,238	35.9	4,502	2.3

Sources: Population provided by the Planning division. School enrollment is supplied by the Cedar Falls Board of Education. Unemployment data provided by the Iowa Workforce.

Note: Population and median age information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

[1] Per Capita Income is based on Metropolitan Waterloo/Cedar Falls and based on figures from Bureau of Economic Analysis.

City of Cedar Falls, Iowa
Principal Employers
Current Year and Nine Years Ago

	1998		
Employees	Number of Employees[1]	Rank	Percentage of Total City Employment
John Deere Product Engineer Center [2]	5,550	1	27.61%
University of Northern Iowa	5,102	2	25.38%
Target Distribution	--		--
Cedar Falls Community School District	525	4	2.61%
City of Cedar Falls/Municipal Utilities	475	5	2.36%
Wal-Mart Super Center	--		--
Viking Pump Inc, Unit of Index Corp.	600	3	2.99%
Martin Brothers Distributing Co., Inc	263	8	1.31%
Sartori Hospital	344	7	1.71%
The Western Home	350	6	1.74%
Younkers, Inc	110	10	0.55%
Clay Equipment Corp.	140	9	0.70%
Total	13,459		66.96%

Source: Official Bond Statements from Public Financial Management, Inc.

[1] Number of employees includes all full-time, part-time and seasonal employees.

[2] John Deere Product Engineering Center includes both Cedar Falls and Waterloo employees in 1998-2007.

2007		
Number of Employees[1]	Rank	Percentage of Total City Employment
4,550	1	22.04%
2,076	2	10.06%
800	3	3.88%
623	4	3.02%
503	5	2.44%
500	6	2.42%
430	7	2.08%
387	8	1.87%
305	9	1.48%
305	10	1.48%
--	--	--
--	--	--
10,479		50.77%

City of Cedar Falls, Iowa
Full-Time Equivalent City Government Employees by Function/Department
Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30				
	1998	1999	2000	2001	2002
Public Safety					
Police	49.35	52.35	51.65	53.15	52.85
Fire	35.60	34.80	34.80	34.80	35.10
Inspection Services	6.00	6.00	6.00	6.00	6.00
Public Safety Administration	1.40	1.40	--	--	--
Public Works					
Streets	22.42	21.32	21.32	21.32	21.57
Parking Meter	5.50	4.40	4.15	3.15	3.05
Engineering	12.10	12.10	13.60	13.60	13.60
Culture and Recreation					
Human & Leisure Administration	3.60	2.80	2.80	2.80	2.50
Cultural Services	7.50	9.10	9.20	9.20	10.40
Library	17.20	15.10	14.80	14.80	14.80
Cemetery	4.60	4.60	4.60	4.60	4.40
Golf	6.30	6.30	6.30	6.00	5.60
Parks	21.30	22.20	22.20	22.60	18.00
Recreation	30.85	30.85	30.85	30.85	31.05
Visitor & Tourism	--	--	--	--	1.80
Senior Services	--	--	--	--	--
Community & Economic Development					
Developmental Services Admin.	2.30	1.50	1.50	1.50	1.50
Economic Development	1.85	1.85	1.85	1.85	1.85
Planning Services	3.00	3.10	3.10	3.10	3.10
Block Grant	2.95	1.95	2.15	2.15	2.15
Housing Vouchers	0.90	0.90	0.85	2.50	2.50
Section 8 Housing	1.60	1.50	1.65	--	--
General Government					
Mayor's Office	1.50	1.50	1.50	1.50	1.50
Administrative Services Admin.	1.50	1.50	1.50	1.50	1.50
Financial Services	4.90	4.80	4.65	5.65	5.58
Legal Services	3.00	3.00	3.00	3.00	3.00
Personnel	3.80	3.50	2.50	2.50	2.50
Public Records	2.90	2.90	3.50	3.50	3.80
Cable TV	3.40	3.85	3.85	3.80	3.80
Print Shop	1.20	1.10	1.00	1.00	1.00
Public Buildings	11.38	13.18	13.18	13.18	12.78
Internal Service					
Information Systems	2.80	2.00	3.00	3.00	3.00
Vehicle Maintenance	6.90	6.40	6.40	6.40	6.40
Sewer	17.60	16.00	17.00	17.00	17.30
Refuse	16.60	15.65	12.85	15.65	17.80
Storm Water	--	--	--	--	--
Total	313.80	309.50	307.30	311.65	311.78

Source: City's Financial Plans

Full-Time Equivalent Employees as of June 30				
2003	2004	2005	2006	2007
49.89	49.89	49.89	50.89	51.49
35.40	34.60	34.60	35.60	35.65
6.00	6.00	6.00	6.50	6.50
--	--	--	--	--
24.00	24.82	24.35	25.35	24.37
3.05	3.10	3.10	3.10	3.66
13.60	13.60	11.60	11.60	11.57
2.00	2.00	2.00	2.25	2.25
10.50	9.05	8.81	8.81	8.00
14.80	14.80	16.20	16.20	17.53
4.40	4.40	4.60	4.60	4.60
5.60	6.40	7.15	7.15	5.50
18.00	16.20	18.68	18.68	18.48
31.05	31.05	31.05	31.05	30.88
2.40	2.40	2.60	2.60	2.90
--	--	--	--	0.50
1.50	1.50	1.50	1.50	1.50
1.85	1.85	1.85	1.85	1.77
3.43	3.43	3.43	3.43	3.68
2.20	2.20	2.20	2.20	2.17
2.50	2.50	2.50	2.50	1.79
--	--	--	--	--
1.50	1.50	1.50	1.50	1.50
1.50	1.50	1.50	1.50	1.50
5.58	4.95	4.95	4.95	5.95
3.00	3.00	3.00	2.00	3.00
2.00	2.00	2.00	2.00	--
3.50	3.50	3.50	3.50	3.45
4.00	4.00	3.00	4.00	4.30
1.00	1.00	1.00	1.00	1.00
10.78	11.31	12.11	14.11	14.71
3.00	3.00	3.00	4.00	4.00
6.40	6.40	6.40	6.40	6.10
17.30	17.30	16.75	16.88	16.30
16.43	16.50	16.80	15.80	17.80
--	--	--	--	3.25
308.16	305.75	307.62	313.50	317.65

City of Cedar Falls, Iowa
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year		
	1998	1999	2000
Public Safety			
Police			
Physical arrests	1,512	1,430	1,502
Traffic violations	4,546	3,583	3,120
Parking violations	42,720	43,124	38,876
Fire			
Number of calls answered	1,141	1,129	1,370
Inspections conducted	4,189	3,023	3,213
Sewer			
Sewage System			
Daily average treatment in gallons	5,000,000	5,800,000	5,800,000
Maximum daily capacity of treatment plant in gallons	21,600,000	21,600,000	21,600,000
Water System			
Daily average consumption in gallons	3,741,522	3,709,000	3,653,594
Maximum daily capacity of plant in gallons	21,600,000	21,600,000	21,600,000
Refuse[1]			
Solid Waste			
32 Gallon Containers	--	--	--
68 Gallon Containers	--	--	--
95 Gallon Containers	--	--	--
Yard Waste			
95 Gallon Containers	--	--	--

Sources: Various city departments

[1] Statistics begin in FY04

Fiscal Year						
2001	2002	2003	2004	2005	2006	2007
1,299	1,386	1,485	1,672	1,616	1,670	1,421
3,960	3,959	4,033	5,453	6,007	4,705	2,562
48,613	48,613	42,162	37,260	34,056	29,952	25,575
1,393	1,435	1,554	1,511	1,452	1,599	1,925
2,314	4,554	3,367	2,166	1,807	2,517	2,331
5,800,000	4,750,000	4,120,000	4,120,000	4,600,000	4,550,000	5,730,000
21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
3,773,582	3,783,126	3,800,209	3,800,209	3,439,943	3,636,258	3,379,708
21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000
--	--	--	3,155	3,299	3,344	3,382
--	--	--	5,679	5,903	5,997	6,169
--	--	--	1,093	1,284	1,464	1,652
--	--	--	4,499	4,924	5,280	5,575

City of Cedar Falls, Iowa
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
	1998	1999	2000	2001	2002
Public safety					
Police					
Stations	1	1	1	1	1
Patrol Units	9	9	9	9	12
Fire					
Stations	2	2	2	2	2
Fire apparatus [1]	--	--	--	--	8
Public works					
Streets					
Miles	190	200	200	200	200
Street lights	2,494	2,529	2,539	2,588	2,609
Health and social services					
Hospital	1	1	1	1	1
Number of patient beds	101	101	101	101	101
Cultural and Recreation					
Hearst Center for the Arts	1	1	1	1	1
Library	1	1	1	1	1
Cemeteries	3	3	3	3	3
Acreage	56.9	56.9	56.9	56.9	56.9
Golf	3	3	3	3	3
Miniature golf course	1	1	1	1	1
Parks	33	33	34	34	34
Acreage	1,116	1,116	1,116	1,116	1,116
Recreation					
Recreation Center	1	1	1	1	1
Swimming pools	3	3	3	3	3
Softball fields	6	6	6	6	8
Baseball fields	3	3	3	3	2
Tennis courts	6	6	6	6	6
Sewer					
Sewage System					
Miles of sanitary sewer	150	150	150	150	150
Miles of storm sewers	160	160	160	160	160
Number of treatment plants	1	1	1	1	1
Number of service connectors	12,400	12,762	12,762	12,762	10,790
Water Systems					
Miles of water mains	156.00	158.00	160.00	164.02	167.00
Number of service connectors	9,929	10,139	10,220	10,444	10,643
Number of city owned fire hydrants	1,279	1,346	1,383	1,427	1,468

Sources: Various city departments

[1] Number of fire trucks statistic was not kept in prior years

Fiscal Year				
2003	2004	2005	2006	2007
1	1	1	1	1
12	12	12	10	10
2	2	2	1	2
8	8	8	8	8
200	200	203	205	210
2,642	2,670	2,695	2,705	2,856
1	1	1	1	1
101	101	101	101	101
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
56.9	56.9	56.9	56.9	56.9
3	3	3	3	3
1	1	1	1	--
34	34	34	34	34
1,116	1,116	1,116	1,116	1,116
1	1	1	1	1
3	3	3	3	3
8	8	8	8	8
2	2	2	2	2
6	6	6	6	6
160	160	162	163	169
160	160	161	162	167
1	1	1	1	1
11,039	11,039	11,039	11,649	11,966
169.00	169.00	175.30	184.70	181.80
10,967	10,967	11,407	11,682	12,041
1,503	1,503	1,593	1,717	1,771