CITY OF CEDAR RAPIDS, IOWA

U.S. Cellular Convention Complex

Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2010

About the Cover

Cedar Rapids Convention Complex: The City of Cedar Rapids is building a new convention and events center in downtown, which includes the renovation of the U.S. Cellular Center and the Hotel. When the complex is completed in February 2013, it will become the second largest convention and events center complex in the state of Iowa. The City has secured $15 million in grant funding from State of Iowa I-JOBS program and $35 million from Economic Development Administration.

Project Description

The Cedar Rapids Convention Complex includes a new exhibit hall, ballrooms, meeting rooms and pre-function space, as well as a renovated arena and renovated hotel with an additional ballroom and meeting rooms.

- The new facility will add 126,458 gross square feet to the existing arena, for a combined total of 291,063 gross square feet.
- The complex will feature approximately 68,000 square feet of exhibit space, 52,500 square feet of ballroom space and 38,600 square feet of meeting room space.
- The hotel portion of the project includes a total of 184,000 square feet of renovated space which will feature 18,000 square feet of additional meeting room space.

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF CEDAR RAPIDS, IOWA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

PUBLISHED BY

FINANCE DEPARTMENT

CITY OF
CEDAR RAPIDS, IOWA

CITY OF CEDAR RAPIDS, IOWA
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June 30, 2010

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December 7, 2010

The Honorable Mayor, City Council Members,
And Citizens of the City of Cedar Rapids, Iowa:

The City of Cedar Rapids, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Rapids, Iowa (City) for the fiscal year ended June 30, 2010 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated single audit designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs is included in the section entitled Compliance Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF CEDAR RAPIDS

The City of Cedar Rapids, incorporated in 1849, is located twenty-five miles north of Iowa City and one hundred-thirty miles east of Des Moines, the State Capitol. Cedar Rapids is an important manufacturing, service, and trade area servicing an eight county area with a combined population estimated at 442,404 and occupies 71 square miles. The population of Linn County based upon the 2009 census is 209,226 of which 128,182 reside within Cedar Rapids. The City of Cedar Rapids is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Cedar Rapids has operated under the city council-manager form of government since January 2006. This form of government consists of nine council members. Five of the members represent a specific district. The remaining four council members are elected at-large, with the Mayor being one of those seats. Previously, the City had operated under the commission form of government from 1908 until 2005.

The City of Cedar Rapids provides a full range of services, including public safety, public works, solid waste collection, animal control, parking, ground transportation, community development, and municipal water and sewer. The City also provides various cultural and recreational opportunities through various departments.

The City's financial statements include all funds, departments, boards and commissions, and other government entities that do not have separate legal status as required by accounting principles generally accepted in the United States of America. Three component units are included in our financial report: The Eastern Iowa Airport, Cedar Rapids/Linn County Solid Waste Agency, and Cedar Rapids Public Library Foundation.

The annual budget serves as a foundation for the City's financial planning and control. The City Council is responsible for developing a budget proposal. Council is required to hold public hearings on the proposed budget and to adopt the final budget no later than March 15 for the fiscal year beginning the following July 1. The budget is prepared by fund and function. Department directors may transfer resources within the department as they see fit.

FACTORS AFFECTING FINANCIAL CONDITION

The City of Cedar Rapids continues its recovery efforts from the June 2008 record flood that includes assisting residents and businesses in obtaining federal and state funding to move forward with recovery. In addition, the City has begun rebuilding its facilities and infrastructure that were damaged due to the flood. Overall, the community recovery costs are estimated to be as much as $5 billion dollars and it will take as long as 15 years to complete the demolition, reconstruction, and installation of adequate flood protection for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with recovery efforts.

City Council is clearly committed to a recovery and reinvestment effort that will not just return Cedar Rapids to pre-flood condition but make Cedar Rapids a greater, more vibrant community. A ten year financial plan has been updated to reflect the financial challenges since the flood and will help the City identify its funding needs over the next ten years.

Regionalism continues to be the focus of our economic development initiatives. The state's first regional laborshed study was completed and confirmed that the Cedar Rapids/Iowa City Technology Corridor™ has one work force. Priority One, the economic development arm of the Cedar Rapids Chamber of Commerce, reported the following accomplishments for the past decade:

- New job creation: 14,394 jobs
- New business attractions: 59 companies
- Existing business expansions: 209 local expansions
- Total capital investment: $2,149,617,000

In addition, the 2010 Laborshed Study, conducted by the Workforce Research Bureau of Iowa Workforce Development, reveals the Cedar Rapids laborshed region has grown. Based on figures in the 2010 study, the potential available labor force in the Cedar Rapids area is estimated to be 536,331. That amount is up from 499,072 in the 2008 study. The increase reflects growth in the laborshed area, new population growth, increased numbers of people willing to re-enter the workforce and travel to the region's central nodes for work.

The largest concentrations of workers in the Technology Corridor are employed in the following four areas: manufacturing, health care & social services, education, and wholesale & retail trade. The top industries of the area are manufacturing, education & health services, and public administration & government.

The City of Cedar Rapids is building a downtown riverfront amphitheater and levee project on the west bank of the Cedar River. This project is the first segment of a comprehensive west side flood management system, with room for an outdoor event space. The amphitheater is anticipated seat approximately 3,000 to 5,000 people and host eight national touring concerts and 20 ticketed events per year with up to 57,300 total annual attendance. The construction is anticipated to begin in the spring of 2011 and be completed in 2012. The City has secured $1.075 million in funding from State of Iowa I-JOBS program.

The City of Cedar Rapids is building a new convention and events center in downtown, which includes the renovation of the U.S. Cellular Center and the Hotel. When the complex is completed in February 2013, it will become the second largest convention and events center complex in the state of Iowa. The Cedar Rapids Convention Complex includes a new exhibit hall, ballrooms, meeting rooms and pre-function space, as well as a renovated arena and renovated hotel with an additional ballroom and meeting rooms. The new Cedar Rapids Convention Complex is projected to attract more than 375,000 visitors annually, resulting in $22.8 million of direct spending per year. Total economic impact from the new convention center is estimated to be more than $34 million per year. The City has secured $15 million in grant funding from State of Iowa I-JOBS program and $35 million from Economic Development Administration.

The City of Cedar Rapids, Five Seasons Facilities Commission and Paramount Theatre Reconstruction Committee have hired a team of professionals to rebuild, restore and improve the flood-damaged theatre to bring it back better than before. The goal of this restoration project is to create a financially viable multipurpose venue suitable for symphony, theatre and opera performances, organ recitals, community productions, film showings and community gatherings to better serve eastern Iowa through the 21st Century. The Paramount Theatre Restoration Project includes flood-damage repairs, building code upgrades, hazard mitigation measures and several proposed upgrades and improvements for performers and patrons. Construction is scheduled to begin in 2011 and completed in the fall of 2012. The City has secured $5 million in State of Iowa I-JOBS program funding as well as $16.4 million from the Federal Emergency Management Agency.

The City and businesses in efforts to bring the talents of a diverse work force from around the world to this region. This effort is essential for Technology Corridor businesses to compete in a global economy and the City has pledged financial support for this project through calendar year 2011.

Cedar Rapids' unemployment rate increased 0.5% to 6.5% for fiscal year ending 2010, which is the same as the state unemployment rate of 6.5%, and is lower than the national unemployment rate of 9.5% for the same time period.

The Cedar Rapids MSA mean household income in 2010 was $63,528 as compared to $62,605 in 2009. These amounts are presented in current dollar.

Retail sales in the metro area increased to $3.48 billion for calendar year 2009 compared to $3.12 billion in calendar year 2008. Of this total, $2.89 billion was generated in Cedar Rapids.

The total value of building permits in FY 2010 was approximately $197.6 million. This compares with an amount of $289.0 for FY 2009. This amount represents a decrease of 31.6 percent from the previous fiscal year mainly due to more home repairs related to the 2008 flood being completed in FY 2009.

Long-term financial planning

Unreserved fund balance in the general fund was $31.4 million or 32.6 percent of total general fund budgeted expenditures for fiscal year 2010. This percentage falls within the City's policy guidelines for reserves, which at a minimum must be 25 percent of next fiscal year's budgeted general fund expenditures

as established by Council resolution. By maintaining an appropriate reserve balance the City is able to react to both known and unknown events that will have an impact on the City finances without disrupting services provided to its citizens in the short term.

The City completed a ten year financial plan for all operating departments and capital improvement programs. The financial plan is a necessary element of Cedar Rapids strategy to remain competitive in today's demanding environment. The City's financial plan will provide a road map into the future and a framework for future decision-making. This financial plan reflects the following financial principles: 1) Sustainability; 2) Long-term Community Affordability; 3) Competitive and Responsive Community Services; and 4) Protecting Community Investment and Value.

In addition to the financial plan, performance measurements have been created by all City departments to measure effectiveness, efficiency, customer service, and organizational climate. These measurements will be reported on a regular basis to the City Council, City staff, and citizens of Cedar Rapids.

Relevant financial policies

Internal Controls

The management of the City is responsible for the establishment and continued maintenance of an internal control structure to ensure that all City assets are protected from loss, theft, or misuse. The management must also ensure that adequate accounting data is available to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

A recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Budgetary Controls

The City's management team takes a very active role in the financial planning and management of the City for both short-term daily operations and long-range planning. The City adopts its annual program budget to include all funds except fiduciary funds. While budgetary control is exercised at the program level, management control is exercised on a major objective of expenditure basis. The daily operations are closely monitored through the City's automated and integrated on-line financial system which provides daily appropriations status capabilities, weekly cash management forecasting reports, and monthly, current and year-to-date budget by major object of expenditure reports. Estimated revenues are also closely monitored as to their impact on budgeted expenditures. If a department falls short of its discretionary revenue projections, adjustments must be made in its appropriations to reflect these shortfalls. Encumbrance accounting is employed in all funds for management control purposes. Appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reflected as reservations of the Governmental fund balances, which serve as authorizations for expenditures in the subsequent year. Capital projects are appropriated on a yearly basis.

In terms of long-range planning, the City, in compliance with a Council resolution, annually develops and issues a ten-year capital improvements program, which is funded primarily through the sale of general obligation bonds and federal and state grants.

Debt Administration

The City's debt management policy strives to repay 30 to 60 percent of the principal amount of its general obligation debt within five years and at least 60 percent within ten fiscal years. Capital projects financed through issuance of debt are programmed to be paid off completely within the expected useful life of the capital project. Currently, the City is on pace to repay over 78 percent of its debt within ten fiscal years. Moody's Investor Services continues to rate the City's general obligation bonds Aaa. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base, and a low debt burden with a rapid payout. FY10 marked our thirty-eighth anniversary of maintaining this rating.

Cash Management

The City maintains almost all deposits, except for those funds that must maintain their demand deposits separately, in one demand deposit account in the General Fund. The majority of the City's investments are handled through an investment pool. This concept provides for greater investment earnings, which are then allocated on a systematic basis.

Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer, and retention. Safety and loss prevention programs help reduce the City's exposure to risks. Those risks that cannot be eliminated or reduced are either transferred or retained. Funded self-retention of risks is being employed not only because it is cost effective but it also enables the City to: stabilize insurance costs; build a fund to provide a reliable and constant source of funds to pay claims; and provide a high level of service by handling claims promptly and courteously. During fiscal year 2010, the City purchased liability insurance to cover its airport, 3 of its 4 underground fuel tank sites, four vehicles, lead paint hazard control program and liquor liability. The City self-insures without excess insurance, the rest of its general liability, errors and employment practices liability, police liability, auto liability, and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. The City also self-insures its workers compensation and dental benefits without stop loss insurance. A combination of risk transfer and risk retention is employed in handling the City's property and health insurance exposures. Property insurance and health insurance are purchased with large deductibles. The City accounts for and finances its retained risks through the Risk Management Internal Service Fund. In compliance with Statement 10 of the Governmental Accounting Standards Board, the City's financial statements show as an expense and liability, the estimated cost of all claims which have occurred. Claim liabilities are based on the estimated total cost of all claims including claims reported but not settled, and claims incurred but not reported. The tort liability and workers' compensation claims liabilities are shown at a 95% confidence level, as determined by an independent actuary, in the City's June 30, 2010, financial statements. The amount of incurred but unpaid health and dental bills were determined by an independent actuary along with calculations to comply with Statement 45 of the Governmental Accounting Standards Board.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids, Iowa, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would also like to thank the members of the City Council for their prudent management of the City's finances.

Respectfully submitted,

Casey J. Drew, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

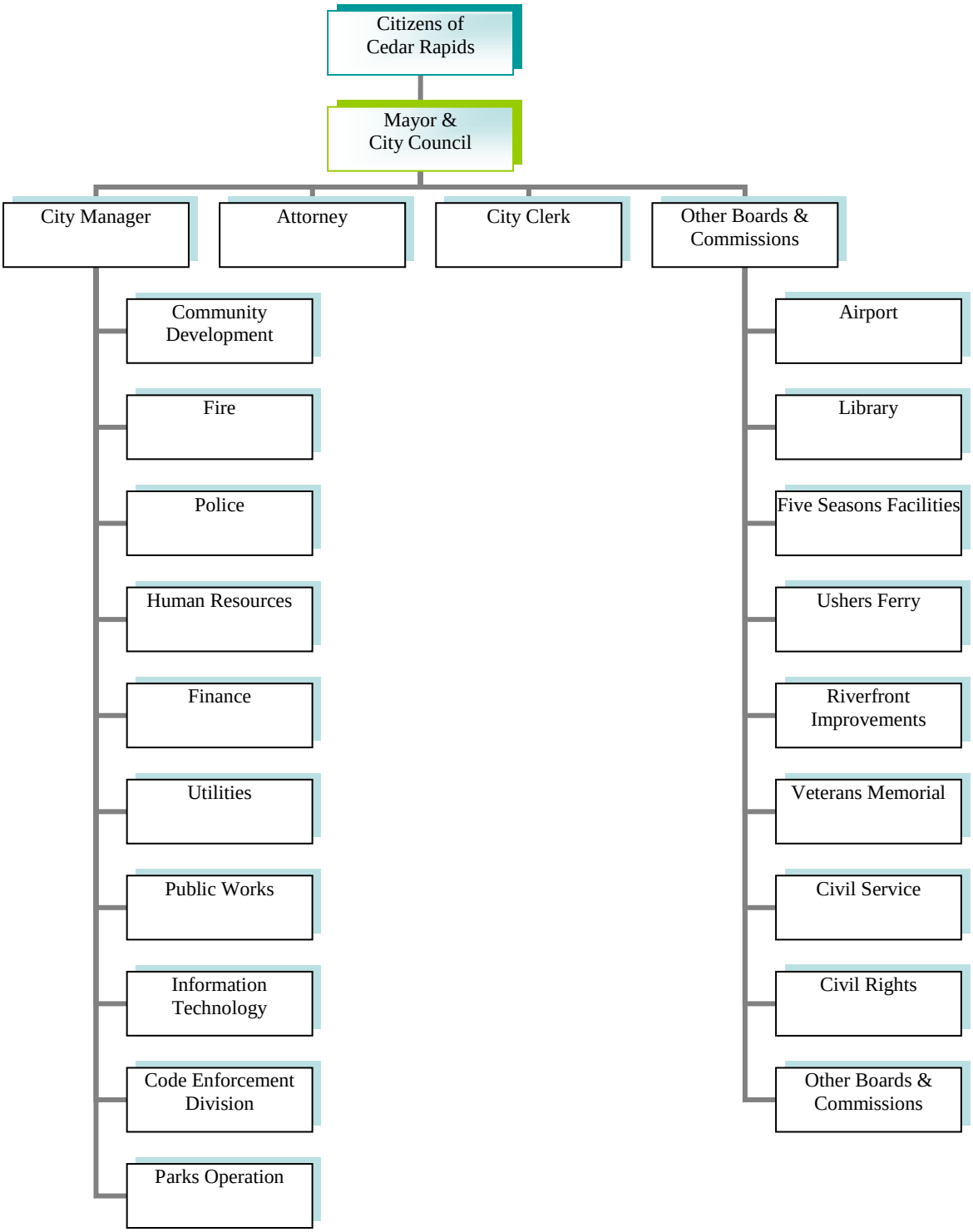
City of Cedar Rapids
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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


Citizens of Cedar Rapids
Mayor & City Council
City Manager
Attorney
City Clerk
Other Boards & Commissions
Community Development
Fire
Police
Human Resources
Finance
Utilities
Public Works
Information Technology
Code Enforcement Division
Parks Operation
Airport
Library
Five Seasons Facilities
Ushers Ferry
Riverfront Improvements
Veterans Memorial
Civil Service
Civil Rights
Other Boards & Commissions

CITY OF CEDAR RAPIDS, IOWA

City Manager Form of Government

CITY COUNCIL

Ron Corbett
Mayor

Don Karr
At-Large

Tom Podzimek
At-Large

Chuck Swore
At-Large

Kris Gulick
District 1

Monica Vernon
Mayor Pro Tempore
District 2

Pat Shey
District 3

Chuck Wieneke
District 4

Justin Shields
District 5

STAFF

Casey J. Drew, CPA
Finance Director

Jeffrey A. Pomeranz
City Manager

McGladrey

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Cedar Rapids, 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 Rapids, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cedar Rapids, Iowa's management. 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. The financial statements of the Cedar Rapids Public Library Foundation were not audited in accordance with *Government Auditing Standards*. 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 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 Rapids, Iowa, as of June 30, 2010, 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 dated December 7, 2010, on our consideration of the City of Cedar Rapids, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion & Analysis, the budgetary comparison information and the City of Cedar Rapids, Iowa Retiree Healthcare Plan schedule of funding progress on pages 14 through 22 and 67 through 70, respectively are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.

McGladrey is the brand under which RSM McGladrey, Inc. and McGladrey & Pullen, LLP serve clients' business needs.
The two firms operate as separate legal entities in an alternative practice structure.

Member of RSM International network, a network of
independent accounting, tax and consulting firms.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedar Rapids, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
December 7, 2010

Management's Discussion and Analysis

As management of the City of Cedar Rapids, Iowa, we offer readers of the City of Cedar Rapids' financial statements this narrative overview and analysis of the financial statements of the City of Cedar Rapids for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

In June 2008, record floods besieged communities throughout the Midwestern United States. Among the many communities that suffered flood-related damage, Cedar Rapids, Iowa was by far the most severely devastated. The cost and damage statistics from flood waters that reached 31.12 feet above flood level and covered 10 square miles of the City are staggering. The recovery costs are estimated to be as much as $5 billion dollars and it will take as long as 15 years to complete the demolition, reconstruction, and installation of adequate flood protection for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with recovery efforts.

City Council is clearly committed to a recovery and reinvestment effort that will not just return Cedar Rapids to pre-flood condition but make Cedar Rapids a greater, more vibrant community. A ten year financial plan has been updated to reflect the financial challenges since the flood and will help the City identify its funding needs over the next ten years.

Financial Highlights

- The assets of the City of Cedar Rapids exceeded its liabilities at the close of June 30, 2010, by $613.9 million (net assets). Of this amount, $170.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total assets increased by approximately $64.9 million.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of $103.1 million, a decrease of 5.4 percent as compared to the prior fiscal year.
- At the end of the current fiscal year, unreserved fund balance and targeted fund balance for the general fund was $31.4 million, or 32.6 percent of the total general fund expenditures.
- Total debt increased by $32.3 million during the current fiscal year. The City issued $30.12 million of new general obligation bonds, $13.0 million of new notes payable, $38.6 million of revenue bonds, and retired $49.6 million of existing bonds and notes payable.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cedar Rapids' basic financial statements. The City of Cedar Rapids' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The report consists of government-wide statements, fund financial statements, notes to the financial statements, required budgetary schedules, combining schedules of non-major funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. The governmental activities of the City of Cedar Rapids include general government, police and fire protection, streets and public buildings operation and maintenance, parks and recreation oriented activities, and flood recovery. The major business-type activities of the City include a water and wastewater treatment facilities and a sanitary sewer system. Included within others are a ground transportation system, parking system, solid waste management collection, golf courses, an ice arena, a theatre and an entertainment and convention facility. The City's three component units, The Eastern Iowa Airport, Cedar Rapids/Linn County Solid Waste Agency, and Cedar Rapids Library Foundation are also included. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Government–wide Financial Statements

The government-wide financial statements include the Statement of Net Assets. The Statement of Net Assets presents information on all of the City of Cedar Rapids' assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities is also included in the government-wide financial statements. The focus of the Statement of Activities is to show how the government's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Statement of Net Assets for the Fiscal Years Ended June 30, 2010 and 2009:

A condensed version of the Statement of Net Assets as of June 30, 2010 and 2009 follows:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Cash and investments	$ 185.7	$ 190.6	$ 2.0	$ 1.4	$ 187.7	$ 192.0
Restricted assets	58.7	51.3	30.8	16.0	89.5	67.3
Other assets	111.1	92.0	83.3	82.4	194.4	174.4
Capital assets	346.1	333.5	339.6	325.2	685.7	658.7
Total assets	701.6	667.4	455.7	425.0	1,157.3	1,092.4
Other liabilities	174.4	175.4	31.8	40.4	206.2	215.8
Noncurrent liabilities	146.5	123.0	190.7	161.3	337.2	284.3
Total liabilities	320.9	298.4	222.5	201.7	543.4	500.1
Net assets:						
Invested in capital assets, net of debt	255.4	202.5	162.4	151.8	417.8	354.3
Restricted	21.9	34.9	3.6	0.1	25.5	35.0
Unrestricted (deficit)	103.4	131.6	67.2	71.4	170.6	203.0
Total net assets	$ 380.7	$ 369.0	$ 233.2	$ 223.3	$ 613.9	$ 592.3

Governmental Activities

Net assets increased $11.7 million or 3.2 percent. The change is mainly an increase in improvements & structures due to increase in infrastructure capital projects, an increase in due from other governments related to grant money earned but not received as of June 30, 2010, an increase in general obligation bonds and notes payable.

Business-Type Activities

Total net assets increased $9.9 million or 4.4% for fiscal year 2010. The increase is mainly due to an increase in improvements and structures due to Water treatment capital projects and issuance of revenue bonds.

Statement of Activities for the Fiscal Years Ended June 30, 2010 and 2009:

A condensed version of the Statement of Activities as of June 30, 2010 and 2009 follows:

Table 2
Governmental and Business-type Activities
For Fiscal Years Ending June 30, 2010 and 2009
(in millions)

	Governmental Activities		Business-type Activities			
	2010	2009	2010	2009	2010	2009
Revenues						
Charges for services	$ 29.5	$ 22.5	$ 84.7	$ 73.2	$ 114.2	$ 95.7
Operating grants and contributions	96.1	95.7	3.9	3.4	100.0	99.1
Capital grants and contributions	7.8	54.5	2.4	2.9	10.2	57.4
General revenues:						
Property taxes	83.2	82.3	3.9	3.7	87.1	81.2
Hotel-motel taxes	2.4	2.9	-	-	2.4	2.6
Local option sales taxes	16.4	4.3	-	-	16.4	-
Franchise taxes	3.3	1.4	-	-	3.3	1.4
Investment income	1.9	2.9	0.9	2.2	2.8	12.9
Gain on sale of capital assets	0.1	-	-	-	0.1	0.4
Total revenues	240.7	266.5	95.8	85.4	336.5	230.1
Expenses						
Public safety	59.4	53.0	-	-	59.4	53.0
Public works	50.6	31.6	-	-	50.6	31.6
Culture and recreation	17.2	18.6	-	-	17.2	18.6
Community and economic development	59.5	69.0	-	-	59.5	16.7
General government	33.4	62.9	-	-	33.4	62.9
Debt service	6.0	5.5	-	-	6.0	5.5
Water	-	-	23.9	22.3	23.9	22.3
Water pollution control	-	-	27.5	24.8	27.5	24.8
Sanitary sewer	-	-	7.2	6.8	7.2	6.8
Ground transportation system	-	-	8.1	8.5	8.1	8.5
Parking system	-	-	4.1	3.7	4.1	3.7
Solid waste management	-	-	10.0	7.5	10.0	7.5
Golf	-	-	3.3	3.0	3.3	3.0
U.S. cellular center	-	-	3.1	2.1	3.1	2.1
Paramount theatre	-	-	0.4	0.5	0.4	0.5
Ice arena	-	-	1.5	1.8	1.8	1.8
Total expenses	226.1	240.6	88.9	81.0	315.0	312.6
Increase in net assets before special Items and transfers	14.6	25.9	7.0	4.4	21.6	30.3
Transfers	(2.9)	0.9	2.9	(0.9)	-	-
Changes in net assets	11.7	26.8	9.9	3.5	21.6	30.3
Beginning net assets	369.0	342.2	223.3	219.8	592.3	562.0
Ending net assets	$ 380.7	$ 369.0	$ 233.2	$ 223.3	$ 613.9	$ 592.3

Governmental Activities

Charges for services make up 12.3 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 43.2 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes & one-percent local option sales tax.

Business-type Activities

As expected, charges for services are the primary revenue source for business-type activities. Water fees, wastewater fees, and sanitary sewer charges are the primary charges for services that make up 88.4 percent of charges for services**.** Operating and capital grants make up 6.6 percent of overall revenue, grants for ground transportation system make up 61.7 percent of this amount.

Fund Financial Statements

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

Governmental Funds

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

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

The City of Cedar Rapids maintains seventeen 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, Infrastructure Construction fund, Debt Service fund, Flood fund, and Local Option Sales Tax fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The General Fund revenues increased $7.6 million or 12.9%, while expenditures increased 12.3 percent over the prior year thus resulting in an increase in the change in fund balance of $0.5 million compared to a decrease in FY 2009 of $3.1 million. The majority of the increase in the General Fund expenditures was purchased services, which increased $5.0 million and personal services, which increased $3.7 million. The increase in purchase services is due to general fund departments being charged for internal services, which was new in FY09 and the City continues to increase their charges looking to diversify revenue. Personal services increased due to reorganization of Code Enforcement, which added seven new positions and increase of eight positions in Public Works to handle flood recovery projects. The City has continued to maintain its targeted unreserved fund balance policy of 25 percent of the next year's expenditure budget in the General Fund as it was at 32.6 percent. Infrastructure construction fund expenditures decreased by 34.6

percent due to delays street improvements, and operating and capital grant revenue decreased 39.3 percent, resulting in an increase in fund balance of $1.9 million as compared to a decrease of $11.4 million in the prior year. The Debt Service Fund had a decrease in its fund balance by $8.2 million primarily due to a defeasement of crossover refunding bonds issued in FY 2007. The total amount of the defeasement was $9.26 million. The Flood Fund had a decrease in fund balance of $20.4 million resulting in a negative fund balance of $39.3 million. The negative fund balance is due to a delay between expenditures and receiving reimbursement from federal and state funding and is expected to be temporary. In FY 2009, the citizens of Cedar Rapids approved a one-percent local option sales tax to pay for flood recovery and ten-percent property tax relief. The fund balance is $14.6 million.

Proprietary Funds

The City of Cedar Rapids 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 water, water pollution control, sanitary sewer, and others. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Cedar Rapids uses internal service funds to account for its risk management functions, joint communications, fleet services, and facilities maintenance functions. Because all of these services predominately benefit governmental rather than business type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Water Pollution Control, and Sanitary Sewer as these are considered major funds of the City. Data from the other seven enterprise funds are combined into a single aggregate presentation. Individual fund data for each of the non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All Internal Service funds are combined into a single aggregate presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in this report.

Water operating revenues increased 12.8 percent over the prior year while operating expenses increased 4.7 percent thus increasing the net operating income from $4.5 million in FY 2009 to $6.6 million in FY 2010. The change in net assets increased $4.8 million. The $3.1 million increase in Water operating revenue is due to an increase in utility rates of 14.53% combined with a reduction of usage by customers due to 2008 flood. Water operating expenditures increased due to an increase in personal services by adding two full-time equivalent positions. Water Pollution Control's change in net assets is $3.4 million as compared to an increase of $0.9 million in FY 2009 mainly due to an increase in electricity usage and operating revenues. In FY09, the plant was not fully operational due to the 2008 flood damage. Water Pollution Control's operating revenues increased by 21.7 percent due to rate increase of 11.23 percent and increase in usage by the eight largest industrial users. Sanitary Sewer's operating revenues increased 6.5 percent while operating expenses increased 11.5 percent thus decreasing the net change in assets to $3.7 million in FY 2010 as compared to an increase of $3.8 million in FY 2009. Sanitary Sewer's operating revenues increase was due to a 17.91 percent increase in utility rates, and operating expenses increase was due to an increase in non-personal services, primarily in internal service charges.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected on the government-wide financial statements because the resources of those funds are not available to support the City of Cedar Rapids' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-66 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71-85 of this report.

Budgetary Highlights

The City presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on ten functional areas as required by state statute, not by fund or fund type.

The City had one budget amendment during the fiscal year that is our common practice. This amendment decreased the expenditure budget by $92.0 million to a total of $660.0 million. This represented a 13.9 percent decrease. The changes in budget are primarily due to a decrease in capital outlays due to delays in acquiring flooded properties for the purpose of constructing a new levy & green space along the Cedar River. General government increased due to an increase in administrative charges and a fire settlement from a City owned flood blighted property that caught on fire during the year. Debt service budget increased due to an increase in principal payments. Actual expenditures were $429.7 million. Budgetary comparison can be found on pages 67-68 of this report.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2010**,** the City had invested $658.7 million in capital assets as reflected in the following table. This investment includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges.

Table 3
Capital Assets at Fiscal Year-End
(Net of Depreciation)
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	$ 38.0	$ 34.0	$ 12.4	$ 12.3	$ 50.4	$ 46.3
Building and structures	34.1	35.0	70.7	75.6	104.8	110.6
Improvements other than buildings	241.6	234.9	192.3	186.5	433.9	421.4
Machinery and equipment	24.5	18.0	9.7	10.8	34.2	28.8
Construction in progress	7.9	11.6	54.5	40.0	62.4	51.6
Total	$ 346.1	$ 333.5	$ 339.6	$ 325.2	$ 685.7	$ 658.7

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is $346.1 million that represents a 3.8 percent

increase. For business type activities the amount is $339.6 million that is a 4.4 percent increase. Detail of this summary is presented on pages 48-49 of the notes.

Table 4
Change in Capital Assets
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Beginning Balance	$ 333.5	$ 300.1	$ 325.2	$ 300.4	$ 658.7	$ 600.5
Additions	29.6	49.2	30.9	46.2	60.5	95.4
Retirement	(1.3)	(1.7)	(2.8)	(6.6)	(4.1)	(8.3)
Depreciation	(15.7)	(14.1)	(13.7)	(14.8)	(24.9)	(28.9)
Ending Balance	$ 346.1	$ 333.5	$ 339.6	$ 325.2	$ 685.7	$ 658.7

Governmental Activities

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

- Street Improvements, $12.8 million or 43.2% of total additions
- Fleet purchases, $7.3 million or 24.7% of total additions
- Acquisition of flood damaged properties, $3.5 million or 11.8% of total additions
- New Bridges on Edgewood Road over the CRANDIC railroad and East Post Road, $1.7 million or 5.7% of total additions
- Storm Sewer Improvements, $1.5 million or 5.1% of total additions
- Purchase of flood control equipment, $0.9 million or 3.0% of total additions

Business-type Activities

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

- Improvements at Water Distribution plant, $15.3 million or 45.9% of total additions Sanitary Sewer improvements, $7.3 million or 23.6% of total additions
- Improvements at Water Pollution Control plant, $6.4 million or 20.7% of total additions
- Purchase of five transit buses, $0.9 million or 2.9% of total additions

Additional information on the City of Cedar Rapids' capital assets can be found in notes 7 on pages 48-50 of this report.

Debt Administration

The amount of debt outstanding at fiscal year end was $356.8 million as compared to $321.5 million last fiscal year. The increase in debt in FY10 is due to issuance of $30.12 million in general obligation bonds, $38.6 in revenue bonds, and $8.0 in state revolving fund loans for water and wastewater projects, and $5.0 disaster loan. Of the total debt outstanding, $148.6 million is backed by the full faith and credit of the City. The remainder is general obligation debt, revenue debt, and loans abated by enterprise revenues.

Table 5
Outstanding Debt at Year End
(in millions)

	Totals	
	2010	2009
Governmental		
General obligation	$ 148.6	$ 138.6
Note payable	5.0	-
Business-type		
General obligation & loans		
Abated by:		
Water	84.5	87.3
Water Pollution Control	52.1	60.3
Sanitary Sewer	20.1	25.1
Others	8.5	10.2
Sub-totals	165.2	182.9
Revenue		
Abated by:		
Water	16.7	-
Water Pollution Control	18.2	-
Sanitary Sewer	3.1	-
Sub-totals	38.0	-
Totals	$ 356.8	$ 321.5

Moody's Investor Services continues to rate the City's general obligation bonds Aaa.

For more detailed information on the City's debt and amortization terms, please refer to page 51 of the Notes to the Financial Statements.

Economic Factors

Cedar Rapids' unemployment rate increased 0.5% to 6.5% for fiscal year ending 2010, which is the same as the state unemployment rate of 6.5% and is lower than the national unemployment rate of 9.5% for the same time period.

The Cedar Rapids MSA mean household income in 2010 was $63,528 as compared to $62,605 in 2009. These amounts are presented in current dollar.

Retail sales in the metro area increased to $3.48 billion for calendar year 2009 compared to $3.12 billion in calendar year 2008. Of this total, $2.89 billion was generated in Cedar Rapids.

The total value of building permits in FY 2010 was approximately $197.6 million. This compares with an amount of $289.0 for FY 2009. This amount represents a decrease of 31.6 percent from the previous fiscal year mainly due to more home repairs related to the 2008 flood being completed in FY 2009.

Next Year's Budget and Rates

Approximately 75 percent of our operating costs in the General fund are for Personal Services. Changes in Personal Services can be due to changes in the pay rates, changes in benefits and cost of benefits, changes in number of employees, or any combination of these. The Personal Services within the General Fund

increased by $3.4 million or an increase of 5.1 percent. Non-Personal Services were decreased by $0.2 million or 1.9 percent.
Water, Sewer, and Solid Waste fees combined are expected to increase approximately 4.9 percent in FY2011 for the average residential customer. The amount of dollar increase on the average residential user (usage of 10 units of water per month) will be $39.00 bimonthly. Even with these increases in rates, our combined water and sewer rates are still far below other large cities in Iowa that provide similar services.

The tax levy for bus operations and capital will increase to 82.438 cents/$1000 that will result in an increase of approximately $322,462 in revenues. State law provides the City could levy up to $.95/1000 as a part of the transit levy.

Financial Information Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability). If you have questions about the report or need additional financial information, please contact the Finance Department at 3851 River Ridge Drive NE, Cedar Rapids, Iowa, 52402.

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
ASSETS						
Current assets:						
Cash and investments	$ 185,697,135	$ 1,993,424	$ 187,690,559	$ 2,783	$ 24,613,494	$ -
Receivables:						
Taxes	84,749,558	4,356,507	89,106,065	-	-	-
Accounts and unbilled usage, net $484,664 of allowance for doubtful accounts	4,680,150	9,730,480	14,410,630	860,839	3,022,061	-
Special assessments	1,667,416	-	1,667,416	-	-	-
Interest	958,540	2,733	961,273	-	14,257	-
Internal balances, net	(65,550,408)	65,550,408	-	-	-	-
Due from primary government	-	-	-	33,290,301	-	-
Due from other governments	77,632,116	681,996	78,314,112	6,574,822	2,333,883	-
Inventories	2,072,307	885,223	2,957,530	-	-	-
Prepaid items	1,191,147	124,317	1,315,464	4,667	122,200	-
Deferred charges	898,655	2,007,164	2,905,819	24,119	-	-
Restricted assets:						
Cash and investments	58,718,874	30,846,558	89,565,432	-	-	3,670,432
Total current assets	352,715,490	116,178,810	468,894,300	40,757,531	30,105,895	3,670,432
Noncurrent assets:						
Notes receivable	2,808,173	-	2,808,173	-	222,787	-
Land	38,025,283	12,406,579	50,431,862	8,832,230	3,657,920	-
Buildings and structures	63,070,043	201,336,686	264,406,729	73,100,160	2,294,792	-
Improvements other than buildings	373,737,178	301,055,031	674,792,209	69,580,872	14,609,351	-
Machinery and equipment	54,465,502	36,772,084	91,237,586	5,791,739	7,043,224	8,804
Accumulated depreciation	(191,042,340)	(266,506,358)	(457,548,698)	(67,029,293)	(9,762,609)	(4,049)
Construction in progress	7,861,522	54,490,467	62,351,989	29,546,135	3,479,762	-
Total noncurrent assets	348,925,361	339,554,489	688,479,850	119,821,843	21,545,227	4,755
Total assets	701,640,851	455,733,299	1,157,374,150	160,579,374	51,651,122	3,675,187
LIABILITIES						
Current liabilities:						
Vouchers payable	20,788,349	5,192,806	25,981,155	7,493,079	1,366,440	16,911
Contracts payable	3,287,272	3,176,683	6,463,955	492,087	-	-
Claims and judgments payable	9,950,700	-	9,950,700	-	-	-
Accrued expenses	2,273,941	909,911	3,183,852	64,778	72,616	-
Revenues collected in advance	1,807,788	147,014	1,954,802	44,016	8,301	-
Unearned revenues	82,214,269	4,450,690	86,664,959	-	-	-
Due to component unit	33,290,301	-	33,290,301	-	-	-
Due to other governments	2,820,073	401,954	3,222,027	-	288,980	-
Due to general public	453,773	1,006	454,779	-	-	-
Security deposits	1,649	306,446	308,095	17,425	46,500	-
General obligation bonds payable	12,062,373	13,046,495	25,108,868	496,132	-	-
Unamortized bond premium	87,285	261,599	348,884	2,211	-	-
Interest payable	482,578	642,003	1,124,581	9,286	-	-
Closure/post closure landfill	-	-	-	-	379,675	-
Compensated absences	4,925,142	1,215,051	6,140,193	208,856	123,214	-
Note Payable	-	2,014,417	2,014,417	-	-	-
Total current liabilities	174,445,493	31,766,075	206,211,568	8,827,870	2,285,726	16,911
Noncurrent liabilities:						
General obligation bonds payable	136,563,138	143,587,928	280,151,066	1,963,933	-	-
Closure/post closure landfill	-	785,672	785,672	-	19,182,050	-
Unamortized bond premium	765,752	1,798,103	2,563,855	21,048	-	-
Note Payable	5,000,000	44,479,447	49,479,447	-	-	-
Accrued interest	21,815	-	21,815	-	-	-
Post-employment liabilities	3,747,051	-	3,747,051	-	-	-
Compensated absences	389,271	89,049	478,320	943	-	-
Total noncurrent liabilities	146,487,027	190,740,199	337,227,226	1,985,924	19,182,050	-
Total liabilities	320,932,520	222,506,274	543,438,794	10,813,794	21,467,776	16,911
NET ASSETS						
Invested in capital assets, net of related debt	255,357,514	162,423,211	417,780,725	117,338,519	21,322,440	4,755
Restricted for:						
Closure/post closure landfill	-	-	-	-	17,599,310	-
Compost site closure	-	-	-	-	375,000	-
Donor restrictions	-	-	-	-	-	1,690,830
Debt service	4,782,670	3,575,519	8,358,189	-	-	-
Other special revenue	8,499,036	-	8,499,036	-	-	-
Tax increment financing projects	4,963,561	-	4,963,561	-	-	-
Road construction projects	3,566,461	-	3,566,461	-	-	-
SSMID projects	114,073	-	114,073	-	-	-
Unrestricted	103,425,016	67,228,295	170,653,311	32,427,061	(9,113,404)	1,962,691
	$ 380,708,331	$ 233,227,025	$ 613,935,356	$ 149,765,580	$ 30,183,346	$ 3,658,276

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

City of Cedar Rapids, Iowa
Statement of Activities
For the Year Ended June 30, 2010

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	$ 59,391,790	$ 835,599	$ 4,967,874	$ 92,884
Public works	50,639,010	2,326,266	16,241,210	6,119,048
Culture and recreation	17,245,024	14,861,450	3,230,934	203,041
Community and economic development	59,446,440	4,639,257	39,842,167	1,271,224
General government	33,347,735	6,836,575	31,797,943	62,977
Interest on long-term debt	6,026,574	-	-	-
Total governmental activities	226,096,573	29,499,147	96,080,128	7,749,174
Business-type activities:				
Water	23,839,346	26,955,880	-	1,260,882
Water pollution control	27,472,489	30,659,963	-	294,410
Sanitary sewer	7,198,507	9,789,441	86,659	150,086
Ground transportation system	8,077,409	778,911	3,759,714	707,768
Parking system	4,107,165	3,116,673	-	-
Solid waste management	9,984,132	7,344,847	59,547	-
Golf	3,158,393	2,586,913	-	12,448
U.S. Cellular center	3,152,069	2,675,075	-	-
Paramount theatre	439,704	-	-	-
Ice arena	1,493,771	952,433	-	-
Total business-type activities	88,922,985	84,860,136	3,905,920	2,425,594
Total primary government	315,019,558	114,359,283	99,986,048	10,174,768
Component units:				
Airport	12,229,339	13,709,844	56,630	8,267,843
Cedar Rapids / Linn County Solid Waste Agency	10,561,788	12,497,407	277,320	-
Cedar Rapids Public Library Foundation	251,531	398,887	-	-
Total component units	23,042,658	26,606,138	333,950	8,267,843

General revenues:
Property taxes
Hotel-Motel taxes
Local option sales taxes
Franchise taxes
Investment income
Gain on sale of capital assets
Transfers
Total general revenues and transfers

Change in net assets
Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
$ (53,495,433)	$ -	$ (53,495,433)	$ -	$ -	$ -
(25,952,486)	-	(25,952,486)	-	-	-
1,050,401	-	1,050,401	-	-	-
(13,693,792)	-	(13,693,792)	-	-	-
5,349,760	-	5,349,760	-	-	-
(6,026,574)	-	(6,026,574)	-	-	-
(92,768,124)	-	(92,768,124)	-	-	-
-	4,377,416	4,377,416	-	-	-
-	3,481,884	3,481,884	-	-	-
-	2,827,679	2,827,679	-	-	-
-	(2,831,016)	(2,831,016)	-	-	-
-	(990,492)	(990,492)	-	-	-
-	(2,579,738)	(2,579,738)	-	-	-
-	(559,032)	(559,032)	-	-	-
-	(476,994)	(476,994)	-	-	-
-	(439,704)	(439,704)	-	-	-
-	(541,338)	(541,338)	-	-	-
-	2,268,665	2,268,665	-	-	-
(92,768,124)	2,268,665	(90,499,459)	-	-	-
-	-	-	9,804,978	-	-
-	-	-	-	2,212,939	-
-	-	-	-	-	147,356
-	-	-	9,804,978	2,212,939	147,356
83,235,371	3,891,767	87,127,138	-	-	-
2,378,503	-	2,378,503	-	-	-
16,428,594	-	16,428,594	-	-	-
3,323,638	-	3,323,638	-	-	-
1,870,320	878,640	2,748,960	73,227	112,615	86,120
84,916	-	84,916	-	-	-
(2,881,170)	2,881,170	-	-	-	-
104,440,172	7,651,577	112,091,749	73,227	112,615	86,120
11,672,048	9,920,242	21,592,290	9,878,205	2,325,554	233,476
369,036,283	223,306,783	592,343,066	139,887,375	27,857,792	3,424,800
$ 380,708,331	$ 233,227,025	$ 613,935,356	$ 149,765,580	$ 30,183,346	$ 3,658,276

City of Cedar Rapids, Iowa
Balance Sheet
Governmental Funds
June 30, 2010

	General	Infrastructure Construction	Debt Service	Flood	Local Option Sales Tax	Other Governmental Funds	Total
ASSETS							
Cash and investments	$ 183,732,447	$ 21,643,281	$ 1,311,906	$ 10,751,446	$ -	$ 17,998,501	$ 235,437,581
Receivables:							
Taxes	45,000,746	-	13,583,036	-	1,152,368	25,013,408	84,749,558
Accounts and unbilled usage,net							
$251,746 of allowance for doubtful accounts	2,172,096	96,883	-	409,177	-	836,975	3,515,131
Special assessments	113,651	1,553,765	-	-	-	-	1,667,416
Interest	950,867	-	-	-	-	5,480	956,347
Advance to other funds	88,000	-	-	-	-	-	88,000
Due from other funds	-	25,395,979	3,373,624	-	17,327,374	19,928,374	66,025,351
Due from other governments	128,932	3,277,587	-	70,226,381	-	3,934,990	77,567,890
Notes Receivable	-	-	-	-	-	2,808,173	2,808,173
Inventories	816,988	-	-	6,619	-	32,254	855,861
Prepaid items	205,983	-	-	-	-	518,932	724,915
Total assets	233,209,710	51,967,495	18,268,566	81,393,623	18,479,742	71,077,087	474,396,223
LIABILITIES AND FUND BALANCES							
Liabilities:							
Vouchers payable	1,204,036	2,243,809	107,151	14,256,848	28,928	1,263,731	19,104,503
Contracts payable	-	703,659	-	2,519,030	-	64,583	3,287,272
Accrued expenditures	2,054,237	-	-	12,164	-	39,226	2,105,627
Revenues collected in advance	987,586	627,511	-	34,815	-	157,876	1,807,788
Deferred revenues	44,333,920	4,086,377	13,378,745	52,689,810	-	25,871,329	140,360,181
Due to other funds	115,313,093	-	-	51,132,053	-	358,240	166,803,386
Advance from other funds	-	-	-	-	-	1,288,497	1,288,497
Due to component unit	33,290,301	-	-	-	-	-	33,290,301
Due to general public	-	-	-	-	-	453,773	453,773
Due to other governments	499,090	1,777,312	-	-	-	543,671	2,820,073
Security deposits	1,349	-	-	-	-	300	1,649
Total liabilities	197,683,612	9,438,668	13,485,896	120,644,720	28,928	30,041,226	371,323,050
Fund balances:							
Reserved for:							
Notes receivable		-	-	-	-	2,783,173	2,783,173
Advance to other funds	88,000	-	-	-	-	-	88,000
Prepaid items	205,983	-	-	-	-	518,932	724,915
Encumbrances	3,061,969	20,168,977	-	86,523,299	-	2,088,569	111,842,814
Inventories	816,988	-	-	6,619	-	32,254	855,861
Employee retirement	-	-	-	-	-	1,662,964	1,662,964
Debt service	-	-	4,782,670	-	-	-	4,782,670
Unreserved, designated:							
Targeted fund balance	24,664,949	-	-	-	-	-	24,664,949
Unreserved, undesignated reported in:							
General fund	6,688,209	-	-	-	-	-	6,688,209
Special revenue funds	-	-	-	-	18,450,814	17,881,337	36,332,151
Capital projects funds	-	22,359,850	-	(125,781,015)	-	16,068,632	(87,352,533)
Total fund balances	35,526,098	42,528,827	4,782,670	(39,251,097)	18,450,814	41,035,861	103,073,173
Total liabilities and fund balances	$ 233,209,710	$ 51,967,495	$ 18,268,566	$ 81,393,623	$ 18,479,742	$ 71,077,087	$ 474,396,223

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

City of Cedar Rapids, Iowa
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2010

Fund balances-total governmental funds		$ 103,073,173
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 funds.		332,106,509
Other long-term assets not available to pay for current-period expenditures and, therefore, are deferred in the funds		58,145,912
Internal service funds:		
Capital assets	14,010,679	
Other current assets	11,892,544	
Internal balances	39,703,946	
Other current liabilities	(12,100,635)	
Noncurrent liabilities	(3,769,785)	49,736,749
Internal service funds allocated to business-type activities		(3,275,822)
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(4,993,904)	
Bonds payable	(148,625,511)	
Notes payable	(5,000,000)	
Bond premium	(853,037)	
Accrued interest on long-term debt	(504,393)	
Deferred charges	898,655	(159,078,190)
Net assets of governmental activities		$ 380,708,331

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	Infrastructure Construction	Debt Service	Flood	Local Option Sales Tax	Other Governmental Funds	Total
Revenues:							
Property taxes	$ 42,236,711	$ -	$ 12,031,113	$ -	$ -	$ 28,896,674	$ 83,164,498
Hotel-Motel taxes	-	-	-	-	-	2,378,503	2,378,503
Local option sales taxes	-	-	-	-	16,428,594	-	16,428,594
Franchise taxes	3,323,638	-	-	-	-	-	3,323,638
Licenses and permits	2,293,064	-	-	-	-	28,950	2,322,014
Intergovernmental	614,375	5,267,113	-	58,911,034	-	24,109,598	88,902,120
Charges for services	16,065,780	253,429	-	1,392	-	202,868	16,523,469
Fines and forfeits	1,214,337	-	-	-	-	6,560	1,220,897
Use of money and property	162,220	123,640	365,511	(90,639)	18,384	290,640	869,756
Rents and royalties	262,463	1	-	-	-	297,488	559,952
Miscellaneous	402,238	207,668	-	123,001	-	861,767	1,594,674
Total revenues	66,574,826	5,851,851	12,396,624	58,944,788	16,446,978	57,073,048	217,288,115
Expenditures:							
Current:							
Public safety	47,677,161	-	-	9,822,859	-	968,099	58,468,119
Public works	19,416,123	692,301	-	19,222,176	-	97,451	39,428,051
Culture and recreation	11,927,421	-	-	2,189,723	-	1,406,413	15,523,557
Community and economic development	2,739,257	-	-	39,307,747	298,111	17,057,388	59,402,503
General government	13,397,808	-	5,873,959	14,444,484	-	3,216,643	36,932,894
Debt service:			-	-	-		
Principal	-	-	23,230,021	-	-	-	23,230,021
Interest	-	-	5,681,558	-	-	437,531	6,119,089
Bond issuance costs	57	24,562	55,319	23,749	-	16,683	120,370
Capital outlay	893,038	17,724,635	-	715,161	-	2,399,506	21,732,340
Total expenditures	96,050,865	18,441,498	34,840,857	85,725,899	298,111	25,599,714	260,956,944
Excess (deficiency) of revenues over (under) expenditures	(29,476,039)	(12,589,647)	(22,444,233)	(26,781,111)	16,148,867	31,473,334	(43,668,829)
Other Financing Sources (Uses):							
Long-term debt issued	-	9,264,900	8,869,800	7,499,977	-	7,615,323	33,250,000
Note payable issued	-	-	-	5,000,000	-	-	5,000,000
Premium (Discount) on bonds issued	-	-	76,404	-	-	-	76,404
Investment earnings	-	-	412,012	-	-	-	412,012
Settlement reimbursement	3,923	-	-	-	-	3,500,000	3,503,923
Sale of capital assets	147,360	-	-	-	-	1,656	149,016
Transfers in	32,288,998	5,419,981	5,565,134	3,589,166	-	7,608,915	54,472,194
Transfers (out)	(2,474,941)	(244,302)	(725,114)	(9,695,946)	(1,527,623)	(44,425,971)	(59,093,897)
Total other financing sources (uses)	29,965,340	14,440,579	14,198,236	6,393,197	(1,527,623)	(25,700,077)	37,769,652
Net change in fund balances	489,301	1,850,932	(8,245,997)	(20,387,914)	14,621,244	5,773,257	(5,899,177)
Fund balances - July 1, 2009	35,036,797	40,677,895	13,028,667	(18,863,183)	3,829,570	35,262,604	108,972,350
Fund balances - June 30, 2010	$ 35,526,098	$ 42,528,827	$ 4,782,670	$(39,251,097)	$ 18,450,814	$ 41,035,861	$ 103,073,173

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

City of Cedar Rapids, Iowa
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances-total governmental funds			$ (5,899,177)
Amounts reported for governmental activites in the statement of activities are different because:			
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:			
	Capital outlay	21,777,746	
	Contributions of capital assets	693,798	
	Depreciation expense	(15,032,586)	7,438,958
Governmental funds reported proceeds from sale of capital assets			(149,016)
Gain on sale of capital assets			84,916
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			13,349,940
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
	Note payable issuance	(5,000,000)	
	Payments of bond principal	23,230,021	
	Premium on bond issued	(76,404)	
	Issuance of debt	(33,250,000)	
	Accrued interest	44,514	
	Bond issuance costs	120,370	
	Amortization	(55,326)	(14,986,825)
Expenses reported in the statement of activities, such as compensated absenses, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			214,307
Internal service funds net change reported in governmental activities			12,210,622
Change in internal service funds activites allocated to business-type activities			(591,677)
Change in net assets - governmental activities			$ 11,672,048

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

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds					
	Water	Water Pollution Control	Sanitary Sewer	Other	Total	Governmental Activities - Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	$ 706,569	$ 75	$ -	$ 1,286,780	$ 1,993,424	$ 8,978,428
Receivables:						
Taxes	-	-	-	4,356,507	4,356,507	-
Accounts and unbilled usage, net $144,921 of allowance for doubtful accounts	3,003,165	4,561,032	333,365	1,832,918	9,730,480	1,165,019
Interest	2,730	-	-	3	2,733	2,193
Advance to other funds	-	-	-	446,000	446,000	-
Due from other funds	9,388,465	23,515,019	14,309,920	15,114,090	62,327,494	40,961,630
Due from other governments	152,592	291,262	90,379	147,763	681,996	64,226
Inventories	696,456	41	5,096	183,630	885,223	1,216,446
Prepaid items	13,385	3,223	9,140	98,569	124,317	466,232
Deferred charges	902,569	563,954	150,269	390,372	2,007,164	-
Restricted Assets:						
Cash and investments	12,518,319	15,764,419	2,258,440	305,380	30,846,558	-
Due from other funds	-	785,672	-	-	785,672	-
Total current assets	27,384,250	45,484,697	17,156,609	24,162,012	114,187,568	52,854,174
Noncurrent assets:						
Advance to other funds	-	-	-	-	-	1,558,803
Land	438,918	1,355,790	510,417	10,101,454	12,406,579	1,016,663
Buildings and structures	55,189,706	88,843,323	-	57,303,657	201,336,686	6,103,213
Improvements other than buildings	115,115,990	63,892,470	104,343,827	17,702,744	301,055,031	1,876,747
Machinery and equipment	4,807,414	5,125,507	3,088,664	23,750,499	36,772,084	13,157,279
Accumulated depreciation	(64,798,333)	(99,812,995)	(39,369,956)	(62,525,074)	(266,506,358)	(8,202,630)
Construction in progress	47,130,292	6,555,451	-	804,724	54,490,467	59,407
Total noncurrent assets	157,883,987	65,959,546	68,572,952	47,138,004	339,554,489	15,569,482
Total assets	185,268,237	111,444,243	85,729,561	71,300,016	453,742,057	68,423,656
LIABILITIES						
Current liabilities:						
Vouchers payable	1,175,290	1,568,113	928,093	1,521,310	5,192,806	1,683,846
Claims and judgements payable	-	-	-	-	-	9,950,700
Contracts payable	2,023,246	737,991	374,741	40,705	3,176,683	-
Accrued expenses	204,310	171,160	47,163	487,278	909,911	168,314
Compensated absences	419,254	293,359	86,870	415,568	1,215,051	297,775
Revenues collected in advance	81,552	340	-	65,122	147,014	-
Deferred revenues	-	-	-	4,450,690	4,450,690	-
Due to other funds	-	-	-	1,196,580	1,196,580	2,100,181
Due to other governments	151,293	137,685	-	112,976	401,954	-
Due to general public	1,006	-	-	-	1,006	-
Advance from other funds	-	-	-	88,000	88,000	716,306
Security deposits	295,811	-	-	10,635	306,446	-
Notes payable	1,510,000	418,000	-	86,417	2,014,417	-
General obligation bonds payable	5,352,608	5,140,365	1,629,417	924,105	13,046,495	-
Unamortized bond premium	88,610	75,862	92,453	4,674	261,599	-
Matured bonds interest payable	305,489	230,936	79,149	26,429	642,003	-
Total current liabilities	11,608,469	8,773,811	3,237,886	9,430,489	33,050,655	14,917,122
Noncurrent liabilities:						
General obligation bonds payable	58,800,989	55,815,056	21,561,330	7,410,553	143,587,928	-
Notes payable	35,565,468	8,913,979	-	-	44,479,447	-
Post-employment liability	-	-	-	-	-	3,747,051
Closure/post closure landfill	-	785,672	-	-	785,672	-
Unamortized bond premium	392,207	641,819	82,917	681,160	1,798,103	-
Compensated absences	49,435	10,765	-	28,849	89,049	22,734
Total noncurrent liabilities	94,808,099	66,167,291	21,644,247	8,120,562	190,740,199	3,769,785
Total liabilities	106,416,568	74,941,102	24,882,133	17,551,051	223,790,854	18,686,907
NET ASSETS						
Invested in capital assets, net of related debt	67,437,598	9,404,076	47,245,062	38,336,475	162,423,211	14,010,679
Restricted for debt service	1,254,826	2,100,480	220,213	-	3,575,519	-
Unrestricted	10,159,245	24,998,585	13,382,153	15,412,490	63,952,473	35,726,070
	$ 78,851,669	$ 36,503,141	$ 60,847,428	$ 53,748,965	$ 229,951,203	$ 49,736,749

Total enterprise fund net assets	$ 229,951,203
Amounts reported for business-type activities in the statement of net assets are different due to: Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	3,275,822
	$ 233,227,025

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	Other
Operating revenues:				
Charges for services	$ 26,704,752	$ 30,638,871	$ 9,789,441	$ 14,993,605
Fines and forfeits	-	-	-	268,240
Use of money and property	159,135	-	-	800
Rents and royalties	36,188	17,965	-	1,446,433
Miscellaneous	55,805	3,127	-	745,774
Total operating revenues	26,955,880	30,659,963	9,789,441	17,454,852
Operating expenses:				
Personal services	8,226,084	6,704,952	1,918,102	10,671,614
Purchased services	4,891,673	7,027,766	1,675,274	10,641,422
Supplies and materials	2,803,374	4,470,539	307,844	1,776,331
Other	290,470	128,683	214,999	3,576,348
Depreciation	4,094,283	6,568,606	2,137,630	3,562,237
Total operating expenses	20,305,884	24,900,546	6,253,849	30,227,952
Operating income (loss)	6,649,996	5,759,417	3,535,592	(12,773,100)
Nonoperating revenues (expenses):				
Intergovernmental	418,976	288,996	86,659	3,819,261
Investment earnings	346,415	330,123	127,854	74,248
Property tax revenue	-	-	-	3,891,767
Gain (loss) on sale of capital assets	24,580	5,414	(35,870)	(34,189)
Contributions and donations	-	-	-	-
Interest expense	(3,699,132)	(2,713,946)	(991,992)	(374,607)
Total nonoperating revenue (expenses)	(2,909,161)	(2,089,413)	(813,349)	7,376,480
Income (loss) before transfers and capital contributions	3,740,835	3,670,004	2,722,243	(5,396,620)
Capital contributions	817,326	-	185,956	707,651
Transfers:				
Transfers in	285,600	-	800,000	2,692,343
Transfers out	-	(250,000)	-	(646,773)
Change in net assets	4,843,761	3,420,004	3,708,199	(2,643,399)
Total net assets, beginning	74,007,908	33,083,137	57,139,229	56,392,364
Total net assets, ending	$ 78,851,669	$ 36,503,141	$ 60,847,428	$ 53,748,965
Net changes in net assets in enterprise funds				
Internal service funds are used by management to charge various costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities				
Change in net assets of business-type activities				

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

Total	Governmental Activities - Internal Service Funds
$ 82,126,669	$ 37,013,753
268,240	-
159,935	-
1,500,586	1,580,989
804,706	49,181
84,860,136	38,643,923
27,520,752	9,127,138
24,236,135	21,072,552
9,358,088	4,713,376
4,210,500	566,574
16,362,756	1,855,888
81,688,231	37,335,528
3,171,905	1,308,395
4,613,892	-
878,640	591,143
3,891,767	-
(40,065)	242,972
-	7,676,394
(7,779,677)	(41,439)
1,564,557	8,469,070
4,736,462	9,777,465
1,710,933	692,624
3,777,943	2,341,093
(896,773)	(600,560)
9,328,565	12,210,622
220,622,638	37,526,127
$ 229,951,203	$ 49,736,749
9,328,565	
591,677	
$ 9,920,242	

City of Cedar Rapids, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Sanitary Sewer	Other	Total	
Cash flows from operating activities:						
Cash received from users	$ 29,524,770	$ 30,725,290	$ 9,642,589	$ 17,417,875	$ 87,310,524	$ 38,006,498
Cash paid to employees	(8,180,718)	(6,699,570)	(1,924,214)	(10,602,016)	(27,406,518)	(8,696,298)
Cash paid to suppliers	(9,449,582)	(11,364,026)	(2,403,273)	(16,077,556)	(39,294,437)	(24,729,064)
Net cash flows from operating activities	11,894,470	12,661,694	5,315,102	(9,261,697)	20,609,569	4,581,136
Cash flows from non-capital financing activities:						
Borrowing from other funds	9,972,677	4,921,283	3,993,075	10,468,930	29,355,965	7,691,258
Loans to other funds	(10,163,572)	(7,528,337)	(5,043,235)	(8,353,465)	(31,088,609)	(11,973,462)
Contributions and donations	-	-	-	-	-	7,676,394
Intergovernmental	418,976	288,996	86,659	3,819,261	4,613,892	-
Transfers in	285,600	-	800,000	2,692,343	3,777,943	2,341,093
Transfers out	-	(250,000)	-	(646,773)	(896,773)	(600,560)
Property taxes	-	-	-	3,871,597	3,871,597	-
Net cash flows from non-capital financing activities	513,681	(2,568,058)	(163,501)	11,851,893	9,634,015	5,134,723
Cash flows from capital and related financing activities:						
Purchase of capital assets	(14,073,073)	(6,294,172)	(6,922,325)	(1,794,824)	(29,084,394)	(7,132,182)
Proceeds from disposition of capital assets	29,523	238,047	30,111	31,154	328,835	285,500
Capital contributions	-	-	-	707,651	707,651	692,624
Revenue bonds issued	17,005,000	18,425,000	3,170,000	-	38,600,000	-
State Revolving Fund loan	7,027,582	858,419	-	-	7,886,001	-
Notes payable	-	-	-	108,517	108,517	-
Premium (discount) on bonds	40,552	55,500	10,591	623,238	729,881	-
Principal paid	(10,072,076)	(9,254,214)	(5,108,123)	(1,895,534)	(26,329,947)	-
Issuance costs on issue	(265,968)	(301,374)	(53,996)	-	(621,338)	(12,325)
Interest paid	(3,634,558)	(2,936,202)	(1,070,965)	(378,345)	(8,020,070)	-
Net cash flows from capital and related financing activities	(3,943,018)	791,004	(9,944,707)	(2,598,143)	(15,694,864)	(6,166,383)
Cash flows from investing activities:						
Interest on investments	347,190	330,123	127,854	74,250	879,417	562,607
Net cash flows from investing activities	347,190	330,123	127,854	74,250	879,417	562,607
Net increase (decrease) in cash and cash equivalents	8,812,323	11,214,763	(4,665,252)	66,303	15,428,137	4,112,083
Cash and cash equivalents, July 1, 2009	4,412,565	4,549,731	6,923,692	1,525,857	17,411,845	4,866,345
Cash and cash equivalents, June 30, 2010	$ 13,224,888	$ 15,764,494	$ 2,258,440	$ 1,592,160	$ 32,839,982	$ 8,978,428
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	$ 6,649,996	$ 5,759,417	$ 3,535,592	$ (12,773,100)	$ 3,171,905	$ 1,308,395
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	4,094,283	6,568,606	2,137,630	3,562,237	16,362,756	1,855,888
Change in assets and liabilities:						
(Increase) decrease in prepaid items	194	30,384	(9)	(19,883)	10,686	18,808
Increase (decrease) in vouchers payable	(1,497,811)	232,578	(205,147)	(44,026)	(1,514,406)	(628,750)
Increase (decrease) in accrued expenses	20,676	29,940	5,064	33,815	89,495	31,179
Increase in compensated absences	24,690	(24,558)	(11,176)	35,783	24,739	(57,592)
(Increase) decrease in accounts receivable	(416,089)	193,286	(60,476)	(120,607)	(403,886)	(624,668)
(Increase) (decrease) in inventories	33,552	-	-	(19,546)	14,006	(77,020)
(Increase) decrease in due from other governments	2,922,366	(255,033)	(86,376)	18,612	2,599,569	(12,757)
Increase (decrease) in due to other governments	93,371	133,175	-	495	227,041	-
Increase in due to general public	263	-	-	-	263	-
Increase (decrease) in revenues collected in advance	6,011	-	-	(25,504)	(19,493)	-
Increase (decrease) in security deposit	14,394	-	-	3,563	17,957	-
Increase in deferred revenue	(51,426)	(6,101)	-	86,464	28,937	-
Increase in post-employment liability	-	-	-	-	-	457,253
Increase in open claims payable	-	-	-	-	-	2,310,400
Net cash flows from operating activities	$ 11,894,470	$ 12,661,694	$ 5,315,102	$ (9,261,697)	$ 20,609,569	$ 4,581,136
Schedule of noncash capital and related financing activities:						
Acquisition of capital assets through contracts payable	$ 394,024	$ 150,537	$ 236,504	$ (2,851)	$ 778,214	$ -
Acquisition of capital assets through private contributions	$ 817,326	$ -	$ 185,956	$ -	$ 1,003,282	$ -

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

City of Cedar Rapids, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2010

	Agency Funds
ASSETS	
Accounts receivable	287
Due from other governments	718,938
Total assets	$ 719,225
LIABILITIES	
Vouchers payable	62,015
Due to other governments	187,813
Security deposits	469,397
Total liabilities	$ 719,225

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

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Cedar Rapids, incorporated in 1849, operates under the council-manager form of government. The City provides a broad range of service to its citizens, including general government, public safety, street cleaning and maintenance, cultural, and park facilities. It also operates a parking system, a mass transportation system, water, sewer and other sanitation utilities, several recreational, convention and entertainment oriented facilities, and through its component units, an airport and solid waste disposal facilities.

The accompanying financial statements present the City and its component units. Component units, although legally separate entities, are, in substance, part of the City's operations. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The Eastern Iowa Airport and Cedar Rapids/Linn County Solid Waste Agency have a June 30 year end and the Cedar Rapids Public Library Foundation has a year end of June 30. They are as follows:

1. The Eastern Iowa Airport and related parking is operated by the Cedar Rapids Airport Commission. The Commission has all the powers granted to the City except for the authority to sell the airport. The Mayor appoints the members of the Airport Commission with City Council approval. The City also approves its operating budget. The Eastern Iowa Airport does not publish its own annual financial report.

2. The Cedar Rapids/Linn County Solid Waste Agency (CRLCSWA) is the result of a 28E agreement as provided under the Code of Iowa. CRLCSWA disposes of solid wastes into the combined City/County landfills in an integrated manner for the public benefit. The City of Cedar Rapids has the authority to appoint the majority of CRLCSWA's board of directors, and is able to impose its will on CRLCSWA's operations. CRLCSWA publishes its own annual financial report, which is available at their office, 1954 County Home Road, Marion, Iowa 52302 upon request. Further reference regarding the City's on going financial interest as a result of this agreement can be found in Note 14 Closure and Postclosure Care Cost.

3. The Cedar Rapids Public Library Foundation is a nonprofit corporation organized under the laws of the State of Iowa for the purpose of providing resources to be used for the benefit of the Cedar Rapids Public Library. The Foundation publishes its own annual financial report, using the not-for-profit reporting model, which is available at their office, 500 1st Street S.E., Cedar Rapids, IA 52401.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City 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 services. Likewise, the City is reported separately from component units.

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are combined into a single column within the governmental and proprietary funds in the financial section of the basic financial statements and are detailed in the supplemental information.

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 judgements, are recorded only when payment is due (matured).

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Substantially all shared revenues are recorded when the underlying exchange transaction has occurred. For governmental funds revenue from grant revenues is recorded as deferred revenue until they become available.

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Income from accounts receivables and unbilled usage is recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for services (other than enterprise), miscellaneous, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment receivables are recorded at the time of their levy. The related revenue is recognized at the time it is due in the governmental funds and when levied for government-wide statements.

All other revenue items are considered to be measurable and available only when cash is received by the City.

The City of Cedar Rapids reports the following major governmental funds:

General Fund

The General Fund accounts for all the financial resources of the City, except for those required to be accounted for by other funds. The revenues of the General Fund are primarily derived from general property taxes, charges for services, fines and forfeitures, licenses and permits, and certain revenues from state and federal sources. The expenditures of the General Fund primarily relate to general administration, police and fire protection, streets and public buildings operation and maintenance, and parks and recreation oriented activities.

Infrastructure Construction Fund

The Infrastructure Construction Fund (a capital project fund) accounts for the construction or replacement of City infrastructure capital assets such as streets, bridges, dams, sidewalks, and storm sewers.

Debt Service Fund

The Debt service fund accounts for the accumulation of resources for, and the payment of, long-term and special debt principal, interest, and related costs.

Flood

The Flood fund (a capital project fund) accounts for the emergency protective measures and recovery efforts from the 2008 flooding of the Cedar River.

Local Option Sales Tax (LOST)

The Local Option Sales Tax (LOST) fund (a special revenue fund) accounts for the revenues generated by the one-percent sales tax. The revenues will be used for the buyout, rehabilitation, and relocation of flood damage homes, as well as property tax relief.

The City reports the following major enterprise funds:

Water Fund

The Water Fund accounts for the operation and maintenance of the City's water system.

Water Pollution Control Fund

The Water Pollution Control Fund accounts for the operation and maintenance of the City's water pollution control facility. This facility also provides services to the cities of Hiawatha, Marion, and Robins, Iowa for fees based on usage.

Sanitary Sewer Fund

The Sanitary Sewer Fund accounts for the operation and maintenance of the City's sanitary sewer system.

Additionally, the City reports the following fund types:

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. These include the risk management activities, joint communications, fleet, and facility maintenance services for the City.

Special revenue funds account for revenues derived from specific sources, which are required to be accounted for as separate funds.

The Other Construction Fund (a capital project fund) accounts for the construction or replacement of City capital assets such as parks, police, and fire facilities and equipment.

Fiduciary funds account for assets held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. The City's fiduciary funds consist of:

Agency funds, which are custodial in nature, report on assets and liabilities and do not involve

measurement of the results of operations. The City has the following agency funds: developers security deposits, regional planning, contractors permit deposits, and area ambulance.

Other enterprise funds account for operations and activities that are financed and operated in a manner similar to a private business enterprise, and where the costs of providing goods or services to the general public on a continuing basis are expected to be financed or recovered primarily through user charges, or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has seven funds classified as other enterprise funds and they are as follows: Ground Transportation System, Parking System, Solid Waste Management, Golf, U.S. Cellular Center, Paramount Theatre, and Ice Arena.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide and enterprise 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 government wide and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary funds are user fees and charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, liabilities, and net assets or equity

Cash Management and Investments

The City maintains one primary demand deposit account through which the majority of the City's cash resources are processed.

Substantially all City investment activity is transacted by the City in an investment pool of the General Fund, except for those funds required to maintain their investments separately. The earnings on the pooled investments are allocated to the funds on a systematic basis. Investments are stated at fair value.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The City invests in the Iowa Public Agency Investment Trust, which is a 2a7 – like pool. The Iowa Public Agency Investment Trust is a common law trust established under Iowa code law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

For purposes of the Statement of Cash Flows, the City considers the pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits.

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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes receivable are recognized at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. All City property taxes must be certified to the Linn County Auditor on or before the fifteenth day of March of each year for the upcoming fiscal year, which runs from July 1 to June 30. The county auditor is then required to place these City taxes upon the tax list. This levying of property taxes procedurally occurs during June prior to the fiscal year for which the taxes are to be collected. The property taxes actually become an enforceable lien against the property when the budget is certified.

Property taxes levied by the Linn County Auditor for the year ended June 30, 2010, were due by July 1, 2009, with the first half installment being delinquent after September 30, 2009, and the second half installment being delinquent after March 31, 2010. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The current tax receivable represents the 2010 levy certified on March 15, 2010, based on 2009 assessed valuations. As the levy is intended for use in the 2011 fiscal year, the revenue has been recorded as unearned revenue.

Inventories and prepaid items

Inventories are recognized only in those funds in which they are material to the extent of affecting operations. All inventories are carried at lower of cost or market (first-in, first-out). The consumption method of accounting is applied to the governmental fund type inventories.

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.

Restricted assets

Assets within the individual funds, which can be designated by the City Council for any use within the fund's purpose, are considered to be unrestricted assets. Assets, which are restricted for specific uses by bonded debt requirements, grant provisions, or other requirements are classified as restricted assets.

Capital Assets

Capital assets, which include land, buildings and structures, improvements other than buildings, which includes infrastructure, construction in progress, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair 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 assets 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. During the year ended June 30, 2010, no interest expense was added to the cost of assets acquired in the business-type activities.

Buildings, improvements other than buildings, and machinery and equipment of the primary government, as well as component units, are depreciated using the straight line method over the following estimated useful lives:

Buildings and structures	20 to 50 years
Improvements other than buildings	5 to 100 years
Infrastructure	10 to 70 years
Machinery and equipment	3 to 20 years

Collections such as library books, are held for public exhibition, education, or research in the furtherance of public service rather than financial gain, protected, kept unencumbered, cared for, and preserved, and are subject to an organizational policy that requires the proceeds from sales of collections to be used to acquire other items for collections or access to the collections and therefore are not capitalized.

Compensated Absences

All full-time employees accumulate compensated absence and sick leave hours for subsequent use or for payment annually and/or upon termination, death, or retirement. Compensated absence benefits vest when earned. Sick leave accumulations consist of a vesting and non-vested portion.

The non-vested portion of sick leave benefits, which are not included within these financial statements, at June 30, 2010, are as follows:

Governmental	$ 15,496,236
Business-type	1,679,000
Subtotal	17,175,236
Component Units	179,412
Total	$ 17,354,648

For governmental funds, the current portion of unpaid compensated absences is the amount that is due. The amount of the liability not considered due is not reported in the fund financial statements. However, the entire compensated absence liability is reported on the government-wide financial statements.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental

activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Except for property taxes, which is not budgeted for in the current year, unavailable revenue is recognized for governmental activities in the government-wide statement. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. There were unspent bond proceeds in the Sanitary Sewer fund of $2,038,227, Water fund of $11,263,493, Water Pollution Control fund of $14,449,611, U.S. Cellular Center fund of $305,380 and $58,718,874 in governmental activities. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Net assets restricted through enabling legislation included $4,782,670 for debt service, $8,499,036 for other special revenue, $4,963,561 for tax increment financing projects, $3,566,461 for road construction projects, and $114,073 for Self-Supported Municipal Improvement District (SSMID) projects.

Budgetary Control, Compliance, and Appropriation Data

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules-Perspective Differences, the City presents budgetary comparison schedules as required supplementary information based on the program structure of functional areas as required by state statute for its legally adopted budget.

Note 2: Internal and Component Unit Balances, Receivables and Payables

Fund receivables and payables at June 30, 2010, were:

	Receivables	Payables
Due to/from other funds:		
Governmental:		
General Fund	$ -	$ 115,313,093
Infrastructure Construction Fund	25,395,979	-
Debt Service Fund	3,373,624	-
2008 Flood Recovery Fund	-	51,132,053
Local Option Sales Tax Fund	17,327,374	-
Nonmajor Funds	19,928,374	358,240
Internal Service Funds	40,961,630	2,100,181
Total Governmental	106,986,981	168,903,567
Business-type:		
Water	9,388,465	-
Water Pollution Control	24,300,691	-
Sanitary Sewer	14,309,920	-
Nonmajor Funds	15,114,090	1,196,580
Total Business-type	63,113,166	1,196,580
Total due to/from other funds	$ 170,100,147	$ 170,100,147

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) the cash and investment pool.

	Advances to	Advances from
Governmental:		
General Fund	$ 88,000	$ -
Internal Service Funds	1,558,803	716,306
Nonmajor Funds	-	1,288,497
Business-type		
Nonmajor Funds	446,000	88,000
Total advance to/from other funds	$ 2,092,803	$ 2,092,803

These balances resulted from 1) advances from Risk Management to fund a site cleanup project in the Other Construction Fund until subsequent funding is received and 2) cash flow advances from the General Fund to U.S. Cellular Center Fund until further revenue is generated.

Primary government and component unit Receivables and Payables:

	Receivables	Payables
Governmental:		
General	$ -	$ 33,290,301
Component Unit:		
Airport - Unrestricted	33,290,301	-
Total primary government and component unit	$ 33,290,301	$ 33,290,301

These balances resulted primarily from the cash and investment pool policies.

Note 3: Fund Transfer Reconciliation

Transfers in and out for the year ended June 30, 2010, were:

	Transfer In	Transfer Out
Governmental:		
General Fund	$ 32,288,998	$ 2,474,941
Infrastructure Construction Fund	5,419,981	244,302
2008 Flood Recovery Fund	3,589,166	9,695,946
Debt Service Fund	5,565,134	725,114
Local Option Sales Tax Fund	-	1,527,623
Nonmajor Funds	7,608,915	44,425,971
Internal Service Funds	2,341,093	600,560
Total Governmental	56,813,287	59,694,457
Business-type:		
Water Fund	285,600	-
Water Pollution Control Fund	-	250,000
Sanitary Sewer Fund	800,000	-
Other Business-Type Funds	2,692,343	646,773
Total Business-Type	3,777,943	896,773
Total	$ 60,591,230	$ 60,591,230

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 receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 4: Self-Supported Municipal Improvement District

During the year ended June 30, 1988, the City established the Downtown Cedar Rapids Self-Supported Municipal Improvement District (SSMID) pursuant to the provisions of Chapter 386, Code of Iowa (the Act). By establishing SSMID, the City may certify taxes against the property within the district each year,

in addition to all other taxes, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2009, and continuing for 7 additional years. The levy is for the purpose of paying expenses of the District as are authorized by the Act, including, but not limited to, the administrative expenses of the District and part or all of the maintenance expenses of improvements or self-liquidating improvements, as

defined in the Act, for a period of 8 years. Even though the boundaries of SSMID overlap the Tax Incremental Financing District, as amended, they are not co-terminus.

The amount of property taxes received for SSMID during the year ended June 30, 2010, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

SSMID only	$	246,972
SSMID within TIF		138,390
	$	385,362

State law requires the City to receipt property taxes into the TIF special revenue fund when the SSMID and TIF boundaries overlap. The City then transfers the respective property taxes out of TIF into SSMID.

Note 5: Construction Commitments

The total outstanding construction commitment of the City at June 30, 2010 amounts to $89,684,424. Of these commitments, $54,048,264 will be funded by federal and state grants. The total outstanding construction commitment of the Airport, a component unit, at June 30, 2010 amounts to $15,542,867.31. Of these commitments, $8,867,886 will be funded by federal and state grants.

Note 6: Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds, where the resources have been pooled in order to maximize investment opportunities. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments". Investment income is allocated to the various funds based on a systematic allocation and in accordance with accounting principles generally accepted in the United States of America. In addition, some funds are required to maintain their investments separately and therefore are not included in the investment pool.

The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in current year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

Chapter 12B.10 of the Code of Iowa allows the City to invest in U.S. Treasury Bills, Notes, and Bonds; state and local government securities; collateralized prime bankers' acceptances; real estate and real estate mortgages; and collateralized commercial paper; perfected repurchase agreements; or in time deposits as provided by Chapter 12B.10. Common, preferred, or guaranteed stocks are an exception for public funds investment. However the City's investment policy additionally limits investments in commercial paper and other short-term corporate debt to obligations that matures within 270 days of purchase and is rated within the two highest classifications, established by at least one of the standard rating services approved by the superintendent of banking rules adopted pursuant to Chapter 17A, provided that at the time of purchase no more than 10% of the investment portfolio shall be invested in commercial paper or debt, no more than 5% of the investment portfolio shall be invested in securities of a single issuer, and no more than 5% of all amounts invested in commercial paper shall be invested in paper and debt rated in the second highest classification. It also limits investments in prime bankers' acceptances to those that mature within 270 days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than 10% of the investment portfolio shall be invested in prime bankers' acceptances, and no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy states that risks of market

price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

As of June 30, 2010, the City had the following investments with the following maturities:

	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
Investment Type:						
U.S. Agencies	$ 333,446	$ -	$ -	$ -	$ 333,446	$ 333,446
GNMA'S	1,797,604	-	-	74,426	1,723,178	1,797,604
IPAIT	123,841,340	123,841,340	-	-	-	123,841,340
MUTUAL FUNDS	163,890	163,890	-	-	-	163,890
Total	$ 126,136,280	$ 124,005,230	$ -	$ 74,426	$ 2,056,624	$ 126,136,280

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2010 the City had the following ratings:

	Moody's	Standard & Poor's
Investment Type:		
U.S. Agencies	AAA	AAA

All other investments types are not rated or not required to be rated.

Concentration of Credit Risk: The City's investment policy seeks diversification to reduce overall portfolio risk. Where possible, it is the policy of the City to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. The City's investment policy limits holding of securities by single issuer to no more than 5% of the investment portfolio and commercial paper, other short-term corporate debt, or bankers' prime acceptances to no more than 10% of the total investment portfolio for each class as mentioned above. The City's investments are in accordance with these policies regarding diversification.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2010, the City's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by

the state's ability to assess for lost funds. The City's investments are not exposed to custodial credit risk as of June 30, 2010.

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consist entirely of deposits, including certificate of deposit. As of June 30, 2010, the Agency's deposits were entirely insured by

federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds.

The Cedar Rapids Public Library Foundation reports using the not-for-profit model, therefore, GASB Statements No. 3 and No. 40 are not applicable.

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 33,994,141	$ 4,031,142	$ -	$ 38,025,283
Construction in progress	11,565,200	3,483,916	(7,187,594)	7,861,522
Total capital assets, not being depreciated	45,559,341	7,515,058	(7,187,594)	45,886,805
Capital assets, being depreciated:				
Buildings and structures	62,560,522	509,521	-	63,070,043
Improvements other than buildings	355,279,640	18,457,538	-	373,737,178
Machinery and equipment	45,444,508	10,309,203	(1,288,209)	54,465,502
Total capital assets being depreciated	463,284,670	29,276,262	(1,288,209)	491,272,723
Less accumulated depreciation for:				
Buildings and structures	(27,579,188)	(1,401,537)	-	(28,980,725)
Improvements other than buildings	(120,401,089)	(11,727,080)	-	(132,128,169)
Machinery and equipment	(27,355,170)	(3,759,857)	1,181,581	(29,933,446)
Total accumulated depreciation	(175,335,447)	(16,888,474)	1,181,581	(191,042,340)
Total capital assets, being depreciated, net	287,948,782	12,387,788	(106,628)	300,230,383
Governmental activities capital assets, net	$ 333,508,564	$ 19,902,846	$ (7,294,222)	$ 346,117,188

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

Governmental activities:	
Public safety	$ 923,671
Public works	11,210,517
Culture and recreation	1,721,467
Community and economic development	43,937
General government	1,132,110
Internal service funds	1,855,888
Total depreciation expense - governmental activities	$ 16,888,474

	Beginning Balance	Increase/ Transfers	Decreases/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 12,330,403	$ 76,438	$ (262)	$ 12,406,579
Construction in progress	39,970,964	18,791,758	(4,272,255)	54,490,467
Total capital assets, not being depreciated	52,301,367	18,868,196	(4,272,517)	66,897,046
Capital assets, being depreciated:				
Buildings and structures	201,192,218	144,468	-	201,336,686
Improvements other than buildings	286,476,597	15,066,620	(488,186)	301,055,031
Machinery and equipment	37,986,701	1,058,855	(2,273,472)	36,772,084
Total capital assets being depreciated	525,655,516	16,269,943	(2,761,658)	539,163,801
Less accumulated depreciation for:				
Buildings and structures	(125,565,624)	(5,089,073)	-	(130,654,697)
Improvements other than buildings	(99,972,176)	(9,267,797)	488,186	(108,751,787)
Machinery and equipment	(27,231,457)	(2,005,886)	2,137,468	(27,099,875)
Total accumulated depreciation	(252,769,257)	(16,362,756)	2,625,654	(266,506,358)
Total capital assets, being depreciated, net	272,886,259	(92,813)	(136,004)	272,657,442
Business-type activities capital assets, net	$ 325,187,626	$ 18,775,384	$ (4,408,521)	$ 339,554,489

Business-type activities:	
Water	$ 4,094,283
Water Pollution Control	6,568,606
Sanitary Sewer	2,137,630
Other Business-Type Funds	3,562,237
Total depreciation expense - business-type activities	$ 16,362,756

Activity for the Airport for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	$ 8,832,230	$ -	$ -	$ 8,832,230
Construction in progress	23,694,891	13,097,156	(7,245,912)	29,546,135
Total capital assets, not being depreciated	32,527,121	13,097,156	(7,245,912)	38,378,365
Capital assets, being depreciated:				
Buildings and structures	65,704,093	7,396,067	-	73,100,160
Improvements other than buildings	69,491,837	89,035	-	69,580,872
Machinery and equipment	5,620,090	171,649	-	5,791,739
Total capital assets being depreciated	140,816,020	7,656,751	-	148,472,771
Less accumulated depreciation for:				
Buildings and structures	(24,706,036)	(1,719,529)	-	(26,425,565)
Improvements other than buildings	(33,596,196)	(3,331,939)	-	(36,928,135)
Machinery and equipment	(3,261,285)	(414,308)	-	(3,675,593)
Total accumulated depreciation	(61,563,517)	(5,465,776)	-	(67,029,293)
Total capital assets, being depreciated, net	79,252,503	2,190,975	-	81,443,478
Airport capital assets, net	$ 111,779,624	$ 15,288,131	$ (7,245,912)	$ 119,821,843

Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	$ 3,657,920	$ -	$ -	$ 3,657,920
Construction in progress	2,401,556	2,843,820	(1,765,614)	3,479,762
Total capital assets, not being depreciated	6,059,476	2,843,820	(1,765,614)	7,137,682
Capital assets, being depreciated:				
Buildings and structures	2,294,792	-	-	2,294,792
Improvements other than buildings	12,751,532	1,857,819	-	14,609,351
Machinery and equipment	6,967,412	92,423	(16,611)	7,043,224
Total capital assets being depreciated	22,013,736	1,950,242	(16,611)	23,947,367
Less accumulated depreciation for:				
Buildings and structures	(816,290)	(98,859)	-	(915,149)
Improvements other than buildings	(3,384,149)	(546,971)	-	(3,931,120)
Machinery and equipment	(4,353,565)	(579,385)	16,611	(4,916,340)
Total accumulated depreciation	(8,554,004)	(1,225,215)	16,611	(9,762,609)
Total capital assets, being depreciated, net	13,459,732	725,027	-	14,184,759
CRLCSWA capital assets, net	$ 19,519,208	$ 1,968,781	$ (1,765,614)	$ 21,322,440

Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	$ 4,341	$ 4,463	$ -	$ 8,804
Accumulated depreciation	(3,855)	(194)	-	(4,049)
Total capital assets, being depreciated, net	$ 486	$ 4,269	$ -	$ 4,755

Note 8: Retirement Systems

The City contributes to the Iowa Public Employees Retirement System, and the Municipal Fire and Police Retirement System of Iowa, which are administered by the State of Iowa, as well as a local retirement system. All systems are contributory and all regular full-time and part-time employees must participate in one of the systems. The local system is administered by a local board elected by the participating members and is regulated by Iowa statutes. The City acts as custodian for the assets of this local system.

Iowa Public Employees Retirement System (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 4.30% of their annual covered salary and the City is required to contribute 6.65% of annual covered payroll except for airport safety employees, in which case the percentages are 6.14% and 9.20%, respectively. Contribution requirements are established by State statute.

The City contributions to IPERS for the years ended June 30, 2010, 2009, and 2008 were $3,262,171, $3,029,817, and $2,751,893, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

The City contributes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), which is a cost-sharing multiple-employer defined benefit public police and fire employees retirement system administered by a Board of Trustees. MFPRSI provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Des Moines, Iowa 50322.

Plan members are required to contribute 9.40% of their annual covered salary and the City is required to contribute at an actuarially determined rate; the current rate is 17.00% of annual covered payroll. Contribution requirements are established by State statute. The City contributions to MFPRSI for the years ended June 30, 2010, 2009, and 2008 were $3,681,466, $3,851,397, and $5,015,628, respectively, equal to the required contributions for each year.

Note 9: Long-Term Debt

Bonded Debt

General Obligation Bonds

There was $269,705,000 of general obligation bonds outstanding as of June 30, 2010. Unmatured general obligation bonds to be paid by governmental funds totaled $148,625,512. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total $118,619,423. General obligation bonds to be paid by Airport, a component unit, and therefore included in the Airport Fund obligations total $2,460,065. All the general obligation bonds bear interest rates ranging from 1.4% to 6.25% and mature in varying amounts ranging from $315,000 to $24,815,000 with the final payments due in the year ending June 30, 2040.

During the year ended June 30, 2010, the City issued $30,120,000 of general obligation bonds. These bonds were used to pay the cost of fleet, police and fire equipment; information technology and library upgrades and improvements; street, storm sewer, bridge, traffic, parks, forestry and trail improvements; flood remediation and control reconstruction, construction and improvements; miscellaneous construction projects; and joint community projects. The average life of the issue is 11.54 years. These bonds bear interest at 2.0% to 4.25% and mature in varying amounts ranging from $315,000 to $2,230,000 with the final payment due in the year ending June 30, 2040.

On June 29, 2010, the City issued $3,040,000 refunding general obligation bonds. The proceeds of the bonds were used to currently refund, in advance of their maturity, the following bonds (collectively, the "Refunded Bonds"):

Original Issue	Refunded Maturities	Principal Amount to be Refunded
General Obligation Bonds, Series 2001A, dated September 1, 2001	2011-2021	$ 3,055,000

The refunding was conducted to achieve interest savings. The proceeds of the bonds were used to pay the principal of the Refunded Bonds at a price of par plus accrued interest. These bonds were currently refunded and are therefore no longer included in these financial statements. The refunding bonds bear interest at 3.0% to 4.0% and mature in varying amounts ranging from $240,000 to $330,000. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $15,000. The net present value benefit of this refunding, the economic gain, is $504,863.

Revenue Bonds

During the year ended June 30, 2010 the City issued $38,600,000 revenue bonds to fund various water, waste water, and sewer construction projects. The bonds are due in serial installments of $585,000 to $1,615,000 through June 30, 2030 and bear interest at 1.65% to 6.25%.

Notes Payable

During FY2008, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to $39.39 million dollars. During the year ended June 30, 2010, the City received $7,027,582. Total outstanding as of June 30, 2010 was $37,075,468. This line of credit was taken out to finance the ultra-violet disinfection system improvements by the Water department. The interest rate for this line of credit is 3.25%. Payments began in FY 2010, and will be annually with the last payment in fiscal year 2029. The City has pledged future water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from water customer net revenues. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is $49,456,498. Interest paid for the current year and total customer net revenues were $1,106,075 and $10,744,279, respectively.

During FY2009, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to $10.9 million dollars. During the year ended June 30, 2010, the City received $858,419. Total outstanding as of June 30, 2010 was $9,331,979. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Payments began in FY 2010, and will be annually with the last payment in fiscal year 2029. The City has pledged future waste water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is $12,757,979. Interest paid for the current year and total customer net revenues were $295,629 and $12,328,023, respectively.

During FY2008, the City entered into an agreement with FEMA for a community disaster loan for an amount of $5,000,000. During the year ended June 30, 2010, the City received $5,000,000. Total outstanding as of June 30, 2010 was $5,000,000 with accrued interest of $21,815. This note was taken out to assist the City with flood recovery projects from the 2008 flooding of the Cedar River. The interest rate for this note is 1.65%. Payment is due January 2014 for principal and interest.

During FY2010, the City entered into an agreement with the Iowa Department of Transportation for a loan in the amount of $86,417. This note was taken out to purchase two buses. There is no interest being charge for the debt. Payment is due September 2010 for principal.

Changes in long-term liabilities

Long-term debt activity for the year ended June 30, 2010, was as follows:

	Balance June 30, 2009	New Issues	Paid	Balance June 30, 2010
Primary government:				
Governmental:				
General obligation	$ 138,605,532	$ 33,250,000	$ 23,230,021	$ 148,625,511
Note payable	-	5,000,000	-	5,000,000
Business-type activities				
Water pollution control	60,258,195	858,419	9,009,214	52,107,400
Sanitary Sewer	25,128,871	-	5,073,124	20,055,747
Water	87,268,559	7,027,582	9,767,076	84,529,065
Other business-type funds	10,208,092	108,517	1,895,534	8,421,075
Water pollution control revenue	-	18,425,000	245,000	18,180,000
Water revenue	-	17,005,000	305,000	16,700,000
Sewer revenue	-	3,170,000	35,000	3,135,000
Total primary government	321,469,249	84,844,518	49,559,968	356,753,799
Component unit:				
General obligation abated by Airport	2,954,197	-	494,132	2,460,065
Total Long-Term Debt	$ 324,423,446	$ 84,844,518	$ 50,054,100	$ 359,213,864

	Due within one year
Primary government:	
Governmental	
General obligation	$ 12,062,373
Notes payable	-
Business-type activities:	
Water pollution control	5,558,365
Sanitary Sewer	1,629,417
Water	6,862,608
Other business-type funds	1,010,522
Total primary government	27,123,285
Component unit:	
General obligation abated by Airport	496,132
Total long-term debt current	$ 27,619,417

As explained in more detail in Note 1, payments on bonds that pertain to the City's governmental activities are made by the debt service fund.

At June 30, 2010, the general obligation debt issued by the City did not exceed its legal debt margin compiled as follows:

Total Estimated actual valuation - real property	$ 8,680,200,286
Debt limit - 5% of total valuation	$ 434,010,014
Debt applicable to debt limit:	
General obligation bonded debt outstanding	$ 269,705,000
Note payable	5,000,000
Legal Debt Margin	$ 159,305,014

A summary of the bond principal and interest maturities by type of bond is as follows:

	Governmental General Obligation		Business-type activities General Obligation		General Obligation Totals	
Year Ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 12,062,373	$ 5,790,939	$ 11,661,495	$ 4,876,652	$ 23,723,868	$ 10,667,591
2012	12,614,379	5,471,977	10,582,936	4,446,432	23,197,316	9,918,409
2013	12,864,763	5,042,111	11,802,137	4,052,867	24,666,900	9,094,977
2014	12,935,366	4,591,553	10,141,584	3,592,759	23,076,950	8,184,311
2015	11,937,239	4,132,206	10,217,661	3,186,774	22,154,900	7,318,980
2016-2020	48,337,411	14,196,642	42,097,589	10,016,982	90,435,000	24,213,624
2021-2025	23,613,980	6,260,447	19,866,020	2,823,273	43,480,000	9,083,720
2026-2030	10,355,000	2,136,365	2,250,000	134,050	12,605,000	2,270,415
2031-2035	1,725,000	677,588	-	-	1,725,000	677,588
2036-2040	2,180,000	285,413	-	-	2,180,000	285,413
	$ 148,625,511	$ 48,585,238	$ 118,619,423	$ 33,129,789	$ 267,244,935	$ 81,715,027

	Revenue	
Year Ending June 30:	Principal	Interest
2011	$ 1,385,000	$ 1,500,561
2012	1,400,000	1,530,349
2013	1,435,000	1,498,114
2014	1,475,000	1,463,524
2015	1,520,000	1,423,704
2016-2020	8,440,000	6,288,636
2021-2025	10,420,000	4,388,890
2026-2030	11,940,000	1,640,025
	$ 38,015,000	$ 19,733,802

A summary of the component unit bond principal and interest maturities is as follows:

	General Obligation Abated By Airport	
Year Ending June 30:	Principal	Interest
2011	$ 496,132	$ 111,435
2012	492,683	91,408
2013	148,100	71,278
2014	148,050	64,958
2015	150,100	58,366
2016-2020	625,000	196,563
2021-2025	400,000	41,910
2026-2030	-	-
	$ 2,460,065	$ 635,917

A summary of the note payable principal and interest maturities is as follows:

Year Ending June 30:	Note Payable Principal	Note Payable Interest
2011	2,014,417	1,452,540
2012	1,985,000	1,394,700
2013	2,045,000	1,335,150
2014	7,107,000	1,586,334
2015	2,169,000	1,210,590
2016-2020	11,864,000	5,036,820
2021-2025	13,755,000	3,147,090
2026-2029	10,554,447	956,340
	$ 51,493,864	$ 16,119,564

Changes in other long-term liabilities:

Other long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Claims and Judgments	$ 7,640,300	$ 2,310,400	$ -	$ 9,950,700	$ 9,950,700
Compensated absences	5,471,128	4,409,468	4,566,183	5,314,413	4,925,142
Governmental activity Long-term liabilities	$ 13,111,428	$ 6,719,868	$ 4,566,183	$ 15,265,113	$ 14,875,842
Business-type activities:					
Compensated absences	$ 1,279,361	$ 1,126,596	$ 1,101,857	$ 1,304,100	$ 1,215,051
Closure/post closure landfill	780,210	5,462	-	785,672	-
Business-type activity Long-term liabilities	$ 2,059,571	$ 1,132,058	$ 1,101,857	$ 2,089,771	$ 1,215,051
Component Units:					
Airport					
Compensated absences	$ 204,460	$ 144,072	$ 138,733	$ 209,799	$ 208,856
CRLCSWA:					
Compensated absences	$ 112,978	$ 188,799	$ 178,563	$ 123,214	$ 123,214
Closure/post closure landfill	16,019,767	3,939,703	397,745	19,561,725	379,675
Long-term liabilities	$ 16,132,745	$ 4,128,502	$ 576,308	$ 19,684,939	$ 502,889

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. In the past, approximately 98.9% has been paid by the General Fund and the remainder by other governmental and internal service funds. The claims and judgement liability will generally be liquidated by the City's Risk Management Fund (See Note 12, also). The Risk Management Fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by the individual funds. Currently, the General Fund bears approximately 65% of the claims and judgement costs; no other individual fund is charged more than 9% of the total amount.

Industrial Revenue Bonds

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2010, there were 74 series of Industrial Revenue Bonds outstanding issued prior to July 1, 1995. The aggregate principal amount payable could not be determined, however; their original issue amounts totaled $101,999,500.

The aggregate principal balance as of June 30, 2010 due on bonds issued after July 1, 1995, is $86,475,000.

Note 10: Deficit Fund Equity

At June 30, 2010, individual fund with deficit fund balances was as follows:

Flood	$39,251,097
Special Revenue:	
Community Development Block Grants	$ 71,523

The Flood fund is funded by federal and state revenues that have not been received but expenditures were incurred. Non-exchange revenues for the Community Development Block Grants program are subject to deferral, thus causing a deficit fund balance for the year ended June 30, 2010. It is felt that these are temporary deficits and will be rectified in the next fiscal year.

Note 11: Deferred Compensation Plans

The City offers its employees several deferred compensation plans created in accordance with Internal Revenue Code Section 457. These plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency and participation in the plan is optional.

The City does not own or administer the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the basic financial statements.

Note 12: Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer, and retention. Safety and loss prevention programs help reduce the City's exposure to risks. Those risks that cannot be eliminated or reduced are either transferred or retained.

The Eastern Iowa Airport, one of the City’s component units, uses a combination of the four recognized methods as well. The major airport liability risk is transferred by purchasing an airport liability policy and errors and employment practice liability policy. The other component unit, Cedar Rapids Linn County Solid Waste Agency, transfers all of its risk by purchasing commercial insurance.

There has been no significant change in insurance coverage purchased in fiscal year 2010 compared to the prior year. For those exposures covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

Torts and errors:
During fiscal year 2010, the City purchased liability insurance to cover its airport, 3 of its 4 underground fuel tank sites, four vehicles, lead paint hazard control program and liquor liability. The City self-insures without excess insurance, the rest of its general liability, errors and employment practices liability, police liability, auto liability, and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. The City self-administers claims and utilizes independent appraiser firm to write vehicle damage repair estimates and an adjuster firm to negotiate bodily injury and non-vehicle property damage claims. All City Departments and Enterprise Funds are charged a liability premium according to their loss exposure and past losses. The total premium charged for fiscal year 2010 was determined by an actuary at an 80% confidence level. A claims liability of $2,446,000 as of June 30, 2010, was calculated by an independent actuary at a 95% confidence level and includes claims reported but not settled and those incurred but not reported. The claims liabilities shown below are in accordance with the requirements of GASB Statement 10.

Changes in the Tort Liability Fund's claims liability amount since July 1, 1991 are as follows:

	Beginning Fiscal Year Liability	Claim Expenses	Claims Paid	Ending Fiscal Year Liability
7/91 - 6/92	$625,843	$441,403	($161,765)	$905,481
7/92 - 6/93	$905,481	$236,349	($244,080)	$897,750
7/93 - 6/94	$897,750	$830,630	($177,804)	$1,550,576
7/94 - 6/95	$1,550,576	($92,496)	($139,916)	$1,318,164
7/95 - 6/96	$1,318,164	$2,340,616	($209,293)	$3,449,487
7/96 - 6/97	$3,449,487	$609,019	($274,034)	$3,784,472
7/97 – 6/98	$3,784,472	$47,916	($1,216,679)	$2,615,709
7/98 – 6/99	$2,615,709	($945,872)	($324,767)	$1,345,070
7/99 – 6/00	$1,345,070	$2,010,967	($1,956,037)	$1,400,000
7/00 – 6/01	$1,400,000	$2,294,149	($564,149)	$3,130,000
7/01 – 6/02	$3,130,000	($798,744)	($621,256)	$1,710,000
7/02 – 6/03	$1,710,000	$290,252	($672,252)	$1,328,000
7/03 – 6/04	$1,328,000	$3,381,049	($1,985,049)	$2,724,000
7/04 – 6/05	$2,724,000	$1,155,306	($1,109,306)	$2,770,000
7/05 – 6/06	$2,770,000	$716,155	($2,450,355)	$1,035,800
7/06 – 6/07	$1,035,800	$2,099,743	($809,643)	$2,325,900
7/07 – 6/08	$2,325,900	$1,450,021	($953,321)	$2,822,600
7/08 – 6/09	$2,822,600	$40,422	($557,522)	$2,305,500
7/09 – 6/10	$2,305,500	$469,053	($328,553)	$2,446,000

Theft of, damage to, or destruction of assets:
The City purchased property insurance with a $250,000 per occurrence deductible. City Departments and Enterprise Funds are charged a property insurance premium based on a percentage of the projected cost of full coverage. The difference between the premium charged departments and the premium paid to the insurer is used to pay losses that fall between the $2,000 departmental deductible and the $250,000 policy deductible. The City's infrastructure assets are not insured.

Job related injuries to employees:
Benefits due City employees under the Iowa Workers' Compensation Laws are accounted for and financed under a separate subdivision of the Risk Management Fund. Claims administration is performed by City staff. The City purchased excess stop loss insurance since it began retaining this risk in fiscal year 1987 thru fiscal year 2002. Effective July 1, 2002 the City discontinued purchasing stop loss insurance. All City Departments and Enterprise funds are charged a premium based on their share of past losses. The June 30, 2010 claims liability of $6,302,000 was calculated at a 95% confidence level by an independent actuary.

Changes in the Workers' Compensation Fund's claims liability amount since July 1, 1991 are as follows:

	Beginning Fiscal Year Liability	Claim Expenses	Claims Paid	Ending Fiscal Year Liability
7/91 – 6/92	$775,089	$463,735	($262,637)	$976,187
7/92 – 6/93	$976,187	$419,090	($629,060)	$766,217
7/93 – 6/94	$766,217	$1,510,326	($568,421)	$1,708,122
7/94 – 6/95	$1,708,122	$735,825	($574,389)	$1,869,558
7/95 – 6/96	$1,869,558	$918,252	($669,014)	$2,118,796
7/96 – 6/97	$2,118,796	$465,671	($605,530)	$1,978,937
7/97 – 6/98	$1,978,937	$57,267	($443,934)	$1,592,270
7/98 – 6/99	$1,592,270	$933,605	($569,150)	$1,956,725
7/99 – 6/00	$1,956,725	$238,860	($775,585)	$1,420,000
7/00 – 6/01	$1,420,000	$843,216	($783,216)	$1,480,000
7/01 – 6/02	$1,480,000	$1,352,243	($932,243)	$1,900,000
7/02 – 6/03	$1,900,000	$2,291,308	($1,185,308)	$3,006,000
7/03 – 6/04	$3,006,000	$1,108,627	($1,137,627)	$2,977,000
7/04 – 6/05	$2,977,000	$1,008,467	($1,131,467)	$2,854,000
7/05 – 6/06	$2,854,000	$1,091,442	($1,010,542)	$2,934,900
7/06 – 6/07	$2,934,900	$1,598,147	($775,147)	$3,757,900
7/07 – 6/08	$3,757,900	$1,803,554	($1,743,654)	$3,817,800
7/08 – 6/09	$3,817,800	$2,229,229	($1,694,529)	$4,352,500
7/09 – 6/10	$4,352,500	$4,060,053	($2,110,553)	$6,302,000

Health care benefits for employees, retirees, and dependents:
The City has been accounting for and financing health care benefits under a separate subdivision of the Risk Management Fund since January 1, 1992. Claims administration is provided by a third party administrator. Individual and aggregate stop loss insurance was purchased for the period July 1, 2008 thru June 30, 2010. All City Departments and Enterprise Funds are charged a premium based on the number of single and family plans in place each month. Retirees and COBRA participants pay 102% of the monthly plan premium. The total premium charged is the amount needed to pay expected claim and administrative costs. A $1,161,000 claims liability for incurred but unpaid medical bills as of June 30, 2010 was determined by an independent actuary and the City's auditors. Changes in the Health Fund's claims liability amount since January 1, 1992 are as follows:

	Beginning Fiscal Year Liability	Claim Expenses	Claims Paid	Ending Fiscal Year Liability
1/92 – 6/92	$0	$2,229,374	($1,869,088)	$360,286
7/92 – 6/93	$360,286	$5,157,419	($4,564,705)	$953,000
7/93 – 6/94	$953,000	$5,599,388	($5,162,388)	$1,390,000
7/94 – 6/95	$1,390,000	$4,549,217	($4,659,217)	$1,280,000
7/95 – 6/96	$1,280,000	$4,509,449	($4,839,449)	$950,000
7/96 – 6/97	$ 950,000	$5,236,036	($5,611,036)	$575,000
7/97 – 6/98	$575,000	$5,421,607	($5,366,607)	$630,000
7/98 – 6/99	$630,000	$6,289,703	($6,149,703)	$770,000
7/99 – 6/00	$770,000	$7,104,771	($7,034,771)	$840,000
7/00 – 6/01	$840,000	$7,946,000	($7,896,000)	$890,000
7/01 – 6/02	$890,000	$8,203,086	($8,288,086)	$805,000
7/02 – 6/03	$805,000	$8,573,153	($8,638,153)	$740,000
7/03 – 6/04	$740,000	$10,568,789	($10,463,789)	$845,000
7/04 – 6/05	$845,000	$11,156,688	($11,141,688)	$860,000
7/05 – 6/06	$860,000	$12,713,370	($12,452,370)	$1,121,000
7/06 – 6/07	$1,121,000	$14,939,875	($15,064,875)	$996,000
7/07 – 6/08	$996,000	$15,220,863	($15,416,863)	$800,000
7/08 – 6/09	$800,000	$15,115,347	($14,973,847)	$941,500
7/09 – 6/10	$941,500	$15,796,273	($15,576,773)	$1,161,000

Dental Care benefits for employees and dependents:
Effective April 1, 1993, the City began to account for and finance dental care benefits under a separate subdivision of the Risk Management Fund. Claims administration is provided by a third party administrator. All City Departments and Enterprise Funds are charged a premium based on the number of plans in place each month. Employees pay the extra cost to purchase family plan coverage. COBRA participants pay 102% of the single or family plan monthly premium. The total premium charged is the estimated amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid dental bills as of June 30, 2010 to be $41,700. Changes in the Dental Fund's claims liability amount since April 1, 1993 are as follows:

	Beginning Fiscal Year Liability	Claim Expenses	Claims Paid	Ending Fiscal Year Liability
4/93 – 6/93	$0	$98,776	($75,801)	$22,975
7/93 – 6/94	$22,975	$394,188	($370,663)	$46,500
7/94 – 6/95	$46,500	$398,553	($397,053)	$48,000
7/95 – 6/96	$48,000	$456,220	($453,220)	$51,000
7/96 – 6/97	$51,000	$482,906	($488,906)	$45,000
7/97 – 6/98	$45,000	$569,900	($564,900)	$50,000
7/98 – 6/99	$50,000	$551,341	($566,541)	$34,800
7/99 – 6/00	$34,800	$652,097	($639,897)	$47,000
7/00 – 6/01	$47,000	$626,600	($629,600)	$44,000
7/01 – 6/02	$44,000	$722,902	($722,902)	$44,000
7/02 – 6/03	$44,000	$737,813	($740,813)	$41,000
7/03 – 6/04	$41,000	$791,097	($788,097)	$44,000
7/04 – 6/05	$44,000	$770,899	($780,899)	$34,000
7/05 – 6/06	$34,000	$782,716	($780,816)	$35,900
7/06 – 6/07	$35,900	$792,842	($789,742)	$39,000
7/07 – 6/08	$39,000	$762,930	($767,930)	$34,000
7/08 – 6/09	$34,000	$824,870	($818,070)	$40,800
7/09 – 6/10	$40,800	$888,451	($887,551)	$41,700

Note 13: Contingent Liabilities

The City is involved in a lawsuit as to whether the collection of certain franchise fees in excess of regulatory costs by the City in conjunction with its cable franchise constitutes an illegal tax under Iowa law. The probability of outcome of this case is not determinable at this time; therefore no accrual has been made to the financial statements.

There are numerous lawsuits pending against the City for various reasons. The outcome and eventual liability of the City, if any, from these cases and from any unasserted claims is not known at this time. Lawsuits stemming from the operation of the City's airport, and aircraft, are covered by insurance purchased by the City. For other risks, which have not been transferred to an insurance company, the City accounts for and finances these lawsuits through the Risk Management Fund, an internal service fund. This fund includes an open and incurred but not reported claims liability determined by an independent actuary comprised of an estimate of the possibility of unfavorable outcomes involving these pending lawsuits, all open claims, and any possible unasserted claims unknown to the City. It is the joint opinion of management and counsel that there are no known lawsuits or open claims that will have a material adverse effect on the City's Risk Management Fund or the City's financial position.

Note 14: Closure and Postclosure Care Cost

State and federal laws and regulations require a final cover be placed on a landfill site when an entity stops accepting waste and requires an entity to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the

date the landfill stops accepting waste, the liabilities of closure and postclosure care costs are to be expensed in each period based upon landfill capacity used as of each statement date.

As of July 1, 1994, the City entered into an agreement with Linn County to form the Cedar Rapids/Linn County Solid Waste Agency. The City and Linn County's liability for closure and postclosure care costs as of July 1, 1994, were fixed as part of the agreement based on estimated care costs and the percentage of landfill capacity utilized for each of the two respective landfill sites. The City's liability for closure and postclosure costs as of July 1, 1994, was $6,553,050. As part of the agreement, the City transferred its landfill site and certain other assets with a fair value of $3,202,554 and an equal amount of closure and postclosure care liabilities to the agency. These liabilities as well as those transferred by Linn County, in connection with the transfer of its landfill site, are recognized as liabilities by the component unit. The remaining amount of the City's closure and postclosure care costs were fully recognized by the primary government as of June 30, 2010.

Cedar Rapids/Linn County Solid Waste Agency is liable for all closure and postclosure care costs at the two landfill sites except for the liabilities retained by the City and Linn County. Cedar Rapids/Linn County Solid Waste Agency's liability as of June 30, 2010, is summarized below.

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

	Former City Landfill	Former County Landfill	Total
Total care costs	$ 13,186,650	$ 7,313,382	$ 20,500,032
Care costs remaining to be recognized attributable to unutilized capacity	-	(938,307)	(938,307)
Care costs recognized attributable to utilized capacity	$ 13,186,650	$ 6,375,075	$ 19,561,725
Capacity utilized	100.00%	87.17%	
Estimated remaining life	0 years	1.9 years	

The City operates an ash sanitary landfill consisting of two lagoons at the City's Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2010, was estimated by a professional engineer and is $785,672. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

Note 15: Operating Leases

Leasing operations of the Airport, a component unit, consist primarily of space rentals, car rentals, and landing fees, which are governed by written agreements. These agreements range from month-to-month leases to long-term leases with various specified terms. Some of these lease agreements contain cancelable conditions, which eliminate any future guaranteed rentals or are contingent upon the income produced by the lease.

The Airport also leases land and building space under various long-term leases, which expire between June 2011 and January 2050.

Guaranteed minimum future lease payments to be received under all operating lease agreements are as follows:

Fiscal Year	Amount
2011	$ 3,183,929
2012	3,252,048
2013	2,700,672
2014	1,529,227
2015	1,522,913
2016	1,466,598
2017-2021	2,491,584
2022-2026	1,327,080
2027-2031	864,474
2032-2036	5,350
2037-2041	5,350
2042-2046	3,163
2047-2051	684
Total lease payments	$ 18,353,072

Note 16: Other Post Employment Benefits (OPEB)

Plan Description and Funding Policy

The City sponsors a single-employer health care plan that provides medical benefits to employees and retirees. Full-time fire fighters and police officers participate in MFPRSI and may retire after age 55 with 22 years of service or if disabled. All other full-time employees participate in the IPERS and may retire with health coverage after age 55 with 33 years of service, under the Rule of 88, at age 60 with 22 years of service or if disabled.

Employees pay a small (5% or less) share of the health insurance premium. The City pays the remainder of the health insurance premium for employees. Retirees may elect to stay on the City's group health plan until they reach age 65. Retirees pay 102% of the group rates calculated on the expected costs based on the entire group of actives, COBRA participants, and retirees. COBRA participants may elect to stay of the City's group health plan and dental plan by paying 102% of the group rates.

The current funding policy of the City is to pay health and dental claims as they occur through internal allocated funds. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The City establishes and amends contribution requirements.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed $0. Retiree and COBRA participants receiving benefits contributed $235,510 through their required contribution of:

Plan	Retiree	Retiree & Spouse	Family
Traditional	$606.00	$1,440.00	$1,440.00
Choice	575.00	1,150.00	1,555.00
Dental	23.46	-	70.38

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan, and changes in the City's annual OPEB obligation:

Annual required contribution	$ 742,279
Interest on net OPEB obligation	164,490
Adjustment to annual required contribution	(214,006)
Annual OPEB cost (expense)	$ 692,763
Contributions made	(235,510)
Increase in net OPEB obligation	$ 457,253
Net OPEB obligation – July 1, 2010	3,289,798
Net OPEB obligation – June 30, 2010	$ 3,747,051

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations are as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/07	$1,470,970	46.4%	$1,081,674
6/30/08	$1,914,894	42.3%	$2,185,736
6/30/09	$1,819,931	39.3%	$3,289,798
6/30/10	$ 692,763	34.0%	$3,747,051

Funded Status and Funding Progress

Post Employment Benefit Obligations under GASB 45 calculated as of July 1, 2009, the most recent actuarial valuation date:

Actuarial Accrued Liability	Total	Members
Future Retirees	$ 4,594,017	1,272
Retirees	982,730	55
Total Actuarial Accrued Liability (AAL)	5,576,747	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	5,576,747	

The covered payroll (annual payroll of active employees covered by the plan) was $85,561,112 and the ratio of the UAAL to the covered payroll was 6.5%. There is not a separate, audited GAAP-basis postemployment benefit plan report for the City.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB 45. The excess of the AAL over the actuarial value of plan assets is the

Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over a maximum 30 years in level dollar amounts on an open period amortization basis. The sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability is the Annual Required Contribution, which with interest at the valuation rate, determines the Annual OPEB Cost.

Demographic A*ssumptions*

Since benefits end at age 65, mortality is not a significant decrement. RP2000 Mortality Table with projection to 2010 was used. Retirement rates are based on an analysis of census information and retirements provided by the City. Disability rates are modified from the 1987 Commissioner's Group Disability Table with 12-month elimination period, male and female. The City assumes no recovery from disability. 32% of actives are assumed to have spousal health coverage at retirement. 100% of future retirees eligible to participate are expected to continue coverage until age 65.

Economic Cost Assumptions

The rate at which projected cash flows are to be discounted should reflect rates of return on high-quality fixed-income investments currently available and expected to be available during the period in which the benefits are expected to be paid. Fiscal 2010 per capita health care costs for retirees were determined based on an analysis of the retiree's claims experience provided by the City over the prior five fiscal years. Per capita costs are adjusted for age, and illustrative costs are shown below:

	Age	Male	Female
Traditional	<55	$ 7,019	$ 8,523
	55 – 59	$ 9,777	$ 9,526
	60 – 64	$12,534	$11,030

	Age	Male	Female
Choice	<55	$ 6,660	$ 8,087
	55 – 59	$ 9,277	$ 9,039
	60 – 64	$11,893	$10,466

These costs are expected to increase at the Health Care Cost Trend.

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2010 is shown below and is assumed to increase by the HCCT shown below.

Plan	Retiree	Retiree & Spouse	Family
Traditional	$606.00	$1,440.00	$1,440.00
Choice	575.00	1,150.00	1,555.00

Health care cost trend rates are used to anticipate increases in medical benefit costs expected to be experienced by the retiree health plan in each future year. The initial trend rate was based on the plan's actual experience. The subsequent year trend rates were selected based on a combination of employer history, national trend surveys, and professional judgment.

Fiscal Year Beginning Change Over Prior	Medical Trend
2011	10.0%
2012	9.5%
2013	9.0%
2014	8.5%
2015	8.0%
2016	7.5%
2017	7.0%
2018	6.5%
2019	6.0%
2020	5.5%
2021+	5.0%

Actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Benefits are projected based on benefit levels and cost-sharing arrangements as of July 1, 2009 and do not explicitly reflect the potential effects of legal or contractual funding limitations. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 17: New Pronouncements

The City adopted the following statements during the year ended June 30, 2010:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. This Statement required the City to capitalize intangibles purchased and donated in the current year and had no effect on prior years.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements. The adoption of this Statement had no effect on the City in the current year.

GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs. The adoption of this Statement had no effect on the City in the current year.

As of June 30, 2010, the GASB had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending June 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued January 2010, will be effective for the City beginning with its year ending June 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. GASB 57 amends GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 59, *Financial Instruments Omnibus*, issued June 2010, will be effective for the City beginning with its year ending June 30, 2011. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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

City of Cedar Rapids, Iowa
Required Supplementary Information
Budgetary Comparison Schedule of Receipts,
Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds,
and Discretely Presented Component Units
Year ended June 30, 2010

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
Revenues:			
Property taxes	$ 72,587,283	$ 3,891,767	$ -
TIF revenues	10,577,214	-	-
Other taxes	18,807,097	-	-
Licenses and permits	2,322,014	-	1,824
Use of money and property	2,650,628	4,732,959	10,486,353
Intergovernmental	88,902,120	5,321,543	8,601,692
Charges for services	19,847,106	94,807,186	14,547,094
Special assessments	213,417	-	13,919
Miscellaneous	5,854,906	33,912,075	1,343,902
Total revenues	221,761,785	142,665,530	34,994,784
Expenditures:			
Current:			
Public safety	48,801,387	-	-
Public works	19,711,891	-	-
Culture and recreation	12,861,482	-	-
Community and economic development	18,426,533	-	-
General government	17,129,041	-	-
Debt service	29,011,057	-	-
Capital projects	109,901,350	-	-
Business-type	-	138,564,227	29,478,697
Total expenditures	255,842,741	138,564,227	29,478,697
Excess (deficiency) of revenues over (under) expenditures	(34,080,956)	4,101,303	5,516,087
Other financing sources, net	37,014,288	17,869,800	(625,018)
Net change in fund balances, net assets	2,933,332	21,971,103	4,891,069
Fund balances, budgetary basis net assets - July 1, 2009	113,123,189	277,463,641	134,960,975
Fund balances, budgetary basis net assets - June 30, 2010	$ 116,056,521	$ 299,434,744	$ 139,852,044
Adjustments not budgeted:			
Other accrued liabilities	(275,942)	(846,145)	2,286
Sale of capital assets	-	141,190	-
Bond proceeds	(5,829,800)	(47,779,886)	-
Accrued bond interest	(6,877,606)	(27,301,340)	(493,400)
Capital outlay variance from depreciation	-	56,039,389	40,587,996
Fund balances, net assets - June 30, 2010 GAAP basis	$ 103,073,173	$ 279,687,952	$ 179,948,926

The notes to the required supplementary information are an integral part of this statement.

Net	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance Positive (Negative)
$ 76,479,050	$ 73,707,305	$ 73,707,305	$ 2,771,745
10,577,214	11,179,936	11,179,936	(602,722)
18,807,097	26,681,447	27,163,940	(8,356,843)
2,323,838	2,870,783	1,997,732	326,106
17,869,940	18,865,095	17,656,831	213,109
102,825,355	391,728,403	277,459,759	(174,634,404)
129,201,386	107,187,505	119,131,760	10,069,626
227,336	1,599,900	1,600,800	(1,373,464)
41,110,883	30,149,634	36,545,283	4,565,600
399,422,099	663,970,008	566,443,346	(167,021,247)
48,801,387	45,239,748	49,576,253	774,866
19,711,891	19,203,406	20,677,460	965,569
12,861,482	12,773,886	14,531,904	1,670,422
18,426,533	18,409,827	20,941,884	2,515,351
17,129,041	14,458,410	35,072,093	17,943,052
29,011,057	18,494,007	29,011,842	785
109,901,350	408,874,822	271,582,043	161,680,693
168,042,924	214,501,830	218,593,443	50,550,519
423,885,665	751,955,936	659,986,922	236,101,257
(24,463,566)	(87,985,928)	(93,543,576)	69,080,010
54,259,070	64,413,321	81,695,808	(27,436,738)
29,795,504	(23,572,607)	(11,847,768)	41,643,272
525,547,805	453,050,450	453,050,450	72,497,355
$ 555,343,309	$ 429,477,843	$ 441,202,682	$ 114,140,627

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment decrease budget disbursements by $91,969,014. This budget amendment is reflected in the final budgeted amounts.

The operations of the Cedar Rapids Public Library Foundation discretely presented component unit are not included in the City's budget.

City of Cedar Rapids, Iowa
Required Supplementary Information
Schedule of Funding Progress
City of Cedar Rapids, Iowa Retiree Healthcare Plan

Actuarial Valuation Date	Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	6/30/2007	$ -	$ 7,794,002	$ 7,794,002	0.00%	$59,572,345	13.08%
7/1/2008	6/30/2008	$ -	$11,817,096	$11,817,096	0.00%	$61,789,964	19.10%
7/1/2008	6/30/2009	$ -	$11,817,096	$11,817,096	0.00%	$61,789,964	19.10%
7/1/2009	6/30/2010	$ -	$ 5,576,747	$ 5,576,747	0.00%	$85,561,112	6.50%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2009. Additional information follows:

a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
b. There are no plan assets.
c. Economic assumptions are as follows: healthcare cost trend rates of 5.0-10.0%; discount rate of 5.0%
d. The amortization method is level dollar over thiry years based on an open group.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds					
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
ASSETS						
Cash and investments	$ 50	$ -	$ -	$ -	$ -	$ 251
Receivables:						
Taxes	-	-	-	6,694,541	-	-
Accounts and unbilled usage, net $251,363 of allowance for doubtful accounts	1,342	42,409	-	-	-	103,901
Interest	-	-	-	-	-	-
Due from other funds	-	-	1,402,176	2,054,508	1,656,737	771,741
Due from other governments	316,729	180,799	697,634	-	1,909,734	37,929
Notes receivable	-	-	-	2,783,173	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	424,381
Total assets	318,121	223,208	2,099,810	11,532,222	3,566,471	1,338,203
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Vouchers payable	127,801	879	4,352	2,673	10	26,949
Contracts payable	-	-	-	-	-	-
Accrued expenditures	15,945	661	-	-	-	12,783
Revenues collected in advance	-	266	-	-	-	-
Deferred revenues	30,394	51,880	697,634	6,565,688	-	-
Advance from other funds	-	-	540,347	-	-	-
Due to other funds	215,504	142,736	-	-	-	-
Due to general public	-	-	-	-	-	237,676
Due to other governments	-	-	-	-	-	192
Security deposits	-	-	-	300	-	-
Total liabilities	389,644	196,422	1,242,333	6,568,661	10	277,600
Fund balances (deficits):						
Reserved for:						
Notes receivable	-	-	-	2,783,173	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	424,381
Encumbrances	221,562	-	-	7,000	-	3,500
Employee retirement	-	394,292	-	-	-	-
Unreserved, reported in:						
Capital projects funds	-	-	-	-	-	-
Special revenue funds	(293,085)	(367,506)	857,477	2,173,388	3,566,461	632,722
Total fund balances (deficits)	(71,523)	26,786	857,477	4,963,561	3,566,461	1,060,603
Total liabilities and fund balances	$ 318,121	$ 223,208	$ 2,099,810	$ 11,532,222	$ 3,566,471	$ 1,338,203

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects Other Construction	Total Nonmajor Governmental Funds
$ -	$ -	$ 190,840	$ 772,411	$ 423,498	$ 1,387,050	$ 16,611,451	$ 17,998,501
284,615	13,807,661	1,565,053	2,449,988	211,550	25,013,408	-	25,013,408
-	744	-	-	218,179	366,575	470,400	836,975
-	-	1,022	4,295	163	5,480	-	5,480
181,725	3,606,058	377,333	331,472	7,583,344	17,965,094	1,963,280	19,928,374
-	-	12,055	-	750,527	3,905,407	29,583	3,934,990
-	-	-	-	25,000	2,808,173	-	2,808,173
-	-	-	-	5,847	5,847	26,407	32,254
-	-	-	-	-	424,381	94,551	518,932
466,340	17,414,463	2,146,303	3,558,166	9,218,108	51,881,415	19,195,672	71,077,087
70,095	162,062	476,993	4,864	195,658	1,072,336	191,395	1,263,731
-	-	-	-	-	-	64,583	64,583
-	-	-	-	9,837	39,226	-	39,226
-	243	-	-	6,038	6,547	151,329	157,876
282,172	13,558,164	1,542,037	2,411,903	291,442	25,431,314	440,015	25,871,329
-	-	-	-	-	540,347	748,150	1,288,497
-	-	-	-	-	358,240	-	358,240
-	-	-	-	216,097	453,773	-	453,773
-	543,479	-	-	-	543,671	-	543,671
-	-	-	-	-	300	-	300
352,267	14,263,948	2,019,030	2,416,767	719,072	28,445,754	1,595,472	30,041,226
-	-	-	-	-	2,783,173	-	2,783,173
-	-	-	-	5,847	5,847	26,407	32,254
-	-	-	-	-	424,381	94,551	518,932
-	-	-	-	445,897	677,959	1,410,610	2,088,569
-	-	127,273	1,141,399	-	1,662,964	-	1,662,964
-	-	-	-	-	-	16,068,632	16,068,632
114,073	3,150,515	-	-	8,047,292	17,881,337	-	17,881,337
114,073	3,150,515	127,273	1,141,399	8,499,036	23,435,661	17,600,200	41,035,861
$ 466,340	$ 17,414,463	$ 2,146,303	$ 3,558,166	$ 9,218,108	$ 51,881,415	$ 19,195,672	$ 71,077,087

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds					
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
Revenues:						
Property taxes	$ -	$ -	$ -	$ 10,577,214	$ -	$ -
Hotel-Motel taxes	-	-	2,378,503	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,218,743	612,126	-	-	10,942,914	5,565,995
Charges for services	10,188	-	-	-	-	135,521
Fines and forfeits	-	-	-	-	-	-
Use of money and property	-	-	22,543	101,357	4,515	2,388
Rents and royalties	-	-	-	-	-	-
Miscellaneous	30,764	136,161	-	-	-	6,105
Total revenues	1,259,695	748,287	2,401,046	10,678,571	10,947,429	5,710,009
Expenditures:						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	1,250,889	727,137	1,987,078	3,555,269	-	5,965,395
General government	-	-	-	-	51	-
Debt service:						
Principal	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Capital outlay	-	-	-	115,581	-	-
Total expenditures	1,250,889	727,137	1,987,078	3,670,850	51	5,965,395
Excess (deficiency) of revenues over (under) expenditures	8,806	21,150	413,968	7,007,721	10,947,378	(255,386)
Other Financing Sources (Uses):						
Long-term debt issued	-	-	-	-	-	-
Discount on debt issued	-	-	-	-	-	-
Settlement Reimbursement	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	821,564	-	104
Transfers (out)	(32,123)	-	(1,200,589)	(11,333,441)	(10,354,616)	(104)
Total other financing sources (uses)	(32,123)	-	(1,200,589)	(10,511,877)	(10,354,616)	-
Net change in fund balances	(23,317)	21,150	(786,621)	(3,504,156)	592,762	(255,386)
Fund balances (deficits) - July 1, 2009	(48,206)	5,636	1,644,098	8,467,717	2,973,699	1,315,989
Fund balances (deficits) - June 30, 2010	$ (71,523)	$ 26,786	$ 857,477	$ 4,963,561	$ 3,566,461	$ 1,060,603

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects Other Construction	Total Nonmajor Governmental Funds
$ 246,972	$ 14,357,879	$ 1,324,535	$ 2,191,665	$ 198,409	$ 28,896,674	$ -	$ 28,896,674
-	-	-	-	-	2,378,503	-	2,378,503
-	-	-	-	28,950	28,950	-	28,950
-	-	-	-	5,680,149	24,019,927	89,671	24,109,598
-	-	-	-	57,046	202,755	113	202,868
-	-	-	-	6,560	6,560	-	6,560
496	7,159	16,964	74,019	43,859	273,300	17,340	290,640
-	-	-	-	297,488	297,488	-	297,488
-	-	-	-	265,188	438,218	423,549	861,767
247,468	14,365,038	1,341,499	2,265,684	6,577,649	56,542,375	530,673	57,073,048
-	-	224,755	264,418	378,624	867,797	100,302	968,099
-	-	-	-	-	-	97,451	97,451
-	-	-	-	905,195	905,195	501,218	1,406,413
442,495	-	-	-	1,643,444	15,571,707	1,485,681	17,057,388
-	7,281	-	-	3,105,257	3,112,589	104,054	3,216,643
-	-	-	-	-	-	-	-
-	-	-	-	-	-	16,683	16,683
-	-	-	-	-	-	437,531	437,531
-	-	-	-	8,504	124,085	2,275,421	2,399,506
442,495	7,281	224,755	264,418	6,041,024	20,581,373	5,018,341	25,599,714
(195,027)	14,357,757	1,116,744	2,001,266	536,625	35,961,002	(4,487,668)	31,473,334
-	-	-	-	-	-	7,615,323	7,615,323
-	-	-	-	-	-	-	-
-	-	-	-	3,500,000	3,500,000	-	3,500,000
-	-	-	-	1,656	1,656	-	1,656
138,390	165,605	602,740	-	511,594	2,239,997	5,368,918	7,608,915
(107,535)	(14,460,145)	(1,592,211)	(2,104,288)	(3,142,794)	(44,327,846)	(98,125)	(44,425,971)
30,855	(14,294,540)	(989,471)	(2,104,288)	870,456	(38,586,193)	12,886,116	(25,700,077)
(164,172)	63,217	127,273	(103,022)	1,407,081	(2,625,191)	8,398,448	5,773,257
278,245	3,087,298	-	1,244,421	7,091,955	26,060,852	9,201,752	35,262,604
$ 114,073	$ 3,150,515	$ 127,273	$ 1,141,399	$ 8,499,036	$ 23,435,661	$ 17,600,200	$ 41,035,861

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City of Cedar Rapids, Iowa
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2010

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
ASSETS				
Current assets:				
Cash and investments	$ 10,111	$ 572,575	$ -	$ 13,571
Receivables:				
Taxes	4,356,507	-	-	-
Accounts and unbilled usage, net				
$45,687 of allowance for doubtful accounts	100,874	133,164	1,126,822	24,438
Interest	-	3	-	-
Notes	-	-	446,000	-
Due from other funds	2,191,250	1,172,020	10,580,428	-
Due from other governments	58,716	-	2,690	1,712
Inventories	1,429	19	17,264	164,918
Prepaid items	750	300	7,997	24,808
Deferred charges	-	-	-	10,380
Restricted assets:				
Cash and investments	-	-	-	-
Total current assets	6,719,637	1,878,081	12,181,201	239,827
Noncurrent assets:				
Land	2,445,367	5,910,123	27,229	602,704
Buildings and structures	8,824,993	22,211,590	214,837	1,175,128
Improvements other than buildings	7,084,931	4,303,997	-	5,321,384
Machinery and equipment	13,519,731	594,237	4,795,924	1,349,166
Accumulated depreciation	(23,155,797)	(17,642,999)	(3,471,275)	(3,592,660)
Construction in progress	-	11,413	19,884	-
Total noncurrent assets	8,719,225	15,388,361	1,586,599	4,855,722
Total assets	15,438,862	17,266,442	13,767,800	5,095,549
LIABILITIES				
Current liabilities:				
Vouchers payable	176,625	159,594	225,200	230,888
Contracts payable	372	-	-	-
Accrued expenses	86,356	11,983	86,817	66,050
Compensated absences	160,912	23,518	134,343	96,795
Revenues collected in advance	14,290	1,506	-	5,008
Deferred revenues	4,288,880	-	-	-
Due to other funds	-	-	-	348,626
Due to other governments	-	-	-	27,531
Security deposits	1,000	-	-	-
Advance from other funds	-	-	-	-
Notes Payable	86,417	-	-	-
General obligation bonds payable	-	-	-	251,852
Unamortized bond premium	-	-	-	3,550
Matured bonds interest payable	-	-	-	9,865
Total current liabilities	4,814,852	196,601	446,360	1,040,165
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	2,470,058
Unamortized bond premium	-	-	-	36,354
Compensated absences	21,530	6,320	999	-
Total noncurrent liabilities	21,530	6,320	999	2,506,412
Total liabilities	4,836,382	202,921	447,359	3,546,577
NET ASSETS				
Invested in capital assets, net of related debt	8,632,808	15,388,361	1,586,599	2,093,908
Unrestricted (deficit)	1,969,672	1,675,160	11,733,842	(544,936)
	$ 10,602,480	$ 17,063,521	$ 13,320,441	$ 1,548,972

U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
$ 434,302	$ -	$ 256,221	$ 1,286,780
-	-	-	4,356,507
295,815	-	151,805	1,832,918
-	-	-	3
-	-	-	446,000
1,099,427	-	70,965	15,114,090
-	84,645	-	147,763
-	-	-	183,630
47,812	-	16,902	98,569
327,345	7,339	45,308	390,372
305,380	-	-	305,380
2,510,081	91,984	541,201	24,162,012
807,500	308,531	-	10,101,454
10,162,670	4,921,813	9,792,626	57,303,657
709,948	29,950	252,534	17,702,744
1,291,931	275,897	1,923,613	23,750,499
(8,599,254)	(2,064,563)	(3,998,526)	(62,525,074)
773,427	-	-	804,724
5,146,222	3,471,628	7,970,247	47,138,004
7,656,303	3,563,612	8,511,448	71,300,016
684,673	(259)	44,589	1,521,310
40,333	-	-	40,705
213,685	-	22,387	487,278
-	-	-	415,568
44,318	-	-	65,122
51,889	-	109,921	4,450,690
-	847,954	-	1,196,580
84,645	-	800	112,976
9,635	-	-	10,635
88,000	-	-	88,000
-	-	-	86,417
35,000	242,253	395,000	924,105
-	1,124	-	4,674
689	3,729	12,146	26,429
1,252,867	1,094,801	584,843	9,430,489
190,000	885,495	3,865,000	7,410,553
632,725	12,081	-	681,160
-	-	-	28,849
822,725	897,576	3,865,000	8,120,562
2,075,592	1,992,377	4,449,843	17,551,051
4,593,877	2,330,675	3,710,247	38,336,475
986,834	(759,440)	351,358	15,412,490
$ 5,580,711	$ 1,571,235	$ 4,061,605	$ 53,748,965

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	$ 739,750	$ 2,847,553	$ 7,344,476	$ 1,833,115
Fines and forfeits	-	268,240	-	-
Use of money and property	-	800	-	-
Rents and royalties	36,573	-	-	548,682
Miscellaneous	2,588	80	371	205,116
Total operating revenues	778,911	3,116,673	7,344,847	2,586,913
Operating expenses:				
Personal services	3,555,348	617,768	3,834,323	1,353,388
Purchased services	2,059,856	1,595,593	3,556,393	830,992
Supplies and materials	469,125	126,005	507,029	566,203
Other	986,033	1,005,121	1,552,351	17,618
Depreciation	1,101,715	785,979	582,316	262,539
Total operating expenses	8,172,077	4,130,466	10,032,412	3,030,740
Operating income (loss)	(7,393,166)	(1,013,793)	(2,687,565)	(443,827)
Nonoperating revenues (expenses):				
Intergovernmental	3,759,714	-	59,547	-
Investment income	1,509	5,298	28,650	20,625
Property tax revenue	3,891,767	-	-	-
Gain (loss) on sale of capital assets	117	(366)	(46,388)	12,448
Interest expense	-	-	-	(151,320)
Total nonoperating revenue (expenses)	7,653,107	4,932	41,809	(118,247)
Income (loss) before transfers and capital contributions	259,941	(1,008,861)	(2,645,756)	(562,074)
Capital contributions	707,651	-	-	-
Transfers in	169,757	-	-	387,650
Transfers out	-	-	-	(1,505)
Change in net assets	1,137,349	(1,008,861)	(2,645,756)	(175,929)
Total net assets, beginning	9,465,131	18,072,382	15,966,197	1,724,901
Total net assets, ending	$ 10,602,480	$ 17,063,521	$ 13,320,441	$ 1,548,972

U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
$ 1,657,326	$ -	$ 571,385	$ 14,993,605
-	-	-	268,240
-	-	-	800
575,746	-	285,432	1,446,433
442,003	-	95,616	745,774
2,675,075	-	952,433	17,454,852
774,697	204,092	331,998	10,671,614
2,023,432	18,054	557,102	10,641,422
70,385	5	37,579	1,776,331
15,000	(1,505)	1,730	3,576,348
259,170	139,155	431,363	3,562,237
3,142,684	359,801	1,359,772	30,227,952
(467,609)	(359,801)	(407,339)	(12,773,100)
-	-	-	3,819,261
4,213	13,953	-	74,248
-	-	-	3,891,767
-	-	-	(34,189)
(9,385)	(79,903)	(133,999)	(374,607)
(5,172)	(65,950)	(133,999)	7,376,480
(472,781)	(425,751)	(541,338)	(5,396,620)
-	-	-	707,651
720,000	344,900	1,070,036	2,692,343
(475,268)	(55,500)	(114,500)	(646,773)
(228,049)	(136,351)	414,198	(2,643,399)
5,808,760	1,707,586	3,647,407	56,392,364
$ 5,580,711	$ 1,571,235	$ 4,061,605	$ 53,748,965

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	$ 810,989	$ 3,120,609	$ 7,222,497	$ 2,613,986
Cash paid to employees	(3,520,441)	(624,645)	(3,815,637)	(1,328,885)
Cash paid to suppliers	(4,103,631)	(2,739,326)	(5,603,311)	(1,363,061)
Net cash flows from operating activities	(6,813,083)	(243,362)	(2,196,451)	(77,960)
Cash flows from non-capital financing activities:				
Borrowing from other funds	3,845,938	1,349,362	2,755,405	970,846
Loans to other funds	(4,757,785)	(486,144)	(649,752)	(902,785)
Intergovernmental	3,759,714	-	59,547	-
Transfers in	169,757	-	-	387,650
Transfers out	-	-	-	(1,505)
Property taxes	3,871,597	-	-	-
Net cash flows from non-capital financing activities	6,889,221	863,218	2,165,200	454,206
Cash flows from capital and related financing activities:				
Purchase of capital assets	(882,057)	(63,084)	-	(10,710)
Proceeds from disposition of capital assets	8,348	7,494	2,601	12,711
Capital contributions	707,651	-	-	-
Notes payable	108,517	-	-	-
Premium on bonds	-	-	-	-
Principal paid	(22,100)	-	-	(802,134)
Interest paid	-	-	-	(155,064)
Net cash flows from capital and related financing activities	(79,641)	(55,590)	2,601	(955,197)
Cash flows from investing activities:				
Interest on investments	1,509	5,300	28,650	20,625
Net cash flows from investing activities	1,509	5,300	28,650	20,625
Net decrease in cash and cash equivalents	(1,994)	569,566	-	(558,326)
Cash and cash equivalents, July 1, 2009	12,105	3,009	-	571,897
Cash and cash equivalents, June 30, 2010	$ 10,111	$ 572,575	$ -	$ 13,571
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (7,393,166)	$ (1,013,793)	$ (2,687,565)	$ (443,827)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	1,101,715	785,979	582,316	262,539
Change in assets and liabilities:				
(Increase) decrease in prepaid items	-	(300)	191	(1,618)
Increase (decrease) in vouchers payable	(587,188)	(12,307)	16,356	67,402
(Increase) decrease in accrued expenses	11,212	(4,119)	12,377	15,966
Increase (decrease) in compensated absences	23,695	(2,758)	6,309	8,537
(Increase) decrease in accounts receivable	13,466	2,577	(122,350)	17,358
(Increase) in inventories	(1,429)	-	(4,085)	(14,032)
Decrease in due from other governments	18,612	-	-	-
Increase (decrease) due to other governments	-	-	-	1,247
Increase (decrease) in revenues collected in advance	-	1,359	-	8,468
Increase in security deposit	-	-	-	-
Increase in deferred revenue	-	-	-	-
Net cash flows from operating activities	$ (6,813,083)	$ (243,362)	$ (2,196,451)	$ (77,960)
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	$ 372	$ (37,296)	$ -	$ -

Other Enterprise Funds			
U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
$ 2,628,056	$ -	$ 1,021,738	$ 17,417,875
(783,972)	(204,092)	(324,344)	(10,602,016)
(1,641,415)	(16,542)	(610,270)	(16,077,556)
202,669	(220,634)	87,124	(9,261,697)
610,102	339,948	597,329	10,468,930
(558,403)	(103,097)	(895,499)	(8,353,465)
-	-	-	3,819,261
720,000	344,900	1,070,036	2,692,343
(475,268)	(55,500)	(114,500)	(646,773)
-	-	-	3,871,597
296,431	526,251	657,366	11,851,893
(744,402)	-	(94,571)	(1,794,824)
-	-	-	31,154
-	-	-	707,651
-	-	-	108,517
-	623,238	-	623,238
(35,000)	(631,300)	(405,000)	(1,895,534)
-	(81,608)	(141,673)	(378,345)
(779,402)	(89,670)	(641,244)	(2,598,143)
4,213	13,953	-	74,250
4,213	13,953	-	74,250
(276,089)	229,900	103,246	66,303
392,533	393,338	152,975	1,525,857
$ 116,444	$ 623,238	$ 256,221	$ 1,592,160
$ (467,609)	$ (359,801)	$ (407,339)	$(12,773,100)
259,170	139,155	431,363	3,562,237
(18,383)	-	227	(19,883)
485,785	12	(14,086)	(44,026)
(9,275)	-	7,654	33,815
-	-	-	35,783
(33,582)	-	1,924	(120,607)
-	-	-	(19,546)
-	-	-	18,612
(188)	-	(564)	495
(35,331)	-	-	(25,504)
3,563	-	-	3,563
18,519		67,945	86,464
$ 202,669	$ (220,634)	$ 87,124	$ (9,261,697)
$ 35,573	$ -	$ (1,500)	$ (2,851)

City of Cedar Rapids, Iowa
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
ASSETS					
Current assets:					
Cash and investments	$ -	$ 2,544,324	$ 5,991,518	$ 442,586	$ 8,978,428
Receivables:					
Accounts and unbilled usage, net	161,210	905,461	519	97,829	1,165,019
Interest	-	-	-	2,193	2,193
Due from other funds	1,950,116	-	1,847,366	37,164,148	40,961,630
Due from other governments	16,010	48,216	-	-	64,226
Inventories	331,210	885,236	-	-	1,216,446
Prepaid items	-	116	-	466,116	466,232
Total current assets	2,458,546	4,383,353	7,839,403	38,172,872	52,854,174
Noncurrent assets:					
Advance to other funds	-	-	-	1,558,803	1,558,803
Land	1,016,663	-	-	-	1,016,663
Buildings and structures	6,082,507	-	20,706	-	6,103,213
Improvements other than buildings	1,843,172	33,575	-	-	1,876,747
Machinery and equipment	160,332	12,096,336	900,611	-	13,157,279
Accumulated depreciation	(5,584,979)	(1,972,911)	(644,740)	-	(8,202,630)
Construction in progress	-	-	59,407	-	59,407
Total noncurrent assets	3,517,695	10,157,000	335,984	1,558,803	15,569,482
Total assets	5,976,241	14,540,353	8,175,387	39,731,675	68,423,656
LIABILITIES					
Current liabilities:					
Vouchers payable	96,460	823,300	119,667	644,419	1,683,846
Claims and judgments payable	-	-	-	9,950,700	9,950,700
Accrued expenses	45,012	79,644	43,658	-	168,314
Compensated absences	86,233	139,727	71,815	-	297,775
Due to other funds	-	2,100,181	-	-	2,100,181
Advance from other funds	270,306	446,000	-	-	716,306
Total current liabilities	498,011	3,588,852	235,140	10,595,119	14,917,122
Noncurrent liabilities:					
Compensated absences	6,597	16,137	-	-	22,734
Post-employment liability	-	-	-	3,747,051	3,747,051
Total noncurrent liabilities	6,597	16,137	-	3,747,051	3,769,785
Total liabilities	504,608	3,604,989	235,140	14,342,170	18,686,907
NET ASSETS					
Invested in capital assets, net of related debt	3,517,695	10,157,000	335,984	-	14,010,679
Unrestricted	1,953,938	778,364	7,604,263	25,389,505	35,726,070
	$ 5,471,633	$ 10,935,364	$ 7,940,247	$ 25,389,505	$ 49,736,749

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Operating revenues:					
Charges for services	$ 1,477,733	$ 8,586,784	$ 2,918,758	$ 24,030,478	$ 37,013,753
Rents and royalties	1,580,989	-	-	-	1,580,989
Miscellaneous	579	42,579	-	6,023	49,181
Total operating revenues	3,059,301	8,629,363	2,918,758	24,036,501	38,643,923
Operating expenses:					
Personal services	1,889,327	3,026,116	1,601,256	2,610,439	9,127,138
Purchased services	581,139	1,148,407	548,865	18,794,141	21,072,552
Supplies and materials	304,937	4,220,610	187,829	-	4,713,376
Other	3,197	15,408	50,204	497,765	566,574
Depreciation	288,212	1,501,950	65,726	-	1,855,888
Total operating expenses	3,066,812	9,912,491	2,453,880	21,902,345	37,335,528
Operating income (loss)	(7,511)	(1,283,128)	464,878	2,134,156	1,308,395
Nonoperating revenues (expenses):					
Investment earnings	2,584	-	5,813	582,746	591,143
Gain on sale of capital assets	-	242,972	-	-	242,972
Contributions & Donations	-	3,698,294	3,978,100	-	7,676,394
Interest expense	(14,184)	(14,930)	(12,325)	-	(41,439)
Total nonoperating revenue (expenses)	(11,600)	3,926,336	3,971,588	582,746	8,469,070
Income before transfers & capital contributions	(19,111)	2,643,208	4,436,466	2,716,902	9,777,465
Capital contributions	-	692,624	-	-	692,624
Transfers in	-	2,241,093	-	100,000	2,341,093
Transfers out	(31,160)	-	-	(569,400)	(600,560)
Change in net assets	(50,271)	5,576,925	4,436,466	2,247,502	12,210,622
Total net assets, beginning	5,521,904	5,358,439	3,503,781	23,142,003	37,526,127
Total net assets, ending	$ 5,471,633	$ 10,935,364	$ 7,940,247	$ 25,389,505	$ 49,736,749

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Cash flows from operating activities:					
Cash received from users	$ 3,064,580	$ 8,050,202	$ 2,918,310	$ 23,973,406	$ 38,006,498
Cash paid to employees	(1,886,526)	(3,065,881)	(1,590,705)	(2,153,186)	(8,696,298)
Cash paid to suppliers	(892,467)	(5,952,825)	(700,567)	(17,183,205)	(24,729,064)
Net cash flows from operating activities	285,587	(968,504)	627,038	4,637,015	4,581,136
Cash flows from non-capital financing activities:					
Borrowing from other funds	1,294,971	6,208,962	187,325	-	7,691,258
Loans to other funds	(1,543,763)	(4,932,609)	(647,490)	(4,849,600)	(11,973,462)
Contributions and donations	-	3,698,294	3,978,100	-	7,676,394
Transfers in	-	2,241,093	-	100,000	2,341,093
Transfers out	(31,160)	-	-	(569,400)	(600,560)
Net cash flows from non-capital financing activities	(279,952)	7,215,740	3,517,935	(5,319,000)	5,134,723
Cash flows from capital and related financing activities:					
Purchase of capital assets	5,965	(6,973,788)	(164,359)	-	(7,132,182)
Proceeds from disposition of capital assets	-	285,500	-	-	285,500
Capital contributions	-	692,624	-	-	692,624
Issuance costs on issue	-	-	(12,325)		(12,325)
Net cash flows from capital and related financing activities	5,965	(5,995,664)	- (176,684)	-	(6,166,383)
Cash flows from investing activities:					
Interest on investments	(11,600)	(14,930)	5,813	583,324	562,607
Net cash flows from investing activities	(11,600)	(14,930)	5,813	583,324	562,607
Net decrease in cash and cash equivalents	-	236,642	3,974,102	(98,661)	4,112,083
Cash and cash equivalents, July 1, 2009	-	2,307,682	2,017,416	541,247	4,866,345
Cash and cash equivalents, June 30, 2010	$ -	$ 2,544,324	$ 5,991,518	$ 442,586	$ 8,978,428
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	$ (7,511)	$ (1,283,128)	$ 464,878	$ 2,134,156	$ 1,308,395
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	288,212	1,501,950	65,726	-	1,855,888
Change in assets and liabilities:					
Decrease in prepaid items	-	4,642	-	14,166	18,808
Increase (decrease) in vouchers payable	(3,194)	(496,022)	86,331	(215,865)	(628,750)
Increase in accrued expenses	6,633	15,009	9,537	-	31,179
Increase (decrease) in compensated absences	(3,832)	(54,774)	1,014	-	(57,592)
(Increase) decrease in accounts receivable	5,279	(566,404)	(448)	(63,095)	(624,668)
(Increase) in inventories	-	(77,020)	-	-	(77,020)
(Increase) decrease in due from other governments	-	(12,757)	-	-	(12,757)
Increase post-employment liability	-	-	-	457,253	457,253
Increase in open claims payable	-	-	-	2,310,400	2,310,400
Net cash flows from operating activities	$ 285,587	$ (968,504)	$ 627,038	$ 4,637,015	$ 4,581,136

City of Cedar Rapids, Iowa
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2010

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Area Ambulance	Total
ASSETS					
Receivables:					
Accounts receivable	$ -	$ 287	$ -	$ -	$ 287
Due from other governments	457,892	11,279	240,424	9,343	718,938
Total Assets	$ 457,892	$ 11,566	$ 240,424	$ 9,343	$ 719,225
LIABILITIES					
Vouchers payable	$ -	$ 61	$ 61,954	$ -	$ 62,015
Due to other governments	-	-	178,470	9,343	187,813
Security deposits	457,892	11,505	-	-	469,397
Total liabilities	$ 457,892	$ 11,566	$ 240,424	$ 9,343	$ 719,225

CITY OF CEDAR RAPIDS, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Developers Security Deposit				
Assets:				
Due from other governments	$ 408,223	$ 54,447	$ 4,778	$ 457,892
Liabilities:				
Vouchers payable	-	4,820	4,820	$ -
Security deposits	408,223	54,447	4,778	$ 457,892
Total liabilities	$ 408,223	$ 59,267	$ 9,598	$ 457,892
Contractors Permit Deposit				
Assets:				
Accounts receivable	$ 287	$ -	$ -	$ 287
Due from other governments	23,024	5,703	17,448	11,279
Total assets	$ 23,311	$ 5,703	$ 17,448	$ 11,566
Liabilities:				
Vouchers payable	$ 136	$ 12,503	$ 12,578	$ 61
Security deposits	23,175	5,022	16,692	11,505
Total liabilities	$ 23,311	$ 17,525	$ 29,270	$ 11,566
Regional Planning				
Assets:				
Due from other governments	$ 265,047	$ 378,491	$ 403,114	$ 240,424
Liabilities:				
Vouchers payable	$ 2,320	$ 560,520	$ 500,886	$ 61,954
Due to other governments	262,727	11,627	95,884	178,470
Total liabilities	$ 265,047	$ 572,147	$ 596,770	$ 240,424
Area Ambulance				
Assets:				
Due from other governments	$ 9,319	$ 24	$ -	$ 9,343
Liabilities:				
Due to other governments	9,319	24	-	9,343
Total liabilities	$ 9,319	$ 24	$ -	$ 9,343
Total				
Assets:				
Accounts receivable	$ 287	$ -	$ -	$ 287
Due from other governments	705,613	438,665	425,340	718,938
Total assets	$ 705,900	$ 438,665	$ 425,340	$ 719,225
Liabilities:				
Vouchers payable	$ 2,456	$ 577,843	$ 518,284	$ 62,015
Due to other governments	272,046	11,651	95,884	187,813
Security deposits	431,398	59,469	21,470	469,397
Total liabilities	$ 705,900	$ 648,963	$ 635,638	$ 719,225

City of Cedar Rapids, Iowa
Statements of Revenues, Expenses, and Changes in Fund Net Assets
Discretely Presented Component Units
For the Year Ended June 30, 2010

	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
Operating revenues:			
Charges for services	$ 3,392,560	$ 11,154,534	$ -
Licenses and permits	1,824	-	-
Use of money and property	30,494	28,688	398,887
Rents and royalties	10,214,562	26,767	-
Miscellaneous	70,404	1,287,418	-
Total operating revenues	13,709,844	12,497,407	398,887
Operating expenses:			
Personal services	2,935,545	2,508,537	-
Purchased services	2,809,709	1,773,481	145,430
Supplies and materials	808,636	1,053,806	86,446
Other	80,242	4,000,748	-
Depreciation	5,465,776	1,225,216	194
Total operating expenses	12,099,908	10,561,788	232,070
Operating income (loss)	1,609,936	1,935,619	166,817
Nonoperating revenues (expenses):			
Intergovernmental	56,630	277,320	-
Investment income (loss)	73,227	112,615	86,120
(Gain) loss on sale of assets	100	-	-
Interest expense	(129,431)	-	(19,461)
Total nonoperating revenue (expenses)	526	389,935	66,659
Capital contributions	8,267,743	-	-
Change in net assets	9,878,205	2,325,554	233,476
Total net assets, beginning	139,887,375	27,857,792	3,424,800
Total net assets, ending	$ 149,765,580	$ 30,183,346	$ 3,658,276

City of Cedar Rapids, Iowa
Statements of Cash Flows
Discretely Presented Component Units
For the Year Ended June 30, 2010

	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
Cash flows from operating activities:			
Cash received from users	$ 7,908,793	$ 10,849,336	$ 398,887
Cash paid to employees	(2,928,475)	(2,483,272)	-
Cash paid to suppliers	2,632,221	(3,067,841)	(222,928)
Net cash flows from operating activities	7,612,539	5,298,223	175,959
Cash flows from non-capital financing activities:			
Borrowing from other funds	1,298,356	-	-
Loans to other funds	(3,381,962)	-	-
Intergovernmentals	56,630	277,320	-
Net cash flows from non-capital financing activities	(2,026,976)	277,320	-
Cash flows from capital and related financing activities:			
Purchase of capital assets	(13,311,403)	(3,028,448)	(4,463)
Capital contributions	8,267,743	-	-
Proceeds from disposition of capital assets	100	-	-
Principal paid	(494,132)	-	-
Interest paid	(130,985)	-	(19,461)
Net cash flows from capital and related financing activities	(5,668,677)	(3,028,448)	(23,924)
Cash flows from investing activities:			
Interest on investments	73,227	125,818	86,120
Proceeds from sale and maturities of investment securities	-	-	2,171,614
Purchase of investment securites, net unrealized gain/loss	-	-	(2,381,506)
Net cash flows from investing activities	73,227	125,818	(123,772)
Net (increase) decrease in cash and cash equivalents	(9,887)	2,672,913	28,263
Cash and cash equivalents, July 1, 2009	12,670	21,940,582	10,184
Cash and cash equivalents, June 30, 2010	$ 2,783	$ 24,613,495	$ 38,447
Reconciliation of operating income to net cash flows from operating activities			
Operating income	$ 1,609,936	$ 1,935,619	$ 166,817
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation expense	5,465,776	1,225,216	194
Change in assets and liabilities:			
(Increase) decrease in prepaid items	-	(85,356)	-
Increase in vouchers payable	6,330,808	303,592	8,948
Increase in compensated absences	5,339	10,236	-
Increase in accrued expenses	1,731	15,029	-
(Increase) decrease in accounts receivable	164,072	(2,270,397)	-
Decrease in notes receivable	-	639,471	-
(Increase) in due from other governments	(5,832,142)	(74,330)	-
Increase in due to other governments	-	75,144	-
Increase in security deposits	14,446	8,500	-
Increase (decrease) in revenues collected in advance	44,016	(26,459)	-
(Decrease) in deferred revenues	(191,443)	-	-
Increase in closure/postclosure payable	-	3,541,958	-
Net cash flows from operating activities	$ 7,612,539	$ 5,298,223	$ 175,959
Reconciliation of cash and cash equivalents to specific assets on statement of net assets:			
Cash and investments	$ 2,783	$ 24,613,494	$ 3,670,432
Less: Items not meeting the definition of cash and cash equivalents	-	-	3,631,985
	$ 2,783	$ 24,613,494	$ 38,447
Schedule of noncash capital and related financing activities:			
Acquisition of assets through prior year contracts paid	$ 196,592	$ -	$ -

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2010

Governmental funds capital assets:		
Land	$	37,008,620
Building		56,966,830
Improvements other than Building		371,860,431
Machinery and equipment		41,308,223
Construction in progress		7,802,115
Total governmental funds capital assets	$	514,946,219

Investments in governmental funds capital assets by source:		
General fund	$	83,407,051
Special revenue funds		45,351,981
Capital projects funds		368,401,097
Donations		17,786,090
Total governmental funds capital assets	$	514,946,219

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 Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2010

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
Public Safety:						
Police	$ 1,057,050	$ 10,509,024	$ 595,862	$ 4,156,790	$ 61,027	$ 16,379,753
Flood Control	-	-	10,616	-	-	10,616
Fire	459,523	4,956,543	106,304	6,816,785	301,743	12,640,898
Building Inspections	-	266,930	-	84,669	4,699	356,298
Animal Control	-	196,963	14,630	152,620	-	364,213
Total Public Safety	1,516,573	15,929,460	727,412	11,210,864	367,469	29,751,778
Public Works:						
Roads, Bridges, Sidewalks	15,213,918	-	290,629,711	472,367	6,617	306,322,613
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	167,196	-	10,115,713	-	10,282,909
Flood Recovery	3,850,102	475,654	-	5,462,987	4,110,733	13,899,476
Other Public Works	1,014	-	39,538,313	-	9,877	39,549,204
Total Public Works	19,077,511	652,589	340,833,140	17,226,512	4,127,227	381,916,979
Culture & Recreation:						
Library Services	1,397,574	7,421,620	32,337	1,061,523	48,462	9,961,516
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,287,524	3,957,315	13,936,558	3,247,746	243,637	26,672,780
Recreation	63,287	8,602,640	6,059,561	4,431,517	-	19,157,005
Other Culture and Recreation	-	85,686	-	-	-	85,686
Total Culture and Recreation	6,748,385	20,067,261	20,028,456	8,753,796	292,099	55,889,997
Community & Economic Development:						
Community Beautification	10,500	-	-	525,245	-	535,745
Economic Development	5,672,585	541,000	68,114	46,652	2,104,608	8,432,959
Housing and Urban Renewal	28,445	-	89,494	175,184	-	293,123
Other Community and Economic Development	2,696,369	-	-	137,754	250	2,834,373
Total Community and Economic Development	8,407,899	541,000	157,608	884,835	2,104,858	12,096,200
General Government:						
Mayor and Council	-	-	-	15,892	-	15,892
Clerk, Treasurer, Finance	-	-	1,370,769	881,174	-	2,251,943
City Attorney	-	-	-	19,270	-	19,270
City Hall and Other Buildings	85,100	17,257,763	3,704,328	204,987	217,608	21,469,786
Other General Government	1,173,152	2,518,757	5,038,718	2,110,893	692,854	11,534,374
Total General Government	1,258,252	19,776,520	10,113,815	3,232,216	910,462	35,291,265
Total governmental funds capital assets	$ 37,008,620	$ 56,966,830	$ 371,860,431	$ 41,308,223	$ 7,802,115	$ 514,946,219

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 Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2010

Function and Activity	Governmental Funds Capital Assets July 1, 2009	Additions	Deletions	Governmental Funds Capital Assets June 30, 2010
Public Safety:				
Police	16,299,852	$ 240,488	$ (160,587)	$ 16,379,753
Flood Control	10,616	-	-	10,616
Fire	12,588,984	330,941	(279,027)	12,640,898
Building Inspections	378,508	-	(22,210)	356,298
Animal Control	358,700	5,513	-	364,213
Total Public Safety	29,636,660	576,942	(461,824)	29,751,778
Public Works:				
Roads, Bridges, Sidewalks	287,520,307	18,831,188	(28,882)	306,322,613
Traffic Control and Safety	11,862,777	-	-	11,862,777
Street Cleaning	10,495,541	295,704	(508,336)	10,282,909
Flood	13,184,315	7,536,830	(6,821,669)	13,899,476
Other Public Works	39,600,908	-	(51,704)	39,549,204
Total Public Works	362,663,848	26,663,722	(7,410,591)	381,916,979
Culture & Recreation:				
Library Services	9,946,520	14,996	-	9,961,516
Museum, Band, Theater	13,010	-	-	13,010
Parks	26,695,817	284,356	(307,393)	26,672,780
Recreation	19,166,412	13,871	(23,278)	19,157,005
Other Culture and Recreation	85,686	-	-	85,686
Total Culture and Recreation	55,907,445	313,223	(330,671)	55,889,997
Community & Economic Development:				
Community Beautification	535,745	-	-	535,745
Economic Development	7,718,690	714,269	-	8,432,959
Housing and Urban Renewal	293,123	-	-	293,123
Other Community and Economic Development	2,718,792	115,581	-	2,834,373
Total Community and Economic Development	11,266,350	829,850	-	12,096,200
General Government:				
Mayor and council	15,892	-	-	15,892
Clerk, Treasurer, Finance	2,251,943	-	-	2,251,943
City Attorney	19,270	-	-	19,270
City Hall and Other Buildings	21,469,786	-	-	21,469,786
Other General Government	10,473,224	1,061,150	-	11,534,374
Total General Government	34,230,115	1,061,150	-	35,291,265
Total governmental funds capital assets	$ 493,704,418	$ 29,444,887	$ (8,203,086)	$ 514,946,219

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.

CEDAR RAPIDS

City of Five Seasons®

STATISTICAL SECTION

The statistical section of the City of Cedar Rapids' comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say 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.	93
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	103
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	113
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.	120
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.	123

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

City of Cedar Rapids, Iowa

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	$ 170,293,419	$ 180,212,606	$ 182,522,603
Restricted	-	-	22,186,515
Unrestricted	120,141,715	110,680,666	95,704,733
Total governmental activities net assets	290,435,134	290,893,272	300,413,851
Business-type activities:			
Invested in capital assets, net of related debt	155,123,651	163,871,381	163,821,373
Restricted	18,660,585	-	-
Unrestricted	68,725,552	72,525,516	70,100,125
Total business-type activites net assets	242,509,788	236,396,897	233,921,498
Primary government:			
Invested in capital assets, net of related debt	325,417,070	344,083,987	346,343,976
Restricted	18,660,585	-	22,186,515
Unrestricted	188,867,267	183,206,182	165,804,858
Total primary government assets net assets	$ 532,944,922	$ 527,290,169	$ 534,335,349

GASB Statement No. 34 Implemented in Fiscal Year 2003

Fiscal Year				
2006	2007	2008	2009	**2010**
$ 188,024,772	$ 166,859,345	$ 215,756,562	$ 202,547,673	$ 255,357,514
22,186,515	53,058,213	46,336,187	34,927,581	21,925,801
103,526,477	109,830,961	80,101,208	131,561,029	103,425,016
313,737,764	329,748,519	342,193,957	369,036,283	380,708,331
171,583,350	189,931,481	156,641,036	151,831,976	162,423,211
-	-	211,003	39,979	3,575,519
65,769,024	54,103,299	62,908,340	71,434,828	67,228,295
237,352,374	244,034,780	219,760,379	223,306,783	233,227,025
359,608,122	356,790,826	372,397,598	354,379,649	417,780,725
22,186,515	53,058,213	46,547,190	34,967,560	25,501,320
169,295,501	163,934,260	143,009,548	202,995,857	170,653,311
$ 551,090,138	$ 573,783,299	$ 561,954,336	$ 592,343,066	$ 613,935,356

City of Cedar Rapids, Iowa

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	**2010**
Expenses:								
Governmental activites:								
Public safety	$ 42,461,754	$ 40,513,052	$ 36,598,588	$ 39,604,205	$ 41,827,493	$ 45,079,704	$ 52,957,555	$ 59,391,790
Public Works	22,539,198	24,546,647	23,476,595	24,486,391	25,633,415	26,490,183	31,597,955	50,639,010
Culture and recreation	11,984,656	15,340,165	14,448,265	14,403,753	14,150,160	14,947,142	18,600,493	17,245,024
Community and economic development	15,375,249	17,658,329	17,737,847	15,124,554	17,316,122	16,743,324	69,037,194	59,446,440
General government	7,800,987	7,837,144	9,620,708	8,470,505	10,671,203	26,964,118	62,868,795	33,347,735
Interest on long-term debt	5,253,908	5,523,401	4,736,327	5,051,146	4,965,549	6,090,164	5,499,749	6,026,574
Total governmental activities expenses	105,415,752	111,418,738	106,618,330	107,140,554	114,563,942	136,314,635	240,561,741	226,096,573
Business -type activites:								
Water	18,271,399	20,146,454	20,183,395	20,292,696	19,981,289	20,928,498	22,260,320	23,839,346
Water pollution control	20,786,914	21,474,470	21,155,005	23,457,134	25,013,567	40,419,439	24,761,524	27,472,489
Sanitary sewer	4,810,188	5,574,981	5,212,436	5,483,443	5,521,451	6,221,906	6,844,499	7,198,507
Ground transportation system	3,568,144	7,663,828	7,941,027	8,591,187	8,710,141	14,411,599	8,477,644	8,077,409
Parking system	7,599,819	3,565,956	4,028,604	3,542,614	3,614,899	5,477,383	3,736,096	4,107,165
Solid waste management	5,100,289	5,138,653	5,381,234	5,549,469	5,978,733	6,783,763	7,497,821	9,984,132
Golf	2,551,173	2,877,597	2,765,321	2,763,139	2,854,476	3,087,089	3,045,868	3,158,393
U.S. Cellular center	3,244,067	2,769,182	2,322,972	1,995,824	2,450,662	1,920,761	2,075,918	3,152,069
Paramount theatre	907,611	849,346	835,535	805,021	1,106,828	4,521,021	469,615	439,704
Ice arena	2,123,700	2,019,690	1,785,060	1,755,007	1,800,805	1,748,772	1,765,892	1,493,771
Total business-type activities expenses	68,963,304	72,080,157	71,610,589	74,235,534	77,032,851	105,520,231	80,935,197	88,922,985
Total primary government expenses	174,379,056	183,498,895	178,228,919	181,376,088	191,596,793	241,834,866	321,496,938	315,019,558
Program revenue:								
Governmental activities:								
Charges for services:								
Public safety	2,265,967	2,832,903	2,680,541	2,890,022	3,494,651	3,196,635	3,457,851	835,599
Public works	1,589,680	524,970	1,224,718	2,268,030	1,031,583	917,932	3,153,404	2,326,266
Culture and recreation	2,747,057	2,999,278	2,798,179	2,816,206	2,911,609	2,721,975	2,202,798	14,861,450
Community and economic development	617,896	815,056	905,983	922,365	1,934,766	583,379	1,236,449	4,639,257
General government	5,206,303	5,796,903	1,915,122	2,220,615	2,313,792	5,240,941	12,418,618	6,836,575
Operating grants and contributions:								
Public safety	203,508	392,858	809,715	1,061,761	669,139	606,657	2,481,375	4,967,874
Public works	329,782	180,961	10,417,038	10,030,359	11,296,337	20,396,467	15,519,134	16,241,210
Culture and recreation	1,082,402	699,075	796,327	767,141	813,981	868,402	3,374,928	3,230,934
Community development	8,686,198	10,964,745	10,606,097	5,759,726	9,402,242	8,771,933	21,909,102	39,842,167
General government	270,070	5,021	150,078	397,655	1,053,915	1,820,576	52,367,301	31,797,943
Capital grants and contributions								
Public safety	90,090	330,515	34,795	57,070	19,264	39,170	20,576	92,884
Public works	7,436,448	8,943,185	6,747,161	7,153,621	6,739,142	10,676,970	9,595,543	6,119,048
Culture and recreation	179,104	333,811	1,017,806	238,773	686,758	135,476	596,528	203,041
Community and economic development	-	32,500	10,987	303,597	106,404	58,634	44,114,704	1,271,224
General government	-	222,078	40,518	53,809	1,008,250	433,984	152,098	62,977
Total governmental activities program revenue	30,704,505	35,073,859	40,155,065	36,940,750	43,481,833	56,469,131	172,600,409	133,328,449
Business-type activities:								
Charges for services:								
Water	18,602,903	19,385,375	20,062,822	21,237,980	21,630,046	22,048,658	23,902,932	26,955,880
Water pollution control	15,901,594	16,221,332	17,614,839	20,692,758	22,131,342	22,267,080	25,191,014	30,659,963
Sanitary sewer	5,963,162	5,690,924	6,211,361	6,727,767	7,171,948	8,046,981	9,190,139	9,789,441
Ground transportation system	2,832,670	999,253	1,055,043	1,155,707	1,136,814	1,126,602	542,621	778,911
Parking system	917,935	2,913,465	2,989,577	2,935,889	2,992,440	3,083,142	1,953,982	3,116,673
Solid waste management	6,125,152	6,339,836	6,544,751	6,724,886	6,977,774	7,033,832	6,832,953	7,344,847
Golf	2,117,423	2,492,765	2,550,384	2,656,282	2,708,739	2,544,561	2,536,505	2,586,913
U.S. Cellular center	2,722,636	2,206,412	2,145,149	1,822,931	2,161,352	1,767,484	2,105,960	2,675,075
Paramount theatre	693,800	472,227	1,182,730	614,984	698,640	782,525	2,386	-
Ice arena	1,292,572	1,284,726	1,085,718	1,087,155	1,046,058	960,531	954,920	952,433

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	**2010**
Operating grants and contributions:								
Water	229,947	16,021	-	37,761	-	-	-	-
Water pollution control	8,033	-	-	-	-	-	-	-
Sanitary sewer	23,311	60	-	-	-	-	461	86,659
Ground transportation system	7,560	2,529,406	2,115,981	2,947,652	2,844,586	3,214,133	3,380,960	3,759,714
Parking system	2,759,884	3,021	-	-	-	-	-	-
Solid waste management	43,747	38,825	48,564	49,417	685	10,707	926	59,547
Golf	2,390	14,118	3,175	4,619	-	4,862	-	-
U.S. Cellular center	-	-	-	-	-	-	-	-
Paramount theatre	-	27,226	-	-	-	-	-	-
Ice arena	-	-	-	-	-	-	-	-
Capital grants and contributions								
Water	964,537	1,054,631	766,990	1,133,306	4,413,811	920,951	892,198	1,260,882
Water pollution control	402,939	-	2,628	7,011	5,202	214	1,017	294,410
Sanitary sewer	1,555,210	1,116,109	962,370	1,218,319	1,818,977	696,432	665,071	150,086
Ground transportation system	-	3,413	850,198	1,637,058	969,200	398,045	184,491	707,768
Parking system	-	4,142	12,613	457,750	676,759	77,802	1,094,279	-
Solid waste management	-	57,879	25,185	161,000	204,888	48,000	23,641	-
Golf	-	21,321	3,926	7,798	-	39,691	9,287	12,448
U.S. Cellular center	-	-	12,071	25	-	-	-	-
Paramount theatre	697,144	681,322	-	-	-	-	-	-
Ice arena	-	21,350	-	85	-	-	-	-
Total business-type activities program revenues	63,864,549	63,595,159	66,246,075	73,318,140	79,589,261	75,072,233	79,465,743	91,191,650
Total primary government program revenues	94,569,054	98,669,018	106,401,140	110,258,890	123,071,094	131,541,364	252,066,152	224,520,099
Net (expense) revenue								
Governmental activites	(74,711,247)	(76,344,879)	(66,463,265)	(70,199,804)	(71,082,109)	(79,845,504)	(67,961,332)	(92,768,124)
Business-type activities	(5,098,755)	(8,484,998)	(5,364,514)	(917,394)	2,556,410	(30,447,998)	(1,469,454)	2,268,665
Total primary government net expense	(79,810,002)	(84,829,877)	(71,827,779)	(71,117,198)	(68,525,699)	(110,293,502)	(69,430,786)	(90,499,459)
General revenues and other changes in net assets:								
Governmental activities:								
Taxes:								
Property taxes	61,937,376	62,981,585	67,750,613	72,572,215	77,333,284	78,166,150	82,304,313	83,235,371
Franchise taxes	1,139,903	1,107,784	1,190,521	1,248,496	1,298,253	2,645,817	1,422,897	3,323,638
Hotel-Motel taxes	13,754,156	2,023,758	2,044,472	2,466,054	2,662,816	1,375,315	2,922,240	2,378,503
Local option sales taxes	-	-	-	-	-	-	4,254,513	16,428,594
Gain on sale of capital assets	9,824,910	10,230,803	366,958	240,860	491,285	425,323	26,159	84,916
Investment Earnings	272,088	113,855	2,881,115	5,124,109	6,220,908	7,564,677	2,958,322	1,870,320
Loss on Investments	4,571,055	1,086,954	-	-	(1,144,096)	-	-	-
Transfers	477,955	(763,538)	1,750,165	1,871,983	230,414	2,113,660	915,214	(2,881,170)
Total governmental activities	91,977,443	76,781,201	75,983,844	83,523,717	87,092,864	92,290,942	94,803,658	104,440,172
Business-type activities								
Taxes:								
Property taxes	2,889,721	2,995,517	2,960,123	2,964,142	3,008,087	2,988,927	3,724,950	3,891,767
Gain on sale of capital assets	123,486	-	-	-	-	-	-	-
Investment earnings	2,868,785	781,719	1,817,105	3,256,111	3,850,562	5,315,604	2,206,122	878,640
Retirement employee payouts	13,745,119	(2,168,667)	(137,948)	-	(1,981,523)	(17,274)	-	-
Loss on Investments	(8,879,964)	-	-	-	(520,716)	-	-	-
Transfers	(477,955)	763,538	(1,750,165)	(1,871,983)	(230,414)	(2,113,660)	(915,214)	2,881,170
Total business-type activities	10,269,192	2,372,107	2,889,115	4,348,270	4,125,996	6,173,597	5,015,858	7,651,577
Total primary government	102,246,635	79,153,308	78,872,959	87,871,987	91,218,860	98,464,539	99,819,516	112,091,749
Changes in net assets:								
Governmental activities	19,530,866	458,138	9,520,579	13,323,913	16,010,755	12,445,438	26,842,326	11,672,048
Business-type activities	5,170,437	(6,112,891)	(2,475,399)	3,430,876	6,682,406	(24,274,401)	3,546,404	9,920,242
Total primary government	$ 24,701,303	$ (5,654,753)	$ 7,045,180	$ 16,754,789	$ 22,693,161	$(11,828,963)	$ 30,388,730	$ 21,592,290

City of Cedar Rapids, Iowa

Program Revenues by Function/Program
Last Eight Fiscal Years*
(accrual basis of accounting)
(Unaudited)

Function/Program	Fiscal Year 2003	2004	2005
Governmental activities:			
Public safety	$ 2,559,565	$ 3,556,276	$ 3,525,051
Public works	9,355,910	9,649,116	18,388,917
Culture and recreation	4,008,563	4,032,164	4,612,312
Community and economic development	9,304,094	11,812,301	11,523,067
General government	5,476,373	6,024,002	2,105,718
Total governmental activities	30,704,505	35,073,859	40,155,065
Business-type activities:			
Water	19,797,387	20,456,027	20,829,812
Water pollution control	16,312,566	16,221,332	17,617,467
Sanitary sewer	7,541,683	6,807,093	7,173,731
Ground transportation system	3,677,819	2,920,628	3,002,190
Parking system	2,840,230	3,532,072	4,021,222
Solid waste management	6,168,899	6,436,540	6,618,500
Golf	2,119,813	2,528,204	2,557,485
U.S. Cellular center	2,722,636	2,206,412	2,157,220
Paramount theatre	1,390,944	1,180,775	1,182,730
Ice arena	1,292,572	1,306,076	1,085,718
Total business-type activities	63,864,549	63,595,159	66,246,075
Total primary government	$ 94,569,054	$ 98,669,018	$ 106,401,140

GASB Statement No. 34 implemented in fiscal year 2003

Fiscal Year				
2006	2007	2008	2009	**2010**
$ 4,008,853	$ 4,183,054	$ 3,842,462	$ 5,959,802	$ 5,896,357
19,452,010	19,067,062	31,991,369	28,268,081	24,686,524
3,822,120	4,412,348	3,725,853	6,174,254	18,295,425
6,985,688	11,443,412	9,413,946	67,260,255	45,752,648
2,672,079	4,375,957	7,495,501	64,938,017	38,697,495
36,940,750	43,481,833	56,469,131	172,600,409	133,328,449
22,409,047	26,043,857	22,969,609	24,795,130	28,216,762
20,699,769	22,136,544	22,267,294	25,192,031	30,954,373
7,946,086	8,990,925	8,743,413	9,855,671	10,026,186
5,740,417	4,950,600	4,738,780	4,108,072	5,246,393
3,393,639	3,669,199	3,160,944	3,048,261	3,116,673
6,935,303	7,183,347	7,092,539	6,857,520	7,404,394
2,668,699	2,708,739	2,589,114	2,545,792	2,599,361
1,822,956	2,161,352	1,767,484	2,105,960	2,675,075
614,984	698,640	782,525	2,386	-
1,087,240	1,046,058	960,531	954,920	952,433
73,318,140	79,589,261	75,072,233	79,465,743	91,191,650
$ 110,258,890	$ 123,071,094	$ 131,541,364	$ 252,066,152	$ 224,520,099

City of Cedar Rapids, Iowa

Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2003	2004	2005
General Fund:			
Reserved	$ 2,205,075	$ 1,541,243	$ 3,760,070
Unreserved	24,155,537	24,910,214	24,513,482
Total General Fund	26,360,612	26,451,457	28,273,552
All Other Government Funds:			
Reserved	76,762,071	26,321,516	26,949,343
Unreserved, reported in:			
Special revenue funds	12,642,715	13,346,265	14,021,295
Capital projects funds	32,284,449	23,742,869	28,540,216
Total all other government funds	$ 148,049,847	$ 89,862,107	$ 69,510,854

Fiscal Year				
2006	2007	2008	2009	**2010**
$ 2,674,358	$ 2,781,430	$ 2,561,898	$ 2,895,040	$ 28,837,889
26,902,767	29,958,128	35,616,422	32,141,757	6,688,209
29,577,125	32,739,558	38,178,320	35,036,797	35,526,098
22,998,514	44,699,944	36,589,659	34,309,127	118,567,457
15,712,776	22,693,647	24,738,222	23,749,905	36,332,151
37,647,728	41,322,971	37,130,694	15,876,521	(87,352,533)
$ 76,359,018	$ 108,716,562	$ 98,458,575	$ 73,935,553	$ 67,547,075

City of Cedar Rapids, Iowa

Changes in Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Revenues:				
Taxes	$ 76,789,145	$ 66,049,790	$ 70,985,606	$ 76,122,186
License and permits	1,736,776	2,082,612	2,169,195	2,365,643
Intergovernmental	27,025,024	26,254,436	26,966,644	24,697,240
Charges for services	2,103,162	2,367,695	2,710,165	2,922,668
Fines and forfeitures	361,697	318,835	397,022	417,067
Use of money and property	3,507,728	904,832	2,269,737	4,206,254
Rents and royalties	608,421	744,593	834,707	808,291
Miscellaneous	5,465,462	3,650,211	3,353,405	3,298,838
Total revenues	117,597,415	102,373,004	109,686,481	114,838,187
Expenditures:				
General government	7,661,358	7,200,832	7,453,065	7,387,698
Public safety	31,678,791	33,294,259	35,398,887	38,366,456
Public works	16,566,085	16,001,042	15,669,418	15,801,715
Culture and recreation	11,511,611	11,456,458	11,812,858	11,767,210
Community and economic development	15,454,478	16,913,202	17,617,700	15,019,244
Capital outlay	26,306,908	21,112,653	18,232,349	18,239,807
Capital outlay not capitalized	-	-	-	-
Debt service:				
Principal	15,561,291	8,997,284	10,314,806	12,348,200
Bond issuance costs	50,741	25,217	36,019	37,096
Interest	4,933,212	4,759,713	4,870,749	5,028,580
Total expenditures	129,724,475	119,760,660	121,405,851	123,996,006
Excess of revenues (under) expenditures	(12,127,060)	(17,387,656)	(11,719,370)	(9,157,819)
Other financing sources (uses):				
Transfers in	45,476,325	31,775,714	36,651,734	42,680,001
Transfers out	(44,582,929)	(31,973,891)	(34,367,483)	(40,163,552)
Issuance of note payable	-	-	-	-
Issuance of long-term debt	28,465,850	9,914,474	17,055,000	14,665,000
Reimbursemnt of escrow	(16,101,147)	-	7,150	-
Investment earnings	-	-	-	-
Settlement reimbursement	-	-	246	4,046
Premium (discount) on long-term debt	159,293	(72,902)	(99,190)	(110,467)
Capital Contributions	-	-	-	-
Gain on impairment of capital assets	-	-	-	-
Proceeds from sale of capital assets	374,323	143,061	394,212	234,528
Total other financing sources (uses)	13,791,715	9,786,456	19,641,669	17,309,556
Special item:				
Loss on investments	-	-	-	-
Net changes in fund balance	$ 97,463,307	$ 89,862,107	$ 7,922,299	$ 8,151,737
Debt service as a percentage of noncapital expenditures	24.79%	16.24%	17.31%	19.71%

	Fiscal Year		
2007	2008	2009	**2010**
$ 81,285,286	$ 82,174,571	$ 90,959,554	$105,295,233
2,052,323	2,323,474	2,222,569	2,322,014
26,540,359	30,511,179	116,555,474	88,902,120
3,056,939	3,406,968	12,626,117	16,523,469
351,677	324,418	288,825	1,220,897
6,228,971	6,378,084	2,524,692	869,756
960,772	918,647	477,758	559,952
3,556,045	3,427,594	2,283,553	1,594,674
124,032,372	129,464,935	227,938,542	217,288,115
8,289,145	19,999,186	62,210,093	58,468,119
40,572,027	40,864,289	51,910,586	39,428,051
16,460,295	16,731,938	21,257,996	15,523,557
12,198,173	11,167,542	16,566,695	59,402,503
17,225,206	16,168,651	68,962,927	36,932,894
17,075,013	18,047,072	41,892,960	21,732,340
4,493	-	-	-
9,358,600	18,319,213	21,654,817	23,230,021
77,004	30,750	96,321	6,119,089
4,951,750	6,046,541	5,383,144	120,370
126,211,706	147,375,182	289,935,539	260,956,944
(2,179,334)	(17,910,247)	(61,996,997)	(43,668,829)
40,951,729	44,836,345	50,882,684	54,472,194
(40,057,598)	(42,901,750)	(51,555,561)	(59,093,897)
650,000	-	-	5,000,000
35,742,000	9,679,655	34,612,492	33,250,000
-	-	-	-
-	-	-	412,012
21	1,580	465	3,503,923
578,632	36,280	27,414	76,404
136,769	-	-	-
-	1,000,000	-	-
608,280	438,912	364,958	149,016
38,609,833	13,091,022	34,332,452	37,769,652
(910,522)	-	-	-
$ 35,519,977	$ (4,819,225)	$(27,664,545)	$ (5,899,177)
13.10%	23.25%	12.28%	14.05%

City of Cedar Rapids, Iowa

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2001	52,647,026	-	3,645,155	1,031,467	57,323,648
2002	59,282,804	3,452,753	3,736,038	1,111,985	64,130,827
2003	72,048,731	11,675,380	3,600,511	1,139,903	76,789,145
2004	61,183,311	-	3,758,695	1,107,784	66,049,790
2005	64,514,591	-	3,236,022	3,234,993	70,985,606
2006	69,287,900	-	3,284,315	3,549,971	76,122,186
2007	73,821,833	-	3,502,383	3,961,070	81,285,286
2008	75,125,650	-	4,403,104	2,645,817	82,174,571
2009	77,738,578	4,254,513	4,565,736	2,977,830	89,536,657
2010	78,528,051	16,428,594	4,636,447	2,378,503	101,971,595
Change 2000-2009	$ 23,020,908	$ 4,254,513	$ 4,565,736	$ 1,974,293	$ 33,815,450

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Utilities	Military Exemptions
2001	1,866,908,168	1,396,340,206	323,807,881	369,867,526	(16,240,318)
2002	1,980,581,516	1,457,808,000	327,803,496	369,830,081	(16,202,352)
2003	2,127,382,035	1,600,823,093	329,822,614	362,351,883	(15,956,832)
2004	2,146,087,222	1,733,645,880	364,594,542	370,701,611	(15,673,469)
2005	2,144,983,089	1,842,749,212	382,154,448	320,981,972	(15,361,691)
2006	2,180,463,141	1,848,668,075	376,992,223	309,661,130	(15,036,757)
2007	2,259,717,789	1,800,958,547	366,993,719	310,853,137	(14,698,025)
2008	2,298,223,104	1,839,730,231	291,308,103	364,350,089	(14,365,036)
2009	2,401,189,312	1,861,300,332	299,862,706	371,367,099	(14,054,086)
2010	2,562,190,937	1,849,166,324	308,831,292	372,569,883	(13,760,822)

Source: Linn County Auditor's Office

Note: There is no personal property tax (on cars or jewelry). The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year.

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
3,940,683,463	0.12%	12.74	5,710,593,727	69.01%
4,119,820,741	4.55%	13.04	5,790,526,702	71.15%
4,404,422,793	6.91%	12.83	6,500,731,601	67.75%
4,599,355,786	4.43%	13.07	6,645,938,634	69.21%
4,675,507,030	1.66%	13.12	7,067,763,823	66.15%
4,700,747,812	0.54%	13.99	7,522,231,914	62.49%
4,723,825,167	0.49%	14.39	7,939,413,524	59.50%
4,779,246,491	1.17%	14.62	8,145,012,910	58.68%
4,919,665,363	2.94%	15.07	8,505,937,610	57.84%
5,078,997,614	3.24%	15.22	8,688,530,667	58.46%

City of Cedar Rapids, Iowa

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	City Direct Rates							
Tax Year Levied	General Levy	Tort	Band	Library Book Levy	Memorial Fund	FICA/ IPERS	Fire & Police Pension Fund	Other Benefits
2001	8.10000	0.00000	0.01713	0.04000	0.30897	0.68819	0.10261	1.18022
2002	8.10000	0.00000	0.01615	0.04000	0.50897	0.70434	0.10261	1.18916
2003	8.10000	0.00000	0.01615	0.04000	0.41432	0.70434	0.14237	1.03475
2004	8.10000	0.00000	0.01569	0.04000	0.45278	0.72388	0.24237	1.12145
2005	8.10000	0.00000	0.01459	0.03999	0.44422	0.72545	0.34237	1.07386
2006	8.10000	0.00000	0.01459	0.03999	0.17988	0.85847	0.49237	1.62927
2007	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.64237	2.20445
2008	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.79237	2.20445
2009	8.10000	0.18685	0.01667	0.04000	0.20082	0.75820	0.86000	2.20445
2010	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	2.08344

Source: Linn County Auditor's Office

Note: Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners, although the County property tax rates apply to all City property owners.

City Direct Rates			Overlapping rates			
Debt Levy	Bus	Total Direct	C.R. Community School	College Community Schools	Linn Mar Community Schools	Marion Independent Schools
1.41986	0.65893	12.51591	12.40887	12.92737	15.93025	17.93205
1.69079	0.65893	13.01095	12.94707	13.72416	16.52524	17.96868
1.73214	0.64563	12.82970	15.35946	14.39975	16.90663	17.93509
1.70746	0.66414	13.06777	15.36838	14.73088	16.89647	17.81127
1.74268	0.63481	13.11797	15.74784	15.11410	17.76825	16.82045
1.88100	0.63481	13.83038	15.25042	15.21947	17.99931	16.81459
1.81846	0.63481	14.38608	14.90212	17.33321	18.81657	16.80183
1.89848	0.63481	14.61610	14.37481	17.33382	19.39588	16.80516
1.95000	0.75377	15.07076	13.78107	16.84626	20.40133	15.31689
2.28224	0.78458	15.21621	13.91816	17.21168	20.22951	15.31673

City of Cedar Rapids, Iowa

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	329,298,154	1	44.71%			
ADM Corn Processing	107,470,138	2	14.59%	86,928,182	1	18.88%
Aegon USA	67,443,248	3	9.16%	45,485,563	5	9.88%
Weyerhaeuser	45,475,850	4	6.17%			
Robert K. Miell	39,427,279	5	5.35%			
Rockwell International	37,859,813	6	5.14%	82,186,975	2	17.85%
SDG Macerich Properties (Lindale Mall)	35,215,305	7	4.78%	37,624,921	7	8.17%
Midamerican Energy	30,336,534	8	4.12%			
Hy-Vee Food Stores	24,097,486	9	3.27%			
Westdale Investments, Inc.	19,924,119	10	2.71%			
PMX Industries, Inc.				48,116,900	3	10.45%
HNW Associates (Westdale Mall)				45,988,636	4	9.99%
McLeodUSA Inc.				41,731,558	6	9.06%
General Mills				26,479,570	8	5.75%
Cargill, Inc				24,749,749	9	5.37%
MCI Telecommunications Corporation				21,207,118	10	4.61%
Total	$736,547,926		100.00%	$460,499,172		100.00%

Source: Linn County Auditor's Office

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2001	2000	57,265,686	54,882,721	95.84%
2002	2001	60,486,677	60,358,411	99.79%
2003	2002	64,140,778	63,942,346	99.69%
2004	2003	66,627,836	64,146,360	96.28%
2005	2004	69,200,064	68,926,266	99.60%
2006	2005	76,325,964	74,595,380	97.73%
2007	2006	79,669,807	78,598,114	98.65%
2008	2007	82,125,293	80,915,930	98.53%
2009	2008	85,572,337	85,349,775	99.74%
2010	2009	89,523,688	86,730,554	96.88%

Source: Linn County Auditor's Office

Note: There is no personal property tax (on cars or jewelry). The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year.

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
33,698	54,916,419	95.90%
69,020	60,427,431	99.90%
917,240	64,859,586	101.12%
268,380	64,414,740	96.68%
591,134	69,517,400	100.46%
(81,784)	74,513,596	97.63%
107,286	78,705,400	98.79%
(199,793)	80,716,137	98.28%
781,696	86,131,471	100.65%
325,711	87,056,265	97.24%

City of Cedar Rapids, Iowa

Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt	Percentage of Actual Property Value[1]	Debt Per Capita[2]
2001	89,831,700	9,964,200	79,867,500	1.40%	734
2002	98,931,919	9,675,819	89,256,100	1.54%	739
2003	96,778,390	3,296,032	93,482,358	1.44%	774
2004	97,605,580	3,017,892	94,587,688	1.42%	783
2005	104,255,774	2,674,063	101,581,711	1.44%	841
2006	106,482,574	2,864,262	103,618,312	1.47%	858
2007	132,865,974	29,354,194	103,511,780	1.38%	857
2008	124,047,916	20,418,788	103,629,128	1.31%	858
2009	138,605,532	13,028,667	125,576,865	1.54%	1,040
2010	148,625,511	4,782,670	143,842,841	1.69%	1,191

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

[1] See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics

Business-type Activites				
General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capital	Per Capita
117,226,236	1,575,000	198,668,736	0.05%	108,772
134,278,081	1,205,000	224,739,181	0.05%	120,758
143,126,010	820,000	237,428,368	0.05%	120,758
143,195,420	-	237,783,108	0.05%	120,758
144,581,176	-	246,162,887	0.05%	120,758
140,910,776	-	244,529,088	0.05%	120,758
181,212,276	-	284,724,056	0.04%	120,758
165,816,081	-	269,445,209	0.04%	120,758
142,470,271	-	268,047,136	0.05%	120,758
118,619,423	38,015,000	300,477,264	0.04%	120,758

City of Cedar Rapids, Iowa

Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2010
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	30,880,000	73.16%	22,591,808
College Community School District	67,150,000	15.87%	10,656,705
Kirkwood Community College	15,870,000	27.97%	4,438,839
Linn Mar Community School District	51,215,000	10.54%	5,398,061
Linn County	1,000,000	61.65%	616,500
Marion Community School District	2,855,000	0.43%	12,277
Subtotal, overlapping debt	168,970,000		43,714,190
City Direct Debt	122,458,915	100.00%	122,458,915
Total direct and overlapping debt	$ 291,428,915		$ 166,173,105

Source: Linn County Auditor's Office

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 the City of Cedar Rapids. This process recognized that, when considering the government'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.

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

Legal Debt Margin Information (in millions)
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

	2001	2002	2003	2004
Debt limit	294,628,757	300,079,662	338,393,048	343,152,268
Total net debt applicable to limit	220,553,900	244,525,000	249,510,000	250,985,000
Legal debt margin	74,074,857	55,554,662	88,883,048	92,167,268
Total net debt applicable to the limit as a percentage of debt limit	74.86%	81.49%	73.73%	73.14%

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	8,680,200,286
Debt limit (5% of assessed value)	434,010,014
Debt applicable to limit:	
General obligation bonds	274,705,000
Legal debt margin	$ 159,305,014

2005	2006	2007	2008	2009	**2010**
367,235,948	375,359,758	396,235,775	406,784,256	424,873,705	434,010,014
257,235,000	252,140,000	320,010,000	255,595,000	264,425,000	274,705,000
110,000,948	123,219,758	76,225,775	111,699,255	160,448,705	159,305,014
70.05%	67.17%	80.76%	72.54%	62.24%	63.29%

City of Cedar Rapids, Iowa

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

	Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Charges	Less Operating Expense	Net Available Revenue	Principal	Interest	Coverage
2001	3,160,130	2,237,539	922,591	350,000	96,934	475,657
2002	3,018,627	3,313,717	(295,090)	370,000	80,484	(745,574)
2003	2,832,670	3,488,193	(655,523)	385,000	60,285	(1,100,808)
2004	2,913,465	3,510,880	(597,415)	820,000	20,711	(1,438,126)
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	67,405,284	51,460,279	15,945,005	38,015,000	19,733,802	(41,803,797)

City of Cedar Rapids, Iowa

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Household Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3) Public	School Enrollment (3) Private	Unemployment Rate (4)
2000	108,772	69,375	30,297	35.2	18,146	2,748	1.4
2001	120,758	71,863	32,393	35.5	17,959	2,319	1.8
2002	120,758	69,700	31,650	35.6	17,729	2,784	3.8
2003	120,758	70,115	32,559	35.8	17,247	2,810	4.0
2004	120,758	70,567	33,529	36.7	17,125	2,757	4.2
2005	120,758	68,495	33,405	37.0	17,051	2,905	4.9
2006	120,758	69,237	33,437	37.4	17,237	2,956	3.6
2007	120,758	68,155	35,827	37.6	17,263	3,197	3.4
2008	120,758	69,349	35,827	37.4	16,838	3,399	3.9
2009	120,758	62,605	27,280	37.6	16,386	2,568	6.0
2010	120,758	63,528	34,862	36.1	16,392	2,778	6.5

Note: The deompgraphic statistic is being added to the report

Sources:
1. U.S. Department of Commerce, Bureau of Census
2. U.S. Bureau of Labor Statistics
3. Grant Wood Education Center
4. Data presented to Cedar Rapids Metropolitan Statistical Area (Linn County, Iowa) which encompasses geographic boundaries of reporting entity as reported by Workforce Development Area.

City of Cedar Rapids, Iowa

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2010			2000		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8600	1	6.15%	7540	1	5.69%
AEGON USA, Inc.	3987	2	2.85%	1900	8	1.43%
Whirlpool Corporation	2300	3	1.65%			
Mercy Medical Center	1724	4	1.23%	1800	9	1.36%
St. Luke's Hospital	1644	5	1.18%	2200	5	1.66%
Quaker Food & Snacks	1058	6	0.76%			
Yellowbook USA	906	7	0.65%			
Alliant Energy	881	8	0.63%			
Nordstrom Direct	851	9	0.61%			
Kirkwood Community College	785	10	0.56%			
Hy-Vee Food Stores				2188	6	1.65%
Cedar Rapids Community Schools				2485	4	1.87%
City of Cedar Rapids				1629	10	1.23%
Amana Appliances				2860	3	2.16%
MCI Communications (Worldcom)				2000	7	1.51%
McLeod USA Inc.				3500	2	2.64%

Source: Cedar Rapids Area Chamber of Commerce and Woods and Poole Economics
Source: U.S. Bureau of Labor Statistics
Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

Full-Time Equivalent City Government Employees by Functions/Programs
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivale	Full-Time Equivalent Employees as of June 30				
	2010	2009	2008	2007	2006	2005
Functions/Program						
General Government:						
Animal Control	9.00	9.00	9.00	10.00	10.00	10.00
Attorney	6.00	6.00	6.00	6.00	6.00	6.00
Aviation	-	-	-	3.00	3.00	3.00
Code Enforcement	45.17	38.00	23.00	24.00	23.00	24.00
City Manager	8.00	7.00	6.00	5.00	-	-
Civil Rights	5.00	6.00	5.00	5.00	5.00	5.00
Clerk	6.00	6.00	6.00	6.00	6.00	6.00
Community Development	13.00	12.00	21.75	21.75	20.75	21.25
Council and Mayor	4.33	3.33	3.33	3.33	13.10	13.10
Public Works	157.00	149.00	182.36	183.36	183.36	196.06
Facilities Management	-	-	1.00	1.00	1.00	1.00
Finance	37.00	35.00	13.00	13.00	13.00	13.00
Fire Department	142.29	142.29	154.29	154.00	153.00	154.00
Human Resource	15.63	14.00	13.75	14.75	14.75	15.00
Information Technology	30.00	15.00	14.00	14.00	13.00	14.00
Library	50.54	53.30	52.19	57.19	57.19	57.19
Memorial	9.41	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	113.61	120.41	123.59	125.41	128.18	128.70
Police Department	227.00	227.00	239.00	239.00	239.00	239.00
Purchasing Services	3.75	3.75	3.75	3.75	3.75	3.38
Riverfront	-	-	-	-	1.27	4.25
Treasurer	-	-	4.00	4.00	4.00	4.00
Ushers Ferry	-	-	4.19	4.81	4.67	4.67
Positions to Eliminate	-	-	(34.00)	-	-	-
Total General Fund	**882.73**	**856.49**	**860.61**	**907.76**	**912.43**	**932.01**
Enterprise Funds						
Eastern Iowa Airport	41.00	45.00	45.00	45.00	46.00	45.00
Golf	30.66	30.86	37.68	36.19	37.41	38.34
Five Seasons Parking	13.52	17.52	30.52	31.02	33.02	33.02
Sewer Maintenance	31.00	29.00	29.00	27.00	27.00	27.00
Solid Waste & Recycling	56.30	57.40	58.80	58.80	61.00	61.00
Transit	51.75	51.75	68.50	72.25	72.25	72.25
Water Department	106.50	104.50	115.50	117.50	117.50	117.50
Water Pollution Control	87.32	86.98	89.48	89.48	89.48	83.48
Total Enterprise Funds	**418.05**	**423.01**	**474.48**	**477.24**	**483.66**	**477.59**
Special Revenue Fund						
H.O.M.E./CD	6.00	6.00	6.00	6.00	6.00	6.00
Leased Housing	12.00	12.50	13.00	13.00	13.00	13.00
Library	5.12	5.12	5.12	5.12	5.12	5.00
SSMID	-	-	-	2.00	2.00	2.00
Real Estate Disposal	1.00	-	-	-	-	-
Total Special Revenue Funds	**24.12**	**23.62**	**24.12**	**26.12**	**26.12**	**26.00**
Internal Service Funds						
Joint Communications	27.00	22.00	23.00	22.00	22.00	22.00
Facilities Maintenance	29.00	29.00	10.25	10.25	10.25	10.25
Fleet Maintenance	42.00	42.00	-	-	-	-
Total Internal Service Funds	**98.00**	**93.00**	**33.25**	**32.25**	**32.25**	**32.25**
Total FTE's	**1,422.90**	**1,396.12**	**1,392.46**	**1,443.37**	**1,454.46**	**1,467.85**

Source: City's Finance Department P.68 Budget

Full-Time Equivalent Employees as of June 30			
2004	2003	2002	2001
10.00	10.00	10.00	11.82
6.00	6.00	6.00	6.00
3.00	3.00	2.00	4.47
24.00	25.00	25.00	26.00
-	-	-	-
5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00
21.25	21.25	21.25	23.61
13.10	13.10	12.10	12.10
205.08	214.74	215.25	223.80
1.00	-	-	-
14.00	14.00	14.00	14.00
155.00	155.00	153.00	155.00
16.00	16.50	17.50	16.75
15.00	13.75	12.75	12.75
59.69	61.17	66.33	68.41
9.41	9.41	9.41	7.41
125.33	121.68	120.47	123.91
238.00	242.50	242.50	249.50
3.38	3.38	3.38	3.38
4.74	5.14	5.18	6.89
4.00	4.00	4.00	4.00
4.67	4.67	4.80	5.14
-	-	-	-
943.65	**955.29**	**955.92**	**985.94**
52.00	46.00	48.00	44.53
36.78	35.44	38.62	36.01
34.78	36.94	36.94	37.20
28.00	28.00	28.00	28.00
63.00	63.00	63.00	63.00
72.25	74.25	73.25	69.90
117.50	123.79	123.29	119.79
83.48	83.48	83.48	82.82
487.79	**490.90**	**494.58**	**481.25**
5.00	5.00	5.00	4.00
13.00	12.00	12.00	12.00
5.50	5.90	5.90	6.30
2.00	2.00	2.00	1.00
-	-	-	-
25.50	**24.90**	**24.90**	**23.30**
24.00	23.00	23.00	23.00
10.25	8.53	8.53	7.53
-	-	-	-
34.25	**31.53**	**31.53**	**30.53**
1,491.19	**1,502.62**	**1,506.93**	**1,521.02**

City of Cedar Rapids, Iowa

Operating Indicators by Function/Program
Last Ten Calendar Years
(Unaudited)

Function/Program	Calendar Year 2001	2002	2003	2004
Police:				
Calls for service	101,350	102,539	101,488	110,169
Adult arrest	8,629	8,742	7,838	8,919
Juvenile arrest	1,014	1,031	1,077	1,092
Speeding citations	N/A	7,406	7,069	7,570
Traffic citations	N/A	14,828	17,034	21,541
Fire:				
Total fire runs	6,876	7,028	3,852	3,720
Total rescue runs	842	675	3,769	3,923
Property loss	3,186,641	3,446,745	3,106,053	3,216,753
Building Safety:				
Total building permits	6,831	9,990	7,002	7,018
Total value all permits	156,109,942	176,772,362	130,535,821	153,813,966
Library, volumes in collection	307,281	298,178	301,545	292,951
Public Service:				
Garbage collected (ton)	19,335	19,454	19,898	19,957
Recycling collected (ton)	8,551	8,344	8,546	8,705
Yard Waste collected (ton)	7,440	9,586	13,287	13,316
Parks and Recreation:				
Recreation program attendance (2)	217,621	216,042	235,069	235,152
Aquatics program attendance (2)	214,346	225,177	221,716	273,749
Golf rounds played	179,969	149,492	154,550	155,654
Bever Park Zoo attendance	41,094	47,758	40,343	33,120
Street trees maintained	6,830	7,945	4,845	9,234

Source: Various City departments

Notes: (1) Jan - Sept 2007

Calendar Year						
2005	2006	2007		2008	2009	**2010**
113,496	89,459	86,973	(1)	128,802	124,090	118,547
8,932	6,662	6,583	(1)	8,142	8,548	8,379
1,171	1,075	1,205	(1)	1,454	1,303	1,124
7,922	7,763	3,233	(1)	3,917	3,296	3,268
21,193	23,285	17,539	(1)	16,464	15,420	12,163
3,691	3,572	3,192	(1)	4,035	3,377	8,591
4,410	4,858	3,988	(1)	5,068	5,024	5,166
3,630,392	2,757,297	2,862,367	(1)	1,274,613	2,828,217	6,523,396
6,092	5,694	4,275	(1)	5,092	12,690	5,887
173,012,680	191,227,753	238,236,142	(1)	295,815,305	289,212,117	197,580,294
304,212	290,524	297,680		294,291	88,407	105,676
19,870	19,920	20,050		20,144	19,416	19,701
8,834	9,045	9,174		9,405	8,534	8,669
12,993	12,864	13,876		15,674	14,380	14,709
222,345	252,507	237,954		115,147	88,950	100,181
230,504	302,291	264,749		232,984	245,990	241,955
162,542	138,171	113,732		101,337	107,120	107,725
51,800	17,787	40,082		36,547	44,517	36,656
8,357	4,710	4,845		8,679	9,925	4,500

City of Cedar Rapids, Iowa

Capital Asset Statistics by Function/Program
Last Ten Calendar Years
(Unaudited)

Function/Program	2001	2002	2003	2004
Police:				
Stations	1	1	1	1
Fire, Fire Stations	9	9	9	9
Refuse Collections:				
Collection Trucks	45	45	48	48
Street (Miles)	590	590	700	631
Parks and Recreation:				
Acreage	4,040	4,040	4,040	4,040
Parks	95	95	95	95
Golf Courses	4	4	4	4
Swimming Pools	6	6	6	6
Baseball/Softball Diamonds	37	37	37	37
Soccer/Football Fields	32	32	32	32
Tennis Courts	22	22	22	22
Recreation Centers	2	2	2	2
Library:				
Facilities	2	2	2	2
Volumes	307,281	298,178	301,545	292,951
Water:				
Storage Capacity (MGPD)	25	25	25	25
Average Daily Consumption (MGPD)	36	36	34	37
Peak Consumption (MGPD)	44	47	50	50
Wastewater:				
Sanitary Sewers (miles)	602	613	623	632
Storm Sewers (miles)	277	277	278	280

Source: Various City departments

2005	2006	2007	2008	2009	**2010**
1	1	1	1	1	1
9	9	9	9	9	9
48	49	42	43	51	55
631	631	650	650	618	622
4,040	4,040	4,040	4,042	4,042	4,042
95	96	96	96	96	96
4	4	4	4	4	4
6	6	6	6	6	6
37	37	37	37	37	37
32	32	32	32	32	32
22	22	22	23	23	23
2	2	2	1	1	1
2	2	2	2	2	2
304,212	290,524	297,680	294,291	88,407	105,676
25	25	25	25	25	25
37	38	38	38	35	35
49	52	47	44	38	43
649	653	660	660	669	670
296	304	404	409	412	458

CEDAR RAPIDS

City of Five Seasons®

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE, 30, 2010

Federal Grantor / Pass Though Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Transportation				
Direct:				
Federal Transit Administration				
Bus Department Grants				
	20.513	16-X001-118-10	92,362	92,362
	20.513	16-X001-118-07	20,000	20,000
	20.507	IA-90-X358-01	2,403,915	2,399,441
	20.500	IA-04-0113-118-07	157,700	157,700
	20.500	IA-04-0113-118-08	801,780	264,910
	20.500	IA-04-0113-118-10	164,340	129,802
ARRA - Bus Department Grants				
	20.507	96-X001-118-09	90,791	87,388
Passed through Iowa Department of Transportation				
Bus Department Grants				
	20.516	IA-37-X017-118-09	185,650	45,908
	20.516	IA-37-X017-118-10	183,647	145,388
	20.521	57-X001-118-10	34,014	20,797
	20.516	57-X001-118-09	36,000	4,010
				3,367,706
Direct:				
Federal Aviation Administration				
Federal Aviation Administration	20.106	3-19-0012-36	915,578	732,124
	20.106	3-19-0012-37	5,472,358	5,074,712
	20.106	3-19-0012-38	2,425,086	1,923,458
	20.106	3-19-0012-39	5,302,311	273
				7,730,567
Passed through Iowa Department of Transportation				
Surface Transportation Program	20.205	STP-U-1187(691)-70-57	1,966,480	60,497
	20.205	TCSP-1187(662)-9S-57	2,973,922	8,315
	20.205	HDP-1187(694)-71-57	5,000,000	115,073
	20.205	HDP-1187(711)--71-57	3,102,099	1,200,314
	20.205	STP-U-1187(687)--70-57	488,000	10,000
	20.205	STP-U-1187(703)--70-57	404,000	21,582
	20.205	STP-E-1187(702)--8V-57	80,000	25,765
	20.205	STP-U-1187(670)--70-57	1,640,000	15,363
	20.205	STP -1187(658)--70-57	4,245,830	30,000
	20.205	STP-A-1187(678)--86-57	1,403,000	10,000
	20.205	SRTS-U-1187(706)--8U-57	111,940	82,768
	20.205	SRTS-U-1187(707)--8U-57	134,920	134,920
	20.205	BRM-1187(665)--8N-57	1,500,000	580,422
	20.205	ER-1187(721)--8R-57	51,305	36,880
	20.205	ER-1187(727)--8R-57	170,095	122,954
	20.205	ER-1187(736)--8R-57	8,216	5,381
	20.205	NHSX-100-1(56)--8S-57	384,194	180,268
	20.205	NHSX-100-1(59)--3H-57	742,500	688,676
ARRA - Surface Transportation Program				
	20.205	ESP-100-1(61)-25-57	750,000	315,202
				3,644,380
U.S. Department of Transportation / Iowa Department of Public Safety				
Alcohol Incentive Grant				
	20.600	PAP 09-410, Task 13	27,300	21,438
	20.600	PAP 10-410, Task 10	28,900	11,142
				32,580
U.S. Department of Transportation / Office of the Secretary Administration Secretariate				
Direct:				
Air Service Development Grant	20.930	SCASD	20,000	10,717
				10,717
U.S. Department of Homeland Security / Linn County, Iowa				
FEMA Public Assistance Grant	97.036	FEMA-DR-1763-IA	322,186,903	36,092,899
				36,092,899
Hazard Mitigation Grant Program	97.039	HMGP-DR-1763-0063-01	7,438,879	2,056,083
				2,056,083
U.S. Department of Homeland Security / Iowa Department of Economic Development				
Community Development Block Program Property Acquisition	97.039	08-DRHB-229	140,490,003	2,694,178
				2,694,178

(continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FISCAL YEAR ENDED JUNE, 30, 2010

Federal Grantor / Pass Though Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Homeland Security/ Iowa Homeland Security & Emergency Management				
State Homeland Security Program				
	97.004	FY 2006	325,000	60,177
	97.004	FY 2007	200,000	75,602
	97.004	FY 2008	133,450	29,200
				164,979
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS0208HSLR053	204,108	33,999
				33,999
U.S. Department of Housing and Urban Development				
Direct:				
Community Development Block Grants	14.218	B03-04-MC-19-001	1,301,434	1,187,111
				1,187,111
Leased Housing Authority Grant:				
Voucher Assist. Program	14.871	IA024VO	5,484,621	5,484,621
				5,484,621
H.O.M.E.	14.239	B-00-MC-19-0204	520,403	613,632
				613,632
Lead Based Paint Abatement Program	14.900	IALHB028705	2,652,075	41,935
	14.900	IALHB038808	2,431,876	1,047,461
				1,089,396
Fair Housing Assistance Program	14.401	FF207K067012	175,090	175,090
				175,090
Jumpstart Residential	14.228	08-DRH-008	18,595,389	10,814,979
Jumpstart Small Business	14.228	08-DRB-001	15,300,000	55,946
Jumpstart Landlord	14.228	08-DRH-208	12,146,137	3,950,517
Jumpstart Business Rental	14.228	08-DRB-201	20,000,000	6,534,713
Jumpstart Steam Conversion	14.228	08-DRBSC-201	16,000,000	4,426,072
Community Disaster Grant - Cedar Pond / Cedar View	14.228	08-DRH-0208	3,500,000	3,128,404
Community Disaster Grant - Neighborhood Stabilization	14.256	08-NSP-020	1,193,337	314,659
ARRA - Community Development Block Grant - Recovery	14.253	B-09-MY-19-0001	350,616	38,205
ARRA - Homeless Prevention and Rapids Rehousing	14.257	SO9-MY-19-0004	536,843	150,578
				29,414,073
U.S. Department of Justice				
Passed through from 6th Judicial District				
Weed and Seed	16.595	2007-WS-Q7-0003	56,567	6,460
	16.595	2008-WS-QX-0010	34,026	1,225
	16.595	2009-WA-QX-0026	67,607	6,091
				13,776
Passed through Linn County				
ARRA - JAG FY09	16.804	2009-SB-B9-3372	185,000	83,439
				83,439
Partnership for Safe Neighborhoods	16.609	07-ND01	21,000	3,567
				3,567
Direct:				
COPS Universal Hiring Award	16.710	2003UMWX0036	150,000	50,000
	16.710	2009CKWX0059	135,000	115,149
				165,149
Bullet Proof Vest Partnership Program	16.607		50,134	5,626
				5,626
U.S. Department of Justice Division of Criminal / Juvenile Justice Planning				
Pass through Linn County				
EUDL	16.727	JB-F09-06	32,000	17,900
				17,900
Edward Byrne Justice Assistance Grant	16.738	2007-DJ-BX-1457	47,624	1,200
	16.738	2008-DJ-BX-050	13,162	13,162
	16.738	2009-DJ-BX-1397	52,000	25,978
				40,340
U.S. Environmental Protection Agency				
Direct:				
Brownfield Grant - IA Iron	66.818	BF-98746901-0	200,000	38,907
Brownfield Grant - IA Steel	66.818	BF-98746801-0	200,000	52,210
				91,117

(continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FISCAL YEAR ENDED JUNE, 30, 2010

Federal Grantor / Pass Though Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Agriculture / Iowa Department of Public Health				
WIC Grant	10.557	588-6P-I01	45,000	40,329
FSNE Grant	10.561	588-6P-I01	24,000	23,338
				63,667
U.S. Department of Agriculture / Natural Resources Conservation Service				
USDA/NRCS Riverbank Stabilization	10.923	n/a	418,976	418,976
USDA/NRCS Glass Road	10.923	n/a	27,791	27,519
USDA/NRCS Time Check Stabilization	10.923	n/a	427,890	866
Morgan Creek Lift Station Grant	10.923	n/a	6,488,900	288,996
				736,357
U.S. Department of Energy				
Direct:				
ARRA - Energy Effeciency Conservation Block Grant	81.128	DE-SC0002598	1,290,900	973,435
				973,435
U.S. Department of Health and Human Services / Iowa Department of Public Health				
Dental Grant	93.994	588-6P-I01	8,773	7,680
ATTC Grant	93.230	588-6P-I01	8,000	8,000
STD Grant	93.977	588-6P-I01	2,500	887
Drug Abuse Information Grant	93.283	588-6P-I01	25,926	7,298
Drug Abuse Information Grant	93.959	588-6P-I01	383,620	288,306
Diabetes	93.988	588-6P-I01	1,500	74
Environmental/CVRR	93.991	588-6P-I01	950	729
				312,974
U.S. Department of Health and Human Services / Division of Health Protection				
Health Protection Grant	93.268	588-6P-I01	60,000	44,086
Health Protection Grant	93.940	588-6P-I01	6,200	3,907
				47,993
U.S. Department of Health and Human Services / Substance Abuse & Mental Health Services				
Direct:				
ASAC Meth grant	93.243	5H79TI017233-03	499,577	160,014
				160,014
Total Expenditures of Federal Awards				96,507,365

See notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cedar Rapids, Iowa and the Eastern Iowa Airport discretely presented component unit for the year ended June 30, 2010. The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred for expenditures/expenses funded through federal awards.

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the City of Cedar Rapids, Iowa provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants	14.218	$ 271,341
Jumpstart Programs	14.228	26,814,089
HOME	14.239	427,684
Lead Based Paint Abatement Program	14.900	414,577
Homeless Prevention Program	14.257	146,085
Property Acquisition Grant	97.039	1,776,292
Energy Efficiency & Conservation Block Grant	81.128	850,683

City of Cedar Rapids, Iowa

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

Number	Comment	Status	Other Explanation
Findings Related to Basic Financial Statements:			
Significant Deficiencies:			
09-II-A	Inadequate segregation of duties over licenses and permit receipts.	Not corrected	See corrective action plan at 10-II-A.
Findings Related to Federal Awards:			
Instances of Noncompliance:			
09-III-A	An adequate system is not in place to ensure compliance with the Buy American Act.	Not corrected	See corrective action plan at 10-III-B.
09-III-B	The City did not receive certified payroll transcripts timely from all contractors as required by the Davis-Bacon Act.	Corrected	
09-III-C	The City was not in compliance with the subrecipient montioring requirement related to the subrecipients for the Jumpstart program.	Not corrected	See corrective action plan at 10-III-D.

McGladrey

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the 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 Rapids, Iowa as of and for the year ended June 30, 2010, and have issued our report thereon dated December 7, 2010. 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. The financial statements of the discretely presented component unit, Cedar Rapids Public Library Foundation, were not audited in accordance with *Government Auditing Standards*.

The City of Cedar Rapids, Iowa's basic financial statements include the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit. Our report below does not extend to the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, because it is reported in a separately issued financial and compliance report of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cedar Rapids, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cedar Rapids, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cedar Rapids, Iowa's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as 10-II-A that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cedar Rapids, Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2010 are based exclusively on the knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based upon tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretation of those statutes.

We noted certain matters that we reported to management of the City in a separate letter dated December 7, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor and City Council, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
December 7, 2010

McGladrey

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Scope of this Report

The City of Cedar Rapids, Iowa's basic financial statements include the operations of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, which expended $180,000 in federal awards, which is not included in the City's schedule during the year ended June 30, 2010. Our audit, described below, did not extend to the operations of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, because it is reported in a separately issued financial report of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit.

Compliance

We have audited the compliance of the City of Cedar Rapids, Iowa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City of Cedar Rapids, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Cedar Rapids, Iowa's management. Our responsibility is to express an opinion on the City of Cedar Rapids, Iowa's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cedar Rapids, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Cedar Rapids, Iowa's compliance with those requirements.

In our opinion, the City of Cedar Rapids, Iowa complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-III-B through 10-III-D.

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Internal Control Over Compliance

The management of the City of Cedar Rapids, Iowa is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cedar Rapids, Iowa's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cedar Rapids, Iowa's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 10-III-A. A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City of Cedar Rapids, Iowa's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Cedar Rapids, Iowa's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
December 7, 2010

City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☑ No
- Significant deficiencies identified? ☑ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☑ No
- Significant deficiencies identified? ☑ Yes ☐ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☑ Yes ☐ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205	ARRA - Surface Transportation Program
20.205	Surface Transportation Program
14.228	Community Development Block Grant Jumpstart Programs
14.871	Leased Housing Authority Grant Vouchers Assistance Program
97.039	Community Development Block Program Property Acquisition/Hazard Mitigation Grant Program
	Federal Transit Cluster:
20.500	Federal Transit Administration Bus Department Grants
20.507	Federal Transit Administration Bus Department Grants
20.507	ARRA - Federal Transit Administration Bus Department Grants
	Community Development Block Grant Cluster:
14.218	Community Development Block Grant
14.253	ARRA - Community Development Block Grant - Recovery

Dollar threshold used to distinguish between type A and type B programs: $2,895,221

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

(Continued)

II. Findings Related to the Basic Financial Statements

Significant Deficiencies

10-II-A

Finding: The City has an improper segregation of duties over licenses and permit receipts.

Criteria/Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: The same personnel who collect licenses and permits receipts also reconcile and record the receipts.

Effect: Transaction errors could occur and not be detected in a timely manner.

Cause: Limited personnel in the Clerk's office.

Recommendation: We recommend segregating the duties of collecting from reconciling and reconciling from recording of the licenses and permits cash receipts to prevent mismanagement of licenses and permits receipts.

City's Response and Corrective Action Plan: The City has implemented a procedure to segregate the duties over licenses and permit receipts. The Clerk's office will collect the permit and license revenues using pre-numbered receipts, the Finance Treasury division will prepare the deposit and enter it in the financial system, and Finance General Accounting division will reconcile the bank statement to the general ledger on a monthly basis. Finance General Accounting division will also conduct an audit on the pre-numbered receipts annually to ensure all receipts were deposited.

Instances of Noncompliance

None

III. Findings and Questioned Costs for Federal Awards

Significant Deficiency
10-III-A

U.S. Department of Transportation
Passed Through Iowa Department of Transportation
Surface Transportation Program (20.205)
ARRA – Surface Transportation Program (20.205)
Federal Award Year 2009, 2010

U.S. Department of Homeland Security
Passed Through Linn County, Iowa
Community Development Block Grant Property Acquisition Grant (CFDA 97.039)
Federal Award Year 2010

U.S. Department of Transportation
Federal Transit Administration Bus Department Grants (CFDA No. 20.500) (Direct)
Federal Award Year 2009, 2010

Finding: The City did not have an adequate system in place to accurately capture all the federal grant expenditures on the schedule of expenditures of federal awards that were recorded in the general ledger.

(Continued)

Criteria: The U.S. Office of Management and Budget (OMB) requires recipients of federal funds to track and report financial information related to the federal funds expended on the schedule of expenditures of federal awards.

Condition: Due to the current method of calculating the federal expenditures, the City added approximately $2,000,000 of expenditures to the Community Development Block Grant Property Acquisition Grant. The Federal Transit Administration Grant was adjusted by approximately $530,000. The ARRA – Surface Transportation Grant was identified as stimulus funding and the Surface Transportation Program was corrected by $487,356.

Context: Pervasive to the federal grant programs.

Effect: The City could fail to accurately report federal expenditures as required by the Single Audit Act.

Cause: All expenditures were not included on the schedule of expenditures of federal awards.

Recommendation: We recommend the City implement additional steps to calculate the expenditures independently of the revenues for each program to ensure the proper amount of expenditures are reported on the schedule of expenditures of federal awards.

City's Response and Corrective Action Plan: The City has implemented a new process to ensure all expenditures related to federal grants recorded in the general ledger are accounted for on the schedule of expenditures of federal awards.

Instances of Noncompliance

10-III-B
U.S. Department of Homeland Security
Passed Through Iowa Homeland Security and Emergency Management
State Homeland Security Program (CFDA 97.004)
Federal Award Year: 2003-2010

Finding: The City of Cedar Rapids, Iowa did not ensure compliance with the Buy American Act.

Criteria/Context: The Buy American Act states, in part, notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. This section shall not apply to manufactured articles, materials, or supplies procured under any contract the award value of which is less than or equal to the micro-purchase threshold under Section 428 of this title.

Condition: The City has a basic understanding of the provisions of the Buy American Act but does not document compliance with the Act.

Questioned Costs: None

Effect: The City is unable to ensure compliance with the Buy American Act.

(Continued)

Cause: The City has not put a policy in place.

Recommendation: We recommend the City implement a system to review the products for compliance with the Buy American Act or require the vendor to sign certification that they comply with the Buy American Act for each purchase over the Act's threshold.

City's Response and Corrective Action Plan: The Finance department wrote a policy in FY2010 and has started to monitor expenditures to ensure Fire Department has obtained the forms prior to approving the reimbursement requests. The forms will be kept on file in the Finance Department.

10-III-C

U.S. Department of Housing and Urban Development
Community Development Block Grant Jumpstart (Program CFDA 14.228) (Direct)
Federal Award Year: 2010

Finding: The City does not have a policy in place to ensure they are in compliance with the Suspension and Debarment compliance requirement.

Criteria: The Office of Management and Budget Circular A-133 states, "Non-Federal entities are prohibited from contracting with or making subawards for goods and services that are expected to equal or exceed $25,000 to parties that are suspended or debarred or whose principals are suspended or debarred." The City has contracted with providers of goods and services in excess of $25,000, covered transactions, and does not a system in place to verify that the provider is not suspended or debarred.

Condition: Two of the three subrecipients tested were not reviewed by the City to ensure that the subrecipient was not suspended or debarred.

Questioned Costs: None

Context: The City has three subrecipients for the Community Development Block Grant Jumpstart Program.

Effect: Noncompliance with the requirements of Suspension and Debarment.

Cause: The City was unaware that this is an annual requirement.

Recommendation: We recommend the City implement procedures to ensure that providers are not suspended or debarred.

City's Response and Corrective Action Plan: The Department was not aware that the subrecipient was to be checked for suspension and debarment from federal awards on an annual basis. The City will implement a policy to ensure that employees are aware that this is an annual requirement.

(Continued)

10-III-D

U.S. Department of Housing and Urban Development
Community Development Block Grant Jumpstart Program (CFDA 14.228) (Direct)
Federal Award Year: 2010

Finding: The City was not in compliance with the subrecipient monitoring requirement related to the subrecipients for the Jumpstart program.

Criteria: The Office of Management and Budget Circular A-133 requires pass-through entities to identify the award CFDA number to all subrecipients. The circular also requires pass-through entities to communicate all findings from the subrecipient monitoring to the subrecipient.

Condition: The award CFDA number was not communicated to two of the three subrecipients. The findings from the subrecipient monitoring were not communicated to the subrecipients nor were responses received from the subrecipients.

Questioned Costs: None

Context: The CFDA number was not communicated to two of three subrecipients. The findings from the subrecipient monitoring was not communicated to three of three subrecipients.

Effect: Subrecipients are unaware of the CFDA number for the award received as well as the findings from the subrecipient monitoring.

Cause: The City was unaware of this requirement.

Recommendation: We recommend the award CFDA number be included in all subrecipient agreements. We also recommend the City communicate all subrecipient monitoring findings to the subrecipients and to require the subrecipients to provide written responses to the findings.

City's Response and Corrective Action: In fiscal year 2010 the City started to add CFDA numbers to the contracts of the subrecipients. Adding the CFDA number in fiscal year 2010 meets the compliance requirement identified above, however the subrecipients that were identified in fiscal year 2009 still need to be contacted. The Finance department has notified the grant program managers of the audit findings in FY2010 and requested program managers of the Jumpstart program to follow up with the subrecipients. The City did obtain a copy of the single audit report from the subrecipient after FY2010 ended. Going forward, the City will obtain the audit report and any required follow-up within six months after receipt of subrecipient's audit reports.

IV. Other Findings Related to Required Statutory Reporting

10-IV-A: Certified Budget: Expenditures for the year ended June 30, 2010 did not exceed the amount budgeted in any of the City's functions.

10-IV-B: Questionable Expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

10-IV-C: Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

(Continued)

10-IV-D: Business Transactions: Business transactions between the City and City officials or employees are detailed as follows:

Company	Employee	Transaction Description	Amount/Gross
CRL Lawn Care	Don Lacy	Contracted Services	$ 7,551

Chapter 362.5 of the Code of Iowa prohibits transactions with a City officer that has an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the officer's or employee's city. A contract entered into in violation of this section is void. The provisions of this section do not apply if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of $1,500 in a fiscal year.

In accordance with Chapter 362.5 of the Code of Iowa, the transactions with CRL Lawn Care do not appear to represent a conflict of interest since it was entered into through competitive bidding in accordance with the Code.

10-IV-E: Bond Coverage: Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

10-IV-F: Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

10-IV-G: Deposits and Investments: We noted no instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.

City of Cedar Rapids, Iowa

Corrective Action Plan
Year Ended June 30, 2010

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
Findings Related to Basic Financial Statements:				
Significant Deficiencies				
10-II-A	Inadequate segregation of duties over licenses and permit receipts.	See corrective action plan at 10-II-A.	Amy Stevenson, City Clerk	June 2011
Findings Related to Federal Awards:				
Significant Deficiencies				
10-III-A	The City did not have an adequate system in place to capture all the federal grant expenditures.	See corrective action plan at 10-III-A	Casey Drew, Finance Director	June 2011
Instances of Noncompliance				
10-III-B	The City did not ensure compliance with the Buy American Act.	See corrective action plan at 10-III-B.	Stephen Reid, Fire Chief	June 2011
10-III-C	The City does not have a policy in place to ensure compliance with suspension and debarment requirements.	See corrective action plan at 10-III-C.	Christine Butterfield, Community Development Director	June 2011
10-III-D	The City was not in compliance with subrecipient monitoring requirements.	See corrective action plan at 10-III-D.	Christine Butterfield, Community Development Director	June 2011

CEDAR RAPIDS

City of Five Seasons®

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

In connection with our audit of the financial statements of The City of Cedar Rapids, Iowa as of and for the year ended June 30, 2010, we identified deficiencies in internal control over financial reporting (control deficiencies).

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We have separately communicated, to you and the Mayor and City Council, identified deficiencies that we determined to be significant deficiencies or material weaknesses. Certain control deficiencies that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

Following are descriptions of other identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

Journal Entries: During the audit, we identified amounts of accounts receivable, deferred revenue, accounts payable, and capital assets that were not recorded correctly in the City's financial statements. Adjustments were subsequently made by the City to properly reflect these amounts in the financial statements. We recommend the City implement procedures to ensure all transactions are properly accounted for and recorded in the City's financial statements.

Calculation of HAP payments related to Housing Voucher Program: During the audit we tested forty tenant files of tenants under the Housing Voucher Program and identified errors in the calculation of three of the tenants. For one tenant, a water allowance of $18 was used, rather than the $45 per the utility schedules. For another tenant, no heat allowance was included even though heat was paid by the tenant. We noted that neither of these errors had an effect on the amount of HAP payment due by the City as the payment standard for these tenants was less than their gross rent (rent plus utility allowance), and thus the payment standard was used. For the third tenant, we noted that the 2007 payment standard was used to calculate rent, even though the 2008 standard was available. We noted this resulted in the City paying $10 per month less than they should have as a HAP payment for the tenant. We recommend the City ensure all tenant rent calculations are completed accurately in accordance with the City's policy.

This communication is intended solely for the information and use of management, the Mayor and City Council and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
December 7, 2010