

# **CITY OF BETTENDORF, IOWA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2011**

Prepared by:  
City Finance Department  
Carol A. Barnes, Finance Director



## Contents

---

<b>Introductory Section</b>	
Table of contents	i - ii
City officials	iii
Ward and precinct map	iv
Organizational structure	v
Transmittal letter	vi – xii
GFOA Certificate	xiii

---

<b>Financial Section</b>	
Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 14
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	15 – 16
Statement of activities	17 – 18
Fund financial statements:	
Balance sheet - governmental funds	19 – 20
Reconciliation of the governmental funds balance sheet to the statement of net assets	21
Statement of revenues, expenditures and changes in fund balances (deficit) - governmental funds	22 – 23
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	24
Statement of net assets - proprietary funds	25 – 28
Statement of revenues, expenses and changes in fund net assets - proprietary funds	29 – 30
Reconciliation of the changes in net assets of enterprise funds to the statement of activities	31
Statement of cash flows - proprietary funds	32 – 35
Statement of assets and liabilities - agency funds	36
Notes to basic financial statements	37 – 64
Required Supplementary Information:	
Other Postemployment Benefit Plan	65
Budgetary comparison schedule - budget and actual - all governmental funds and proprietary funds	66 – 67
Note to required supplementary information - budgetary reporting	68
Supplementary information:	
Balance sheet – by account – General Fund	69
Statement of revenues, expenditures and changes in fund balance – by account – General Fund	70
Nonmajor governmental funds:	
Combining balance sheet	71 – 73
Combining statement of revenues, expenditures and changes in fund balances	74 – 76
Nonmajor enterprise funds:	
Combining statement of net assets	77 – 80
Combining statement of revenues, expenses and changes in net assets	81 – 82
Combining statement of cash flows	83 – 84

---

## Contents

---

### Financial Section (continued)

---

#### Supplementary information (continued):

##### Internal service funds:

Combining statement of net assets	85
Combining statement of revenues, expenses and changes in net assets	86
Combining statement of cash flows	87

##### Agency funds:

Combining statement of assets and liabilities	88
Combining statement of changes in assets and liabilities	89 – 90

---

### Statistical Section (Unaudited)

---

Statistical section contents	91
Net assets by component	92 – 93
Changes in net assets	94 – 99
Program revenues by function/program	100 – 105
Fund balances, governmental funds	106 – 107
Changes in fund balances, governmental funds	108 – 109
Tax revenues by source, governmental funds	110 – 111
Assessed value and estimated actual value of taxable property	112 – 113
Direct and overlapping property tax rates	114 – 115
Principal property taxpayers	116
Property tax levies and collections	117 – 118
Ratios of outstanding debt	119 – 120
Direct and overlapping governmental activities debt	121
Legal debt margin information	122 – 123
Pledged-revenue coverage	124 – 125
Demographic and economic statistics	126
Principal employers	127
Full-time equivalent city government employees by functions/programs	128 – 129
Operating indicators by function/program	130 – 131
Capital asset statistics by function/program	132 – 133

---

### Compliance Section

---

Schedule of expenditures of federal awards	134
Notes to schedule of expenditures of federal awards	135
Summary schedule of prior audit findings	136
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	137 – 138
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	139 – 140
Schedule of findings and questioned costs	141 – 144
Corrective action plan	145

---



Michael J. Freemire, **Mayor**

Lisa M. Brown  
**Alderman at Large**

Timothy A. Stecker  
**Alderman at Large**

Dean Mayne  
**First Ward Alderman**

Scott R. Naumann  
**Second Ward Alderman**



Debe L. LaMar  
**Third Ward Alderman**

Gregory P. Adamson  
**Fourth Ward Alderman**

James A. Stewart  
**Fifth Ward Alderman**

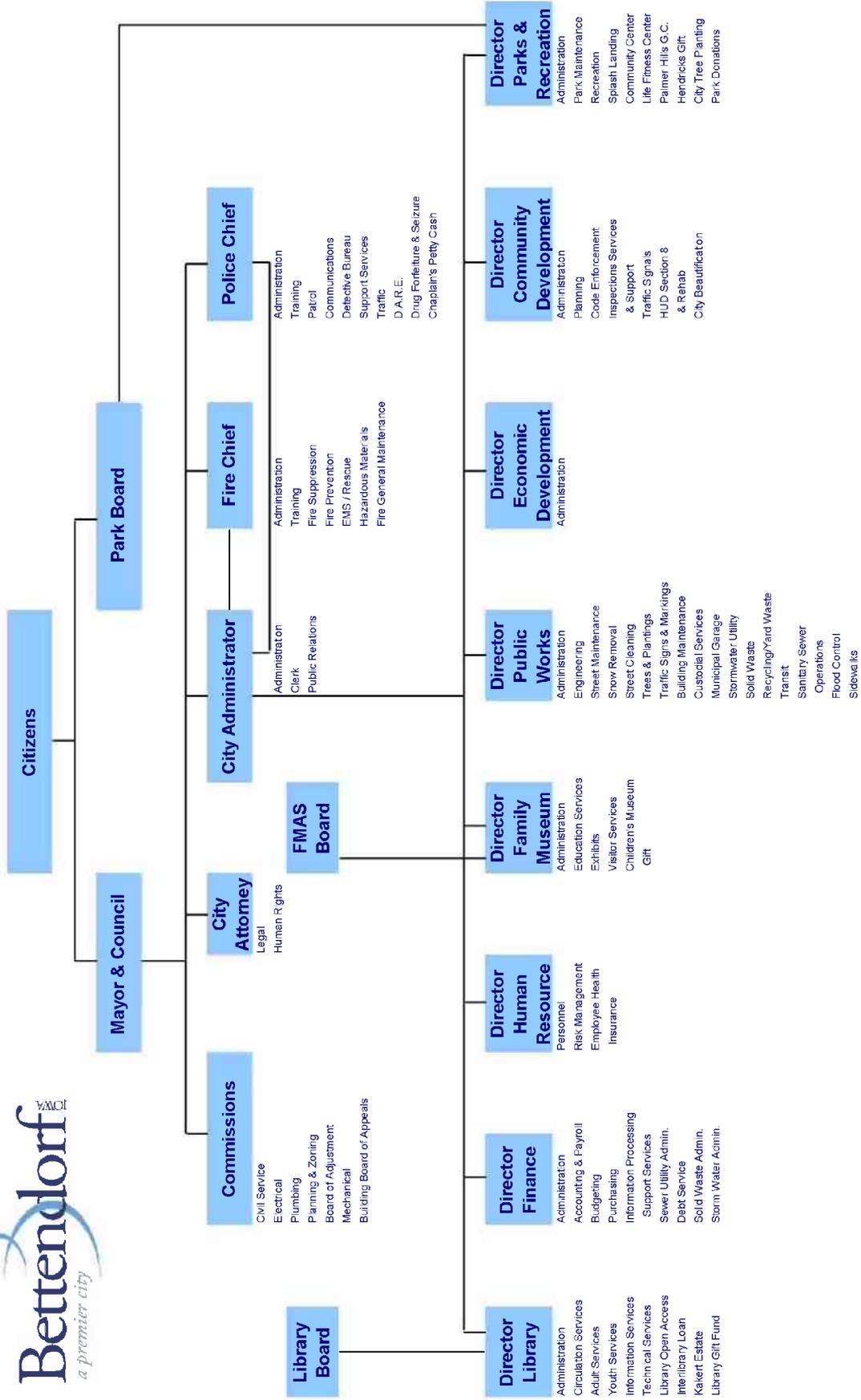
**Decker P. Ploehn, City Administrator**

**DEPARTMENT HEADS**

- Carol A. Barnes..... Finance Director
- William M. Connors..... Community Development Director
- Steven M. Grimes ..... Parks & Recreation Director
- Gregory S. Jager..... City Attorney
- Tracey K. Kuehl ..... Family Museum of Arts & Science Director
- Wallace C. Mook..... Public Works Director
- Steven P. Nielson ..... Library Director
- Philip J. Redington..... Police Chief
- Kathleen M. Richlen..... Human Resources Director
- Steven J. Van Dyke ..... Economic Development Director
- Gerald A. Voelliger, Jr..... Fire Chief



# City of Bettendorf Organizational Structure





Bettendorf IOWA

*a premier city*



December 6, 2011

**To the Citizens, Honorable Mayor, and Members of the City Council of the City of Bettendorf, Iowa:**

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for fiscal year ended June 30, 2011.

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, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bettendorf's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

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 Government**

The City of Bettendorf lies in the original Wisconsin Territory and was purchased from the Sauk and Fox Indians in the Blackhawk War of 1832. The original town name was Lillienthal and renamed Gilbert in 1858, honoring Elias Gilbert who originally plotted the town. At that time, the predominantly German residents were farmers, skilled laborers and small business operators.

At the turn of the century, William and Joseph Bettendorf moved their iron wagon business to Gilbert in exchange for the city purchasing the old Gilbert farm as a location for the Bettendorf's factory. In a pioneering example of economic development - the land was provided, the factory was built and hundreds of jobs were created. On June 5, 1903, the town of 440 residents petitioned for incorporation, requesting the town name be changed to Bettendorf to honor the brothers whose factory was so important to the early development of the city.

Bettendorf has a Mayor and a seven-member City Council, one for each of the five wards, and two at large members are elected for four-year terms on a staggered basis. Together, they form the law-making, policy-forming body, and are responsible for selecting a City Administrator to handle the day to day operations of government. All departments and department heads report to the City Administrator, with the exception of the Library Director who is supervised by an appointed Board of Trustees, and the City Attorney, who is recommended by the Mayor and approved by the Council.

The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Bettendorf provides a full range of services, including police and fire protection; the construction and maintenance of infrastructure, including streets, roads, bridges and sewer and storm water utilities; sanitation services; park and recreational programs and facilities, enforcement of building code regulations; traffic control; mass transportation; housing services; economic and community development; general administrative services; one public library; and other cultural opportunities through the Family Museum of Arts and Science.

**Component Units.** The CAFR includes all funds of the primary government, City of Bettendorf, and its blended component unit, the Bettendorf Housing Authority. Component units are legally separate entities for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Bettendorf Housing Authority, which oversees the Housing and Urban Development rent subsidy program, is reported as a special revenue fund of the primary government under the City's Housing and Urban Development Section 8 Fund.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. Effective July 1, 2007, the Family Museum Foundation is no longer considered a component unit of the City of Bettendorf based on the insignificance of their operational or financial relationships with the City as well as the fact that the Board of Trustees of the Family Museum Foundation is no longer being appointed by the Mayor of the City of Bettendorf.

**Budgeting Control:** In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The State of Iowa requires the passage of an annual budget of total City operating expenditures by major program service areas no later than March 15 each year for the fiscal year beginning July 1. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund and Business Type Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program service area level. The City also maintains administrative budgetary control beyond the State required program service area level at the major object of expenditure basis within each City department.

The Council is required to adopt a final budget by no later than March 15 each year for the fiscal year beginning July 1. This annual budget serves as the foundation for the City of Bettendorf's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

## **Local Economy**

**Location and Population:** Bettendorf, Iowa is one of the principal cities within the Quad Cities, a metropolitan area of nearly 400,000 located along the Mississippi River in eastern Iowa and western Illinois. Bettendorf is at the intersection of the nation's busiest interstate highway (Interstate 80) and its largest river – the majestic Mississippi. These transportation elements have helped create a broad based economy. Of the twenty largest cities in the State of Iowa, Bettendorf was the ninth fastest growing city in the state with a 6.2% growth rate from 2000 to 2010. Citizenry grew by 1,942 to a total count of 33,217.

**Employment Data:** The Quad-Cities has been historically known as an industrial, retail/service and transportation center. In the last twenty five years the economy has shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. In 1990 that had changed to 18% manufacturing and 61% service sector. In 2011 the split was 12.6% manufacturing and 63.3% classified as service sector. The portion of government sector jobs has remained fairly even at 16.2% in 1980, to 16% in 1990 and 14.4% in 2011.

The shift in the Quad-Cities area economy towards creation of service sector jobs in the professional, non-professional, retail and wholesale sectors of the economy has been significant. From 1990 until 2011 the number of service providing jobs in the QCA increased from 105,300 to 122,600. This is an increase of 16%. The number of total manufacturing sector jobs was down from 28,900 in 1990 to 24,400 in 2011 a 16% drop. Construction and mining sector jobs have increased by 2,300 jobs, a 31% increase from 1990 to 2011.

The labor force in the Quad Cities MSA was 208,156 in June, 2011, which was a 16% increase from the 1990 annual average figure of 179,363. The labor force for Scott County was 92,490 in June, 2011, which was a 17.6% increase over the 1990 annual average labor force of 78,660 for the County. During the years 1980-2000, the unemployment figures for the Quad Cities MSA hit a high of 14.8% in 1983. Unemployment has steadily declined in Bettendorf since the mid-eighties, ending June, 2011 at 5.4%. This is the lowest in the Quad Cities MSA which remained at 7%, and is well below the national average of 9.2% for the same period. Unemployment rates in Bettendorf remain lower than in surrounding cities and the nation due in part to the creation of jobs in the service sectors and the manufacturing of non-durable goods. The total number of jobs in Bettendorf has been growing since the mid-eighties and of the approximate 18,640 in the current labor force, 17,610 were employed in June, 2011. During the state fiscal year ending June 30, 2011, Bettendorf's retail market generated \$296,041,275 in annual sales.

**New Housing Starts:** Construction of new homes in Bettendorf has remained strong over the last decade despite the recent downturn of the national economy and the Quad Cities remains one of the most affordable housing markets in the country. Bettendorf was recently voted as the "10<sup>th</sup> Best Places for Affordable Homes" in the nation by CNNMoney.com. During fiscal year 2011, 1,667 building permits were issued for investment in new construction and renovation totaling \$22,771,605. In 2010 the average selling price for a new or existing home in Bettendorf averaged \$243,500 through June 30th, while in Davenport it averaged \$127,600 for the same period. Over the last decade, 1,269 dwelling units have been constructed within Bettendorf city limits.

**Education:** There are two public school systems serving the City of Bettendorf. The Bettendorf Community School District has six elementary schools, one middle school and one high school with a total enrollment of 4,543 in the 2010-2011 school year. The Pleasant Valley Community School District has four elementary schools, a junior high and one high school with enrollment totaling 3,807 in the 2010-2011 school year. There are also two private schools in Bettendorf. Lourdes Catholic elementary serves pre-kindergarten students and about 300 kindergarten through eighth grade students. Rivermont Collegiate, an independent college preparatory day school provides a preschool through 12<sup>th</sup> grade with enrollment of approximately 260. The City's school districts consistently rank in the top ten school districts in the state. 95.9% of Bettendorf's population over age 25 have graduated from high school or have attained higher education degrees compared to the national average of 89.6%. Construction of a new elementary school for the Pleasant Valley Community School District is complete. The school is opened for the 2011-2012 school year.

The Eastern Iowa Community College District provides a comprehensive adult educational program and enrolls more than 7,000 students from Clinton, Muscatine and Scott Counties. Other institutions of higher education in the immediate area include: Augustana College in Rock Island, St; Ambrose University in Davenport; Western Illinois University offers junior and senior level courses at its Quad Cities Center in Moline; Palmer College of Chiropractic in Davenport; and the Quad Cities Graduate Studies Center located at Augustana College in Rock Island.

**Quad City Economy:** Nationally economic indicators suggest the country has turned a corner after the deep recession of 2009. The recovery is expected to be slow but the outlook for the Quad Cities is positive. Locally the recession was not as remarkable as in many other parts of the country. Unemployment, historically a lagging indicator, has crept up in the Quad Cities but remains below national averages. Home prices in the Quad Cities have remained stable though nationally the real estate market suffered a downturn and prices have recently started to tick upward as sales of existing homes appear to have hit bottom and interest and mortgage rates remain at historical lows.

There have been some layoffs and production slowdowns at some of the area's largest employers, while others have seen modest increases or have been hiring to replace retiring workers. Although the BRAC plan of 2005 was expected to reduce positions at the Rock Island Arsenal, in July, 2011 the 1<sup>st</sup> Army relocated its headquarters to the Arsenal from their previous location at Fort Gillem, Georgia. The 1<sup>st</sup> Army brings with it 200 civilian jobs and at least 150 uniformed personnel. In addition, the move requires a \$20 million renovation of Building 68. The 1<sup>st</sup> Army trains and processes National Guard and U.S. Army Reserve soldiers and hosts a monthly conference of 200 to 300 officers.

In 2009, a collaborative, regional economic development approach was formalized with the creation of Quad-Cities First. The new development organization replaced the Quad City Development Group and has integrated economic development activities on both sides of the river. In another collaborative effort, the Davenport and Bettendorf Chambers of Commerce have consolidated creating the Iowa Quad-City Chamber of Commerce. According to the Quad City Times, the new organization serves as "the foundation of Quad-Cities First" and "puts the Quad Cities on the path for a more effective, collaborative business community."

**Economic Development:** In support of existing businesses, and to attract businesses from outside the region, the City's Economic Development Department administers a Tax Increment Financing (TIF) program. Over the last thirteen years 23 projects totaling just under \$152 million have taken place. Roughly \$2.4 million in annual property taxes will be paid to the city once the TIF incentives have ended, while the region will receive another \$3.9 million. With the number of jobs created or retained numbering over 2,000, annual payroll is estimated at just under \$53 million.

With the assistance of the Mayor, City Council and the Bettendorf Development Corporation, the City is undertaking the large effort of developing the I-80 & Middle Road Corridor. This long range plan is expected to create 10,000 new dwelling units, 5.75 million square feet of commercial and 4 million square feet of retail space, 10,500 new office jobs, 6,000 retail jobs, nearly double the current assessed value of the community and add annual payroll of \$550 million.

Over the last two fiscal years the Mayor and City Council have added four new programs to assist businesses in the downtown corridor who are being acquired for the construction of the new I-74 Bridge. Roughly 38 businesses have the ability to garner a percentage of the \$650,000 set aside for this effort.

The City's Economic Development Department also provides coordination with other governmental and private efforts, including: Iowa Department of Economic Development, Iowa Department of Transportation, Eastern Iowa Community College District, MidAmerican Energy Company, Quad Cities First, Bi-State Regional Commission and the Bettendorf Development Corporation. The Bettendorf Development Corporation (BDC) was established by several leading businessmen in the community and has received financing from many area businesses. The BDC is a private, non-profit organization designed to be an intermediary between the public and private sectors as necessary in order to assist in accomplishing high-quality development of industrial and commercial areas. Over the last thirteen years the BDC has expended \$1.4 million in implementing projects in nine commitment areas throughout Bettendorf.

### **Long-Term Financial Planning**

Total fund equity in the General Fund totals \$5.44 million and equates to 25.0% of total General Fund expenditures and transfers out. This current percentage of fund balance meets the City Council's policy guidelines of a range of 20-25% for budgetary and planning purposes. During FY 11/12 the Council has budgeted to maintain that fund balance.

As part of the City's Capital Improvement plan for FY 2011/12, the City plans to issue \$9 million in General Obligation bonds for various street and infrastructure projects throughout the City, including several miles of recreation trails.

## Relevant Financial Policies

The City of Bettendorf has a formal cash reserve and fund balance policy that establishes minimum year end balances to ensure sufficient cash flow throughout the upcoming fiscal year. Planned draw downs of cash reserves below the minimum level is acceptable for one-time occurrences if the intent is made to return to the minimum cash reserve level as quickly as possible. During FY 2008/09 there was a significant shortage of road salt in the Midwest, and as a result, the cost of road salt nearly doubled. In an effort to minimize the affects of such price fluctuations during the FY 2009/10 season, the council participated in an early "off-season" joint salt bid with other surrounding municipalities and authorized an advance purchase of salt for FY 09/10 during the spring of 2009. As a result, cash reserves in the Road Use Fund were significantly reduced to \$212,000 during FY 08/09, and the ending fund balance dropped to less than 7% of annual operating expenses. The Council is now focusing on building those reserves back up to a minimum level of 20-25% of annual operating expenses, and at 6/30/11 the ending fund equity increased to \$382,553 or 10.9% of annual operating expenses.

## Major Initiatives

Major initiatives within the City limits over the last five years are listed below:

Riverfront-Downtown. Recent developments in the Rivers Edge area include the construction of the second Isle of Capri Casino Hotel, accompanying parking ramp expansion and the completion of the 50,000 square foot Quad Cities Waterfront Convention Center. The two Isle hotels now total 514 rooms, the largest hotel complex in the state of Iowa. Total for all development is estimated at \$100 million. Other recent development in this area include four office buildings \$6 million in value and a new fast food restaurant for another \$526,000 million.

The City has completed Phase I in the Downtown Streetscape Project consisting of multiple planters with tree, shrubs, and flower plantings. Sidewalk and street crossings have been redesigned and include multi-colored, stamped concrete to accentuate the color scheme of the Waterfront Convention Center and other new development in this area creating a unified aesthetics appearance to the entire area. This project added \$600,000 worth of infrastructure improvements to the area.

In September of 2011 Phase II began covering the area between 18<sup>th</sup> Street and 20<sup>th</sup> Street along State Street. Phase II will add about \$380,000 worth of infrastructure improvements to the area.

East Tanglefoot Lane. A YMCA building was constructed roughly 6 years ago at a cost of \$4,500,000 along with an expansion of the Genesis Medical Center for another \$2,300,000. In 2008 new construction of an indoor climate controlled storage unit facility added \$1.75 million in assessed value. In 2009, two new commercial buildings were completed in this area along Devils Glen Road totaling \$500,000.

I-80 and Middle Road. Spring of 2009 the City of Bettendorf acquired 22 acres on the northeast quadrant of the interchange for approximately \$1.43 million. This parcel will work in partnership with a private sector owner to add another 95 acres for the creation of a technology business park. Two years ago the city hired an engineering firm using federal grant funds to develop an Interchange Justification Report (IJR) to research and redesign the interchange from a rural interchange to an urban interchange. The Bettendorf Development Corporation re-graded portions of the interchange to improve appearance, safety and visibility. Water main improvements and a sanitary sewer extension are now under design to enhance the fiber optic cabling installed by C.S. Technologies which will ultimately enhance the marketability of the community and the region.

18<sup>th</sup> Street and 53<sup>rd</sup> Avenue. Genesis Gastroenterology Center was constructed at a cost of \$2,000,000. Genesis O.R.A. Medical Center opened a \$7,000,000 facility fall of 2006. Crow Ridge Plaza is now under construction with many of the in-line buildings now occupied and others recently completed for a total increase in assessed value estimated at \$5 million. A new McDonalds restaurant and Ascentra Credit Union building are slated for construction in the area in 2012.

Golden Triangle. Within the last five years, over \$11 million of both commercial and residential development has occurred in this area. Another \$7 million of both commercial and residential development is being planned. Two new commercial buildings were recently completed in this area along Devils Glen Road in 2009 totaling \$500,000.

In August of 2010 a student housing complex consisting of 316 units was completed to provide for the housing needs of students attending Scott Community College. The project value is \$8,000,000.

Three new commercial buildings were completed in 2010 totaling \$660,000 and consist of 15,000 square feet. All of the individual spaces (three) have been filled and are currently open for business.

Riverside Development Park. Over the last 10 years nearly \$16 million of development has occurred in this corridor. Olympic Steel, Grafco (now Berry Plastics), LeClaire Manufacturing and John M. Frey have expanded. Only 29 acres of the original 100+ acre site remains in the ownership of Kansas City Life Insurance Company. A second private industrial park is now under construction providing for another eleven smaller businesses to grow and prosper.

Kimberly Road. The \$30 million redevelopment of this former Duck Creek Plaza Shopping Center was completed roughly five years ago and includes Iowa's only Schnuck's grocery store, a Walgreens drug store, a McDonald's restaurant, a Marshall's department store, a Home Depot hardware store, and many smaller in-line retail stores. Last year the city approved tax increment financing assistance for the redevelopment of the twelve acre site directly across the street. Just complete the parcel contains the only Iowa Burlington Coat Factory facility, two strip mall buildings, Upper Iowa University Campus and a new Pizza Ranch restaurant all totaling more than \$14 million in assessed value.

Thomas Place. A senior living apartment complex along Kimberly Road was completed in December of 2010 and is valued at \$16,517,000. It provides 116 upscale units for persons over 55 years of age.

Quad City Muslim Center. has begun construction of a \$1,500,000 facility to serve the religious needs of the local and area Muslim community.

Brown Macke College. The former SteinMart property was converted into the new Brown Mackie College site which opened in August of 2010, \$955,400 in improvements were made to the site.

Centre Pointe. Four commercial buildings valued at \$8 million were constructed several years ago and are over 75% leased. The renovation of the original section of Cumberland Square Shopping Center is expected to begin in the spring of 2011.

AAA Court Area. The Glens Shopping Center completed a total site redevelopment at a cost of \$7,162,033 in 2007. Bettendorf Office Supply relocated to a new structure totaling \$1,115,142 in 2006. A new dental office building was completed in 2008 at a cost of \$503,880.

Utica Ridge Corridor. Trinity Hospital was constructed several years ago for a total of \$70 million. Since the hospital's completion, significant improvements have been made to this area's surrounding transportation system. In 2008 Total Detailing, an upscale car wash completed the construction of their new facility at just under \$1 million in assessed value.

53rd Avenue. The approximately \$5 million extension of 53rd Avenue from Devil's Glen Road to Middle Road opened up significant areas for development. Most of the City's \$135 million housing growth over the past five years has occurred in this corridor. In addition, commercial development to serve the City's growing senior population is expanding with a \$30 million investment by Dial Highlands, LLC that encompasses a 40-acre site that contains 43 single family villas, 20 duplexes, four 24-unit apartment buildings, and a 70,000-square-foot assisted living center with 68 units.

Construction of The Springs, a gated community upscale apartment complex at the southeast corner of Devils Glen Road and 53<sup>rd</sup> Avenue, is anticipated to begin in early 2011. The development will consist of 316 units and will have many amenities not commonly found in apartment complexes. The project value is estimated at \$30,000,000.

State Street Industrial Area. Redevelopment of stormwater and transportation infrastructure is being focused on in this area. Vizient Technologies has added two new building additions in the last two years totaling \$2 million dollars and Bowe Machine added production space totaling \$675,000.

River Gulf Grain. In October of 2010 a \$6,957,126 grain collection and barge distribution facility was completed to serve the needs of area farmers and local barge traffic. The facility is located south of 21<sup>st</sup> and 22<sup>nd</sup> Streets along the banks of the Mississippi River.

South Devils Glen Road Area. A new convenience store was completed in July of 2010 at the intersection of Devils Glen Road and State Street. A facility that had fallen into disrepair was demolished, and the new building is valued at \$305,000.

### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bettendorf, Iowa for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized 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 conform to the Certificate of Achievement Program requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City of Bettendorf also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2011. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. This was the sixteenth consecutive year that the City has received this award.

The preparation of this report on a timely basis could not have been accomplished without our auditors from McGladrey & Pullen, LLP, Lori Ulloa, the City's Manager of Accounting and the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all those who assisted and contributed to its preparation accordingly. Credit also must be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bettendorf's finances.

Respectfully submitted,



Decker P. Ploehn

City Administrator



Carol A. Barnes

Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bettendorf  
Iowa

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

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



## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bettendorf, Iowa as of and for the year ended June 30, 2011, 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'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. 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, each major fund, and the aggregate remaining fund information of the City of Bettendorf, Iowa as of June 30, 2011, 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.

As explained in Notes 13 and 15 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting for governmental funds' fund balance classifications, and restated the General Fund and aggregate remaining fund's beginning fund balance.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2011 on our consideration of the City'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 and Analysis on pages 3 through 14, other postemployment benefit information on page 65 and budgetary comparison information on pages 66 through 68 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Bettendorf, Iowa's basic financial statements. The combining nonmajor fund financial statements and other statements 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 6, 2011

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

As management of the City of Bettendorf, we offer readers of the City of Bettendorf's financial statements this narrative overview and analysis of the financial activities of the City of Bettendorf for the fiscal year ended June 30, 2011. 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 in the introductory section of this report.

#### Financial Highlights

- The assets of the City of Bettendorf exceeded its liabilities as of June 30, 2011 and 2010 by \$111,726,137 and \$110,220,011 (net assets), respectively. Of this amount, \$9,828,207 and \$10,646,817 (unrestricted net assets) respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,506,126 and \$3,257,706 during the years ended June 30, 2011 and 2010, respectively.
- As of June 30, 2011, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,824,268, a decrease of \$6,949,996 in comparison with 2010. Approximately 31 percent of this total amount, \$4,846,782, is available for spending at the government's discretion (unassigned fund balance). As of June 30, 2010, the City of Bettendorf's governmental funds reported combined ending fund balances of \$22,774,264, an increase of \$2,101,363 in comparison with 2009. Approximately 18 percent of this total amount, \$4,002,267, is available for spending at the government's discretion (unreserved undesignated fund balance).
- As of June 30, 2011, fund balance for the General Fund was \$5,444,323 or 25 percent of total General Fund expenditures and transfers out and \$5,048,259 or 28 percent for 2010.
- The City of Bettendorf's total long-term debt, excluding compensated absences, increased by \$1,770,000 (2 percent) during the fiscal year ended June 30, 2011. This increase, which is net of scheduled debt payments on outstanding debt in the current year, is primarily due to the City issuing \$18,065,000 of general obligation debt during the current year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bettendorf's basic financial statements. The City of Bettendorf's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Bettendorf's finances in a manner similar to a private sector business.

The statement of net assets presents information on all of the City of Bettendorf's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Bettendorf is improving or deteriorating.

The statement of activities presents information showing how the government's net 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).

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

Both of the government-wide financial statements distinguish functions of the City of Bettendorf that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Bettendorf include public safety, public works, culture and recreation, community and economic development and general government. The business-type activities of the City of Bettendorf include the sanitary sewer system, recycling and solid waste collection system, Family Museum of Arts & Science, Palmer Hills Golf Course, Life Fitness Center, Splash Landing Aquatic Center, stormwater utility, transit system, QC Waterfront Convention Center and the Riverfront Circular.

The government-wide financial statements include the City of Bettendorf itself (known as the primary government). The financial statements also include the blended component unit of the City of Bettendorf, the Bettendorf Housing Authority. This component unit, although a legally separate entity, is included in the City's reporting entity because of its significant operational or financial relationship with the City.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bettendorf, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bettendorf 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 financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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 Bettendorf maintains 17 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 balances for the General Fund, Tax Increment Financing Fund, Debt Service Fund and Capital Projects Reserve Fund, all of which are considered to be major funds. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds.** The City of Bettendorf maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Bettendorf's various functions. The City of Bettendorf uses internal service funds to account for risk management, employee benefits, maintenance garage and information services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

The City of Bettendorf maintains 10 enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility Fund, QC Waterfront Convention Center Fund and Stormwater Utility Fund as these are considered to be major funds of the City of Bettendorf. Data from the other seven enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Bettendorf's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency funds. The total assets held in the fiduciary fund as of June 30, 2011 were \$106,711.

**Notes to basic 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.

**Other information.** The City's budgetary comparison schedule and other postemployment benefit plan information is presented as required supplementary information immediately following the notes to basic financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and agency funds are presented immediately following the required supplementary information.

#### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have increased from a year ago from \$110,220,011 to \$111,726,137.

By far the largest portion of the City of Bettendorf's net assets (88 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Bettendorf uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bettendorf's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2011**

	City of Bettendorf's Net Assets					
	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
	Current and other assets	\$ 47,768,712	\$ 55,273,062	\$ 11,264,887	\$ 12,227,331	\$ 59,033,599
Capital assets	132,504,423	122,033,507	59,664,869	57,770,106	192,169,292	179,803,613
<b>Total assets</b>	<b>180,273,135</b>	<b>177,306,569</b>	<b>70,929,756</b>	<b>69,997,437</b>	<b>251,202,891</b>	<b>247,304,006</b>
Noncurrent liabilities	74,941,811	65,007,379	25,782,617	25,451,262	100,724,428	90,458,641
Other liabilities	34,149,020	42,421,779	4,603,306	4,203,575	38,752,326	46,625,354
<b>Total liabilities</b>	<b>109,090,831</b>	<b>107,429,158</b>	<b>30,385,923</b>	<b>29,654,837</b>	<b>139,476,754</b>	<b>137,083,995</b>
Net assets:						
Invested in capital assets, net of related debt	59,344,680	50,086,105	32,364,445	38,063,230	91,709,125	88,149,335
Restricted	4,103,202	11,423,859	-	-	4,103,202	11,423,859
Unrestricted	7,734,422	8,367,447	8,179,388	2,279,370	15,913,810	10,646,817
<b>Total net assets</b>	<b>\$ 71,182,304</b>	<b>\$ 69,877,411</b>	<b>\$ 40,543,833</b>	<b>\$ 40,342,600</b>	<b>\$ 111,726,137</b>	<b>\$ 110,220,011</b>

The City of Bettendorf's total assets increased by \$3,898,885 or 2 percent from 2010 to \$251,202,891. The largest portion of this increase is related to the continued investment in capital assets and infrastructure within the City. Current and other assets declined from fiscal year 2011 due to the use of U.S. Government securities on deposit with an escrow agent to pay long-term debt of the City. Total liabilities of the City of Bettendorf increased by \$2,392,759 or 2 percent from 2010 to \$139,476,754. Noncurrent liabilities increased with the issuance of new general obligation debt for various public improvements. Other liabilities decreased by \$7,873,028 with the planned payment of long-term debt due within fiscal year 2011.

An additional portion of the City of Bettendorf's net assets (4 percent for 2011 and 10 percent for 2010) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$9,828,207 for 2011 and \$10,646,817 for 2010, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Bettendorf is able to report positive balances in all three categories of net assets for the government as a whole.

The changes in net assets are highlighted in the following table which shows the City's revenues and expenses for the fiscal year. These two main components are subtracted to yield the change in net assets.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions, and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2011**

A summary of the City's changes in net assets follows:

	City of Bettendorf's Changes in Net Assets					
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,072,157	\$ 1,017,654	\$ 9,653,054	\$ 8,835,917	\$ 10,725,211	\$ 9,853,571
Operating grants and contributions	4,091,197	3,739,764	1,385,105	1,230,536	5,476,302	4,970,300
Capital grants and contributions	2,347,583	2,238,737	1,164,821	2,231,569	3,512,404	4,470,306
General revenues:						
Property taxes	19,813,742	19,299,744	-	-	19,813,742	19,299,744
Tax increment financing	3,097,551	3,499,290	-	-	3,097,551	3,499,290
Other taxes	7,861,992	7,752,524	-	-	7,861,992	7,752,524
State shared revenues	56,641	57,449	-	-	56,641	57,449
Investment earnings	472,319	747,599	111,539	187,973	583,858	935,572
Miscellaneous and gain on sale of capital asset	776,158	621,627	532,720	442,275	1,308,878	1,063,902
<b>Total revenues</b>	<b>39,589,340</b>	<b>38,974,388</b>	<b>12,847,239</b>	<b>12,928,270</b>	<b>52,436,579</b>	<b>51,902,658</b>
<b>Expenses:</b>						
Public safety	10,119,472	10,652,552	-	-	10,119,472	10,652,552
Public works	9,722,377	8,613,251	-	-	9,722,377	8,613,251
Culture and recreation	4,857,215	4,735,415	-	-	4,857,215	4,735,415
Community and economic development	2,973,813	2,340,564	-	-	2,973,813	2,340,564
General government	3,699,119	4,284,049	-	-	3,699,119	4,284,049
Interest on long-term debt	3,041,880	2,750,859	-	-	3,041,880	2,750,859
Sewer utility	-	-	3,331,375	3,195,132	3,331,375	3,195,132
Family Museum of Arts & Science	-	-	2,016,226	1,973,712	2,016,226	1,973,712
Aquatic Center	-	-	499,827	476,338	499,827	476,338
Recycling/solid waste management	-	-	1,897,813	1,803,620	1,897,813	1,803,620
Palmer Hills Golf Course	-	-	1,177,573	1,241,863	1,177,573	1,241,863
Life Fitness Center	-	-	873,930	835,180	873,930	835,180
Stormwater utility	-	-	737,989	764,521	737,989	764,521
Transit	-	-	1,532,212	1,324,093	1,532,212	1,324,093
QC Waterfront Convention Center	-	-	4,025,930	3,469,416	4,025,930	3,469,416
Riverfront Circulator	-	-	423,702	184,387	423,702	184,387
<b>Total expenses</b>	<b>34,413,876</b>	<b>33,376,690</b>	<b>16,516,577</b>	<b>15,268,262</b>	<b>50,930,453</b>	<b>48,644,952</b>
<b>Increase (decrease) in net assets before transfers</b>	<b>5,175,464</b>	<b>5,597,698</b>	<b>(3,669,338)</b>	<b>(2,339,992)</b>	<b>1,506,126</b>	<b>3,257,706</b>
Transfers	(3,870,571)	(4,086,866)	3,870,571	4,086,866	-	-
<b>Increase in net assets</b>	<b>1,304,893</b>	<b>1,510,832</b>	<b>201,233</b>	<b>1,746,874</b>	<b>1,506,126</b>	<b>3,257,706</b>
Net assets, beginning	69,877,411	68,366,579	40,342,600	38,595,726	110,220,011	106,962,305
<b>Net assets, ending</b>	<b>\$ 71,182,304</b>	<b>\$ 69,877,411</b>	<b>\$ 40,543,833</b>	<b>\$ 40,342,600</b>	<b>\$ 111,726,137</b>	<b>\$ 110,220,011</b>

**City of Bettendorf, Iowa**

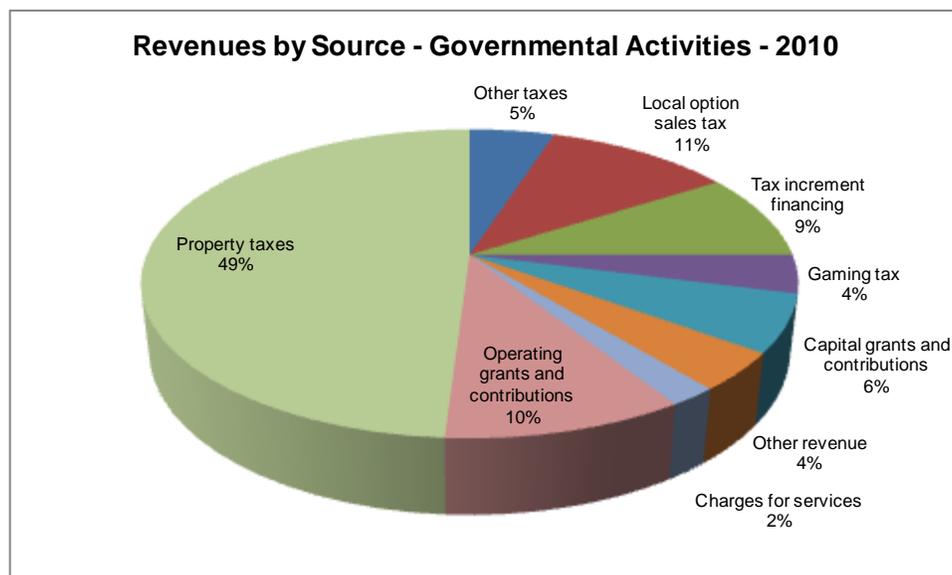
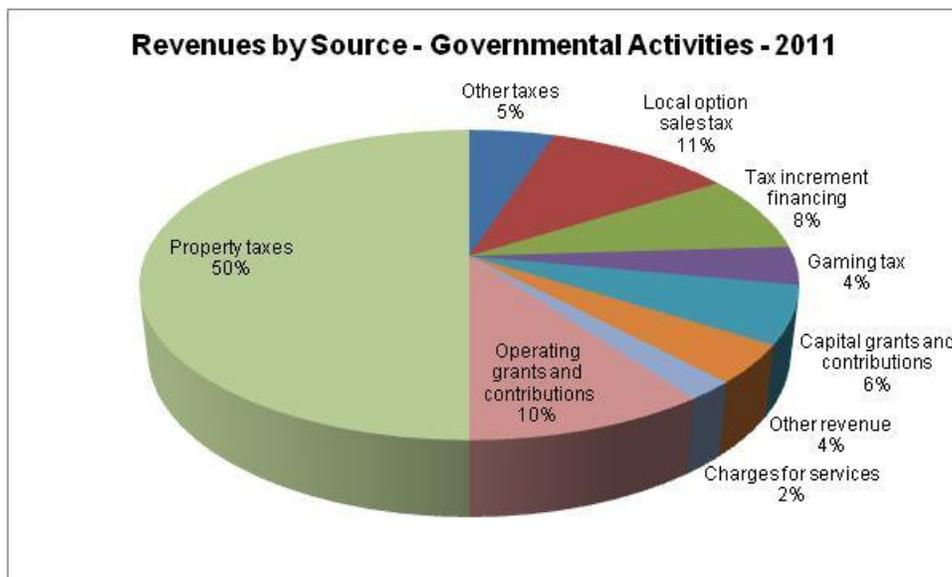
**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2011**

---

Total governmental activities' revenue for fiscal year 2011 was \$39,589,340 and for 2010 was \$38,974,388. The largest single revenue source for the City was property and TIF taxes of \$22,911,293 for 2011 and \$22,799,034 for 2010. Property and TIF taxes increased by \$112,259 from 2010 (0.5 percent) and \$1,013,256 from 2009 (5 percent). Most of the increase for 2011 and 2010 is a result of increased property tax values and increases in tax increment financing.

Certain revenues are generated that are specific to governmental program activities. These totaled \$7,510,937 for 2011 and \$6,996,155 for 2010.

The graphs below show the percentage of the total governmental revenues allocated by each revenue type.



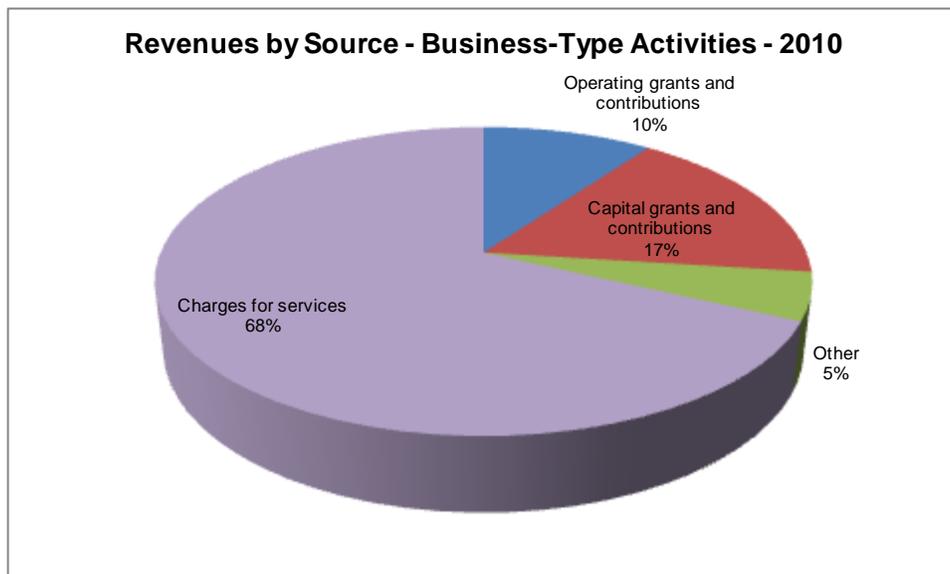
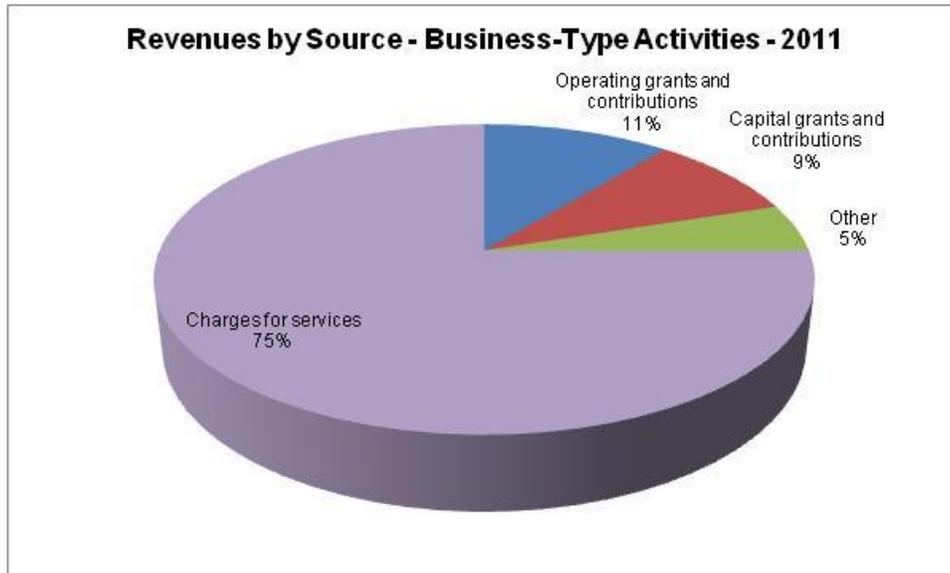
Total business-type activities' revenue for fiscal year 2011 was \$12,847,239 and for 2010 was \$12,928,270. All but \$644,259 for 2011 and \$630,248 for 2010 of this revenue was generated for specific business-type activity expenses.

City of Bettendorf, Iowa

Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2011

---

The graphs below show the breakdown of revenues by source for the business-type activities:



**Business-type activities.** Business-type activities increased the City of Bettendorf's net assets by \$201,233 in 2011. Key elements of this increase are as follows:

- Stormwater Utility increased \$144,975 mainly due to capital contributions of stormwater areas in new subdivisions built by developers and transfers in from the Debt Service Fund to assist with debt payments.
- Transit increased \$296,064 due to capital funding from the Federal Transit Administration for new bus purchases and the completion of the bus wash system.
- Palmer Hills Golf Course increased \$357,769 due to transfers in from the Stormwater Utility for several water management projects at the golf course.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

For the fiscal year ended 2010, business-type activities increased the City of Bettendorf's net assets by \$1,746,874 in 2010. Key elements of this increase are as follows:

- Stormwater Utility increased \$426,354 mainly due to capital contributions of stormwater areas in new subdivisions built by developers and transfers in from the Debt Service Fund to assist with making debt payments.
- Transit increased \$806,144 due to capital funding from the Federal Transit Administration for three new buses and the construction of a bus wash system.
- Riverfront Circulator increased \$780,976 due to operating and capital funding passed through the State of Iowa as per the grant agreement.

### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Bettendorf's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Bettendorf's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,824,268, a decrease of \$6,949,996 in comparison with 2010. Approximately 19 percent of this total amount \$2,945,000, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

As of June 30, 2010, the City of Bettendorf's governmental funds reported combined ending fund balances of \$22,774,264, an increase of \$2,101,363 in comparison with 2009. Approximately 18 percent of this total amount \$4,002,267, constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period \$9,588,114, 2) to pay debt service \$538,500 and 3) for a variety of other restricted purposes \$540,248.

The General Fund is the chief operating fund of the City of Bettendorf. The unassigned fund balance of the General Fund was \$5,157,680 for 2011 while total fund balance was \$5,444,323. The unreserved fund balance of the General Fund was \$5,048,259 for 2010, while total fund balance was \$5,267,055 for 2010. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2011, unassigned fund balance represents 29 percent of total General Fund expenditures, while total fund balance represents 30 percent of that same amount. For 2010, unreserved fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the City of Bettendorf's General Fund decreased by \$657,380 for 2011 and increased by \$26,295 for 2010. The net decrease in fund balance during the current year was due to increased transfers out from gaming revenues to the Road Use Fund for salt and to Section 8 for operating expenditures. The GASB Statement No. 54 implementation and restatement also had an effect on the decreased fund balance.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

The Tax Increment Financing Fund (TIF) has a total fund balance deficit of \$310,898 for 2011 and fund balance deficit of \$11,117 for 2010. The net decrease in fund balance during the current year in the Tax Increment Fund was \$299,781 due to the Lady Luck TIF Fund paying out the final bond payment and using the reserved funds to do so.

The Debt Service Fund has a total fund balance of \$607,182 for 2011 and \$8,105,135 for 2010. The net decrease in fund balance during the current year in the Debt Service Fund was \$7,497,953 due to the crossover refunding occurring on the 2001A and 2002A general obligation bonds.

The Capital Projects Reserve Fund has a total fund balance of \$4,869,416 for 2011 and \$3,677,518 for 2010. The Capital Projects Reserve Fund had a net increase in fund balance in the current year of \$1,191,898. The net increase in fund balance is primarily a net result of issuing bonds in the amount of \$15,235,000 which was offset by capital projects expenditures of \$17,231,833 due to a very aggressive capital improvement plan.

**Proprietary funds.** The City of Bettendorf's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer Utility were \$609,075 as of June 30, 2011 and \$1,200,641 as of June 30, 2010; those for the QC Waterfront Convention Center were \$962,660 for 2011 and \$62,079 for 2010; and those for the Stormwater Utility were \$22,056 and \$205,130 for 2011 and 2010, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bettendorf's business-type activities.

### Budgetary Highlights

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis following required public notice and hearing. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon 9 major classes of disbursements known as functions, not by fund or fund type. These 10 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. Function expenditures/expenses required to be budgeted include expenditures 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. The budget amendments are reflected in the final budgeted amounts.

Differences between the original budget and the final amended budget for the City of Bettendorf can be summarized as follows:

- The total original revenue budget of \$58,801,765 was increased to \$60,164,750 (an increase of \$1,362,985).
- The total original expenditure budget of \$73,768,576 was increased to \$86,721,859 (an increase of \$12,953,283).
- The total original budget for other financing sources, net of \$13,189,000 was increased to \$17,576,430.

Revenue amendments include increased bond proceeds for additional projects, additional charges for services at QC Waterfront Convention Center offset by reduced federal grants and interest income. Expenditure amendments include increased costs largely due to refinancing of bonds, flood expenditures, road use salt and fuel costs.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

During the year, however, revenues, excluding transfers, were less than budgetary revenues by \$3,709,340. This was primarily attributable to charges for services being less than budgeted in the QC Waterfront Convention Center and intergovernmental revenues for grants not received yet.

Expenditures were less than budgetary expenditures by \$5,689,221 primarily due to capital projects that were budgeted but not completed during the year.

See the Budgetary Comparison Schedule – All Governmental Funds and Proprietary Funds on pages 66 and 67.

#### Capital Asset and Debt Administration

**Capital assets.** The City of Bettendorf's investment in capital assets for its governmental and business-type activities as of June 30, 2011 and 2010 amounts to \$192,169,292 and \$179,803,613 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements and equipment and vehicles.

Major capital asset events during fiscal year ended June 30, 2011, included the following:

- \$1,158,518 for paving of 4th Street.
- \$1,143,443 for paving of Alcoa Avenue.
- \$1,285,449 for paving of Belmont Road, Phase II from Corral to Valley Drive.
- \$1,205,402 for paving of Devils Glen Road, from Hopewell Avenue to Forest Grove Road.
- \$894,655 for paving of Lincoln Road, 18th Street west to 19th Street.
- \$949,936 for paving of Valley Drive from Valleyview to the east city limits.

Major capital asset events during fiscal year ended June 30, 2010, included the following:

- \$1,063,482 for paving 35<sup>th</sup> Street, State Street to Elm Street.
- \$1,208,382 for the expansion and addition of an elevator at the City Hall Annex building.
- \$1,153,116 for paving of Belmont Road, Corral to Valley Drive.
- \$800,562 for Phase I of the Downtown Streetscape Master Plan.
- \$2,815,491 for paving of Hopewell Avenue, Devils Glen to Middle Road.
- \$2,866,812 for the acquisition of land for a new park development.
- \$1,033,966 for paving Tanglefoot Road, Dierks to Middle Road.
- \$956,842 for paving Valley Drive, Park to Pinebrook.

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2011**

Additional information on the City of Bettendorf's capital assets can be found in Note 3 of this report.

	City of Bettendorf's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 8,736,414	\$ 8,736,414	\$ 2,692,465	\$ 2,692,465	\$ 11,428,879	\$ 11,428,879
Construction-in-progress	9,022,717	8,093,368	4,879,167	3,581,209	13,901,884	11,674,577
Buildings	21,340,640	21,248,652	35,193,284	35,193,284	56,533,924	56,441,936
Equipment and vehicles	18,925,736	17,845,155	14,695,378	11,867,041	33,621,114	29,712,196
Improvements other than buildings	140,720,572	128,052,288	41,523,738	40,802,086	182,244,310	168,854,374
Accumulated depreciation	(66,241,656)	(61,942,370)	(39,319,163)	(36,365,979)	(105,560,819)	(98,308,349)
<b>Total</b>	<b>\$ 132,504,423</b>	<b>\$ 122,033,507</b>	<b>\$ 59,664,869</b>	<b>\$ 57,770,106</b>	<b>\$ 192,169,292</b>	<b>\$ 179,803,613</b>

**Long-term debt.** As of June 30, 2011, the City of Bettendorf had total bonded debt outstanding of \$106,010,000. Of this amount, \$93,500,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Bettendorf's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

As of June 30, 2010, the City of Bettendorf had total bonded debt outstanding of \$104,240,000. Of this amount, \$90,005,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Bettendorf's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	City of Bettendorf's Outstanding Debt General Obligation and Revenue Bonds					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 78,845,900	\$ 76,265,200	\$ 14,654,100	\$ 13,739,800	\$ 93,500,000	\$ 90,005,000
Revenue bonds	-	1,180,000	12,510,000	13,055,000	12,510,000	14,235,000
<b>Total</b>	<b>\$ 78,845,900</b>	<b>\$ 77,445,200</b>	<b>\$ 27,164,100</b>	<b>\$ 26,794,800</b>	<b>\$ 106,010,000</b>	<b>\$ 104,240,000</b>

The City of Bettendorf's total debt increased by \$1,770,000 (2 percent) during the current fiscal year. The key factor in this increase was due to the City issuing \$18,065,000 of general obligation debt to be used for various public improvements in May 2011. This increase is net of other scheduled debt payments on outstanding debt in the current year.

During 2010, the City of Bettendorf's total debt increased by \$18,025,000 (21 percent) during the current fiscal year. The key factor in this increase was due to the City issuing \$17,705,000 of general obligation debt to be used for various public improvements in June 2010 and \$7,180,000 in general obligation refunding bonds in June 2010. This increase is net of other scheduled debt payments on outstanding debt in the current year.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The debt limitation for the City of Bettendorf for 2011 was \$146,185,893 and for 2010 was \$143,645,117, which is significantly in excess of the City of Bettendorf's outstanding general obligation debt of \$93,500,000 and \$90,005,000 for 2011 and 2010, respectively, and other debt subject to the debt limitation of \$12,510,000 and \$14,235,000, respectively.

Additional information on the City of Bettendorf's long-term debt can be found in Note 4 of this report.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2011

---

#### Economic Factors and Next Year's Budgets and Rates

- Property taxes continue to be the major revenue source for the City of Bettendorf. In fiscal year 2011/12 property taxes will represent 30.13 percent of total City operating revenues, net of transfers. The City has seen increased reliance on property tax revenue over the last five years as a result of other revenue streams either decreasing or remaining relatively flat due to the current economy. User fees in eight enterprise funds help offset the cost of the City providing services to citizens when feasible.
- The City Council was very pleased to be able to maintain the levy rate at \$12.60 per \$1,000/assessed valuation for fiscal year 2011/12, in an effort to continue to keep property taxes low in the current state of the economy. The state mandated rollback on residential property increased from 46.9094 percent in fiscal year 2010/11 to 48.5299 percent in fiscal year 2011/12 and as a result, total taxable valuations increased \$84.34 million in fiscal year 11/12. However it should be noted that \$48.3 million or 57.2 percent of that increased taxable valuation came from new construction within the City and expired TIF values coming back on the regular tax rolls.
- The fiscal year 2011/12 levy rate of \$12.60 per \$1,000/assessed valuation, will generate \$20.80 million in property taxes. The City's General Fund Levy rate of \$5.49661 per \$1,000 assessed valuation is currently at 67.9 percent of the maximum \$8.1 allowed by the State of Iowa and is one of the lowest General Fund Levy Rates in the entire State of Iowa. The 32 percent cushion currently reflects future levying capacity for the Council in excess of \$4.2 million annually in the General Fund.
- The City expects its tax base to continue to exhibit moderate growth given the ample availability of developable land and strong regional employment opportunities. Bettendorf, one of the Quad Cities of Iowa and Illinois, has experienced steady growth as evidenced by an increase both in population (6.3 percent since 2000) and full valuation. The City's full valuation, currently valued at \$2.8 billion, has grown steadily at an average annual rate of 5.14 percent over the past five years, though growth has slowed in the last couple years during the recession. The City expects continued growth in residential development, as approximately 35 percent of the City's land remains available and primarily zoned for housing construction. For fiscal year 2011/12, the City's taxable valuation base (including TIF increment values) totals \$1.703 billion and the residential class of property represents 68.50 percent of that tax base.
- The City continues to benefit from a diverse regional employment base, which includes the Rock Island Arsenal, Deere & Company and Genesis Medical Center. Socioeconomic indicators are higher than national medians, with per capita and median family income levels at 130 percent and 133 percent, respectively, in the 2010 census. Unemployment levels, at 6.2 percent in January 2011, remain favorably below the national (at 10.6 percent) average for the same time period.

All of these factors were considered in preparing the City of Bettendorf's budget for fiscal year 2011/12.

#### Requests for Information

This financial report is designed to provide a general overview of the City of Bettendorf's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Carol Barnes, Finance Director, City of Bettendorf, 1609 State Street, Bettendorf, Iowa 52722.



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

Statement of Net Assets  
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 12,919,397	\$ 2,114,356	\$ 15,033,753
Restricted cash and investments	6,617,873	866,061	7,483,934
Receivables:			
Property taxes	23,525,920	-	23,525,920
Accounts and unbilled usage	341,956	1,948,222	2,290,178
Accrued interest	57,533	3,944	61,477
Special assessments	29,519	172,806	202,325
Loans receivable	22,250	-	22,250
Due from other governments	1,979,286	807,879	2,787,165
Internal balances	1,241,082	(1,241,082)	-
Prepaid items	114,317	54,375	168,692
Inventories	7,010	-	7,010
<b>Total current assets</b>	<b>46,856,143</b>	<b>4,726,561</b>	<b>51,582,704</b>
Noncurrent assets:			
Restricted cash and investments	-	6,085,603	6,085,603
Bond issuance costs	912,569	452,723	1,365,292
Capital assets:			
Nondepreciable:			
Land	8,736,414	2,692,465	11,428,879
Construction-in-progress	9,022,717	4,879,167	13,901,884
Depreciable:			
Buildings and structures	21,340,640	35,193,284	56,533,924
Equipment and vehicles	18,925,736	14,695,378	33,621,114
Improvements other than buildings	140,720,572	41,523,738	182,244,310
Accumulated depreciation	(66,241,656)	(39,319,163)	(105,560,819)
<b>Net capital assets</b>	<b>132,504,423</b>	<b>59,664,869</b>	<b>192,169,292</b>
<b>Total noncurrent assets</b>	<b>133,416,992</b>	<b>66,203,195</b>	<b>199,620,187</b>
<b>Total assets</b>	<b>\$ 180,273,135</b>	<b>\$ 70,929,756</b>	<b>\$ 251,202,891</b>

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current:			
Accounts payable	\$ 1,241,227	\$ 1,461,186	\$ 2,702,413
Claims payable	137,629	-	137,629
Compensated absences	266,123	70,439	336,562
Accrued liabilities	613,590	250,748	864,338
Refundable deposits	84,811	-	84,811
Due to other governments	139,207	446,712	585,919
Interest payable	250,568	123,940	374,508
Contracts payable	2,242,463	322,541	2,565,004
Unearned revenues	23,197,502	113,640	23,311,142
Current maturities, revenue bonds	-	585,000	585,000
Current maturities, general obligation bonds	5,975,900	1,229,100	7,205,000
<b>Total current liabilities</b>	<b>34,149,020</b>	<b>4,603,306</b>	<b>38,752,326</b>
Noncurrent:			
Compensated absences	719,393	200,259	919,652
Other post employment benefits obligation	420,702	96,034	516,736
Revenue bonds	-	11,925,000	11,925,000
General obligation bonds, net bond discounts and premiums	73,801,716	13,561,324	87,363,040
<b>Total noncurrent liabilities</b>	<b>74,941,811</b>	<b>25,782,617</b>	<b>100,724,428</b>
<b>Total liabilities</b>	<b>109,090,831</b>	<b>30,385,923</b>	<b>139,476,754</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	59,344,680	32,364,445	91,709,125
Restricted for:			
Road use	378,107	-	378,107
Debt service	365,174	-	365,174
Federal programs	322,837	-	322,837
Economic development	2,124	-	2,124
Police department	44,247	-	44,247
Social services	27,724	-	27,724
Fire department	986	-	986
Parks department	126,559	-	126,559
Library department	874,333	-	874,333
Capital improvements and equipment	1,961,111	-	1,961,111
Unrestricted	7,734,422	8,179,388	15,913,810
<b>Total net assets</b>	<b>71,182,304</b>	<b>40,543,833</b>	<b>111,726,137</b>
<b>Total liabilities and net assets</b>	<b>\$ 180,273,135</b>	<b>\$ 70,929,756</b>	<b>\$ 251,202,891</b>

City of Bettendorf, Iowa

Statement of Activities  
Year Ended June 30, 2011

Programs/Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Public safety	\$ 10,119,472	\$ 11,881	\$ 304,673	\$ 100,000
Public works	9,722,377	29,880	3,197,991	2,232,583
Culture and recreation	4,857,215	276,770	61,334	15,000
Community and economic development	2,973,813	599,360	527,199	-
General government	3,699,119	154,266	-	-
Interest on long-term debt	3,041,880	-	-	-
<b>Total governmental activities</b>	<b>34,413,876</b>	<b>1,072,157</b>	<b>4,091,197</b>	<b>2,347,583</b>
<b>Business-type activities:</b>				
Sewer utility	3,331,375	2,557,175	-	257,321
Family Museum of Arts & Science	2,016,226	709,016	106,124	-
Aquatic Center	499,827	242,962	-	-
Recycling/solid waste management	1,897,813	1,793,407	-	-
Palmer Hills Golf Course	1,177,573	678,634	-	-
Life Fitness Center	873,930	604,013	-	-
Stormwater utility	737,989	805,521	-	171,548
Transit	1,532,212	87,822	447,848	510,904
QC Waterfront Convention Center	4,025,930	2,148,027	702,369	225,048
Riverfront Circulator	423,702	26,477	128,764	-
<b>Total business-type activities</b>	<b>16,516,577</b>	<b>9,653,054</b>	<b>1,385,105</b>	<b>1,164,821</b>
<b>Total primary government</b>	<b>\$ 50,930,453</b>	<b>\$ 10,725,211</b>	<b>\$ 5,476,302</b>	<b>\$ 3,512,404</b>

**General Revenues**

Taxes:

- Property taxes
- Tax increment financing taxes
- Local option sales taxes
- Other taxes
- Gaming tax
- Franchise tax
- State replacement tax credits
- State shared revenues, unrestricted
- Investment earnings
- Miscellaneous
- Gain on sale of capital assets

**Transfers**

**Total general revenues and transfers**

- Changes in net assets
- Net assets, beginning of year
- Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (9,702,918)	\$ -	\$ (9,702,918)
(4,261,923)	-	(4,261,923)
(4,504,111)	-	(4,504,111)
(1,847,254)	-	(1,847,254)
(3,544,853)	-	(3,544,853)
(3,041,880)	-	(3,041,880)
(26,902,939)	-	(26,902,939)
-	(516,879)	(516,879)
-	(1,201,086)	(1,201,086)
-	(256,865)	(256,865)
-	(104,406)	(104,406)
-	(498,939)	(498,939)
-	(269,917)	(269,917)
-	239,080	239,080
-	(485,638)	(485,638)
-	(950,486)	(950,486)
-	(268,461)	(268,461)
-	(4,313,597)	(4,313,597)
(26,902,939)	(4,313,597)	(31,216,536)
19,813,742	-	19,813,742
3,097,551	-	3,097,551
4,282,026	-	4,282,026
1,519,082	-	1,519,082
1,658,400	-	1,658,400
379,885	-	379,885
22,599	-	22,599
56,641	-	56,641
472,319	111,539	583,858
729,975	532,720	1,262,695
46,183	-	46,183
(3,870,571)	3,870,571	-
28,207,832	4,514,830	32,722,662
1,304,893	201,233	1,506,126
69,877,411	40,342,600	110,220,011
\$ 71,182,304	\$ 40,543,833	\$ 111,726,137

**City of Bettendorf, Iowa**

**Balance Sheet  
Governmental Funds  
June 30, 2011**

<b>Assets</b>	Tax Increment		
	General	Financing	Debt Service
Cash and investments	\$ 4,706,600	\$ 88,412	\$ 536,016
Restricted cash and investments	-	-	-
Receivables:			
Property taxes	9,554,644	2,425,596	8,621,965
Accounts	278,267	-	-
Special assessments	29,519	-	-
Loans	22,250	-	-
Accrued interest	22,689	-	4,415
Due from other funds	849,831	5,178	-
Due from other governments	1,040,940	-	200
Inventories	7,010	-	-
Advances to other funds	158,677	-	-
<b>Total assets</b>	<b>\$ 16,670,427</b>	<b>\$ 2,519,186</b>	<b>\$ 9,162,596</b>
<b>Liabilities and Fund Equity (Deficit)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 539,455	\$ -	\$ -
Accrued liabilities	475,955	-	-
Refundable deposits	84,811	-	-
Due to other governments	107,366	-	-
Due to other funds	430,898	115,575	-
Contracts payable	-	-	-
Deferred revenue	9,587,619	2,402,300	8,548,743
Matured interest payable	-	207	6,671
Advances from other funds	-	312,002	-
<b>Total liabilities</b>	<b>11,226,104</b>	<b>2,830,084</b>	<b>8,555,414</b>
<b>Fund Equity:</b>			
Fund balances:			
Nonspendable	187,937	-	-
Restricted	13,014	-	607,182
Assigned	85,692	-	-
Unassigned	5,157,680	(310,898)	-
<b>Total fund equity (deficit)</b>	<b>5,444,323</b>	<b>(310,898)</b>	<b>607,182</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$ 16,670,427</b>	<b>\$ 2,519,186</b>	<b>\$ 9,162,596</b>

See Notes to Basic Financial Statements.

---

Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ 262,986	\$ 4,851,311	\$ 10,445,325
6,617,873	-	6,617,873
-	2,923,715	23,525,920
49,637	8,371	336,275
-	-	29,519
-	-	22,250
-	19,805	46,909
-	426,708	1,281,717
662,338	275,808	1,979,286
-	-	7,010
153,325	-	312,002
<u>\$ 7,746,159</u>	<u>\$ 8,505,718</u>	<u>\$ 44,604,086</u>

\$ 205,530	\$ 302,158	\$ 1,047,143
35,714	43,745	555,414
-	-	84,811
6,365	19,645	133,376
-	23,538	570,011
2,242,463	-	2,242,463
386,671	2,902,387	23,827,720
-	-	6,878
-	-	312,002
<u>2,876,743</u>	<u>3,291,473</u>	<u>28,779,818</u>

153,325	-	341,262
4,716,091	3,690,628	9,026,915
-	1,523,617	1,609,309
-	-	4,846,782
<u>4,869,416</u>	<u>5,214,245</u>	<u>15,824,268</u>
<u>\$ 7,746,159</u>	<u>\$ 8,505,718</u>	<u>\$ 44,604,086</u>

**City of Bettendorf, Iowa**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2011**

---

Total governmental fund balances		\$ 15,824,268
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>		
Land	\$ 8,692,805	
Construction-in-progress	9,022,717	
Buildings and structures	20,917,179	
Equipment and vehicles	18,370,320	
Improvements other than buildings	140,720,572	
Accumulated depreciation	<u>(65,522,664)</u>	132,200,929
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		630,218
<p>Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:</p>		
Capital assets	1,022,486	
Accumulated depreciation	(718,992)	
Other current assets	2,604,694	
Internal balances	4,190	
Other current liabilities	(388,153)	
Noncurrent liabilities	<u>(61,010)</u>	2,463,215
Internal service funds allocated to business-type activities		525,186
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated absences, current	(251,160)	
Compensated absences, noncurrent	(679,017)	
Other post employment benefits obligation	(400,068)	
Voluntary separation program liability	(22,530)	
Accrued interest payable	(243,690)	
General obligation bonds payable, current	(5,975,900)	
General obligation bonds payable, noncurrent	(72,870,000)	
Bond issuance costs	912,569	
Bond discounts	56,705	
Bond premiums	<u>(988,421)</u>	(80,461,512)
<b>Net assets of governmental activities</b>		<u><u>\$ 71,182,304</u></u>

See Notes to Basic Financial Statements.



Bettendorf IOWA

*a premier city*

**City of Bettendorf, Iowa**

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Governmental Funds  
Year Ended June 30, 2011**

	General	Tax Increment Financing	Debt Service
<b>Revenues:</b>			
Property taxes	\$ 9,273,566	\$ -	\$ 8,195,527
Tax increment financing taxes	-	3,097,551	-
Other taxes	7,564,602	-	284,112
Special assessments	28,273	-	-
Licenses and permits	527,768	-	-
Intergovernmental	339,513	11,200	4,376
Charges for services	361,850	-	-
Use of money and property	254,213	31,791	33,099
Miscellaneous	342,460	-	-
<b>Total revenues</b>	<b>18,692,245</b>	<b>3,140,542</b>	<b>8,517,114</b>
<b>Expenditures:</b>			
Current operating:			
Public safety	9,471,196	-	-
Public works	19,710	-	-
Culture and recreation	3,753,915	-	-
Community and economic development	966,959	830,914	-
General government	3,336,470	-	-
Debt service:			
Principal	-	2,055,000	12,574,300
Interest and other charges	-	154,449	2,843,931
Bond issuance costs	11,314	8,863	-
Capital outlay	406,501	-	-
<b>Total expenditures</b>	<b>17,966,065</b>	<b>3,049,226</b>	<b>15,418,231</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>726,180</b>	<b>91,316</b>	<b>(6,901,117)</b>
<b>Other financing sources (uses):</b>			
Issuance of long-term capital debt	-	795,000	-
Premiums on long-term capital debt	-	16,284	-
Proceeds from the sale of capital assets	-	-	-
Transfers in	2,426,718	-	-
Transfers out	(3,810,278)	(1,202,381)	(596,836)
<b>Total other financing sources (uses)</b>	<b>(1,383,560)</b>	<b>(391,097)</b>	<b>(596,836)</b>
<b>Net changes in fund balance</b>	<b>(657,380)</b>	<b>(299,781)</b>	<b>(7,497,953)</b>
Fund balances (deficit), beginning of year, as restated	6,101,703	(11,117)	8,105,135
Fund balances (deficit), end of year	<b>\$ 5,444,323</b>	<b>\$ (310,898)</b>	<b>\$ 607,182</b>

See Notes to Basic Financial Statements.

Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ -	\$ 2,360,426	\$ 19,829,519
-	-	3,097,551
-	87,715	7,936,429
-	-	28,273
-	-	527,768
1,978,259	3,620,920	5,954,268
-	-	361,850
37,003	76,747	432,853
94,761	487,183	924,404
2,110,023	6,632,991	39,092,915
-	1,296	9,472,492
-	3,486,640	3,506,350
-	71,763	3,825,678
-	893,354	2,691,227
-	-	3,336,470
-	-	14,629,300
-	-	2,998,380
162,862	-	183,039
17,068,971	664,678	18,140,150
17,231,833	5,117,731	58,783,086
(15,121,810)	1,515,260	(19,690,171)
15,235,000	-	16,030,000
538,909	-	555,193
-	57,553	57,553
636,589	2,868,664	5,931,971
(96,790)	(4,128,257)	(9,834,542)
16,313,708	(1,202,040)	12,740,175
1,191,898	313,220	(6,949,996)
3,677,518	4,901,025	22,774,264
\$ 4,869,416	\$ 5,214,245	\$ 15,824,268

**City of Bettendorf, Iowa**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2011**

---

Net change in fund balances - governmental funds \$ (6,949,996)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlay exceeded depreciation in the current year:

Capital outlay	\$ 14,657,435	
Depreciation	(4,649,886)	10,007,549

Proceeds from the sale of capital assets		(57,553)
Gain on the sale of capital assets		46,183
Capital assets contributed		405,475

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Local option sales tax	(97,036)	
Grant revenues	(36,152)	
Property taxes	(15,777)	(148,965)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, change in compensated absences:

Change in compensated absences		(21,128)
Change in other post employment benefits obligation		(116,890)
Change in voluntary separation program liability		(22,530)

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of 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. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal	14,629,300	
Interest	(9,921)	
Bond issuance costs	183,039	
Issuance of long-term debt	(16,030,000)	
Premiums	(555,193)	
Amortization of bond discounts, premiums and bond issuance costs	(33,579)	(1,816,354)

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.

Change in internal service fund allocation to business-type activities		(75,129)
		54,231

<b>Changes in net assets of governmental activities</b>		<b>\$ 1,304,893</b>
		<b>1,304,893</b>

See Notes to Basic Financial Statements.



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

Statement of Net Assets  
 Proprietary Funds  
 June 30, 2011

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Assets</b>			
Current assets:			
Cash and investments	\$ -	\$ 573,063	\$ 49,096
Restricted cash and investments	-	866,061	-
Prepaid items	-	54,375	-
Receivables:			
Accounts and unbilled usage	693,486	331,001	217,950
Accrued interest	-	-	-
Special assessments	82,201	-	18,970
Due from other funds	-	-	-
Due from other governments	604,969	25,000	-
<b>Total current assets</b>	<b>1,380,656</b>	<b>1,849,500</b>	<b>286,016</b>
Noncurrent assets:			
Restricted cash and investments	3,714,777	-	2,370,826
Bond issuance costs	66,744	335,745	43,064
Capital assets:			
Nondepreciable:			
Land	3,575	715,241	406,209
Construction-in-progress	1,995,572	-	2,806,392
Depreciable:			
Buildings and structures	2,483,582	18,182,122	-
Equipment and vehicles	4,718,836	1,254,845	434,649
Improvements other than buildings	36,891,899	152,499	3,165,840
Accumulated depreciation	(26,526,225)	(1,459,765)	(567,417)
<b>Net capital assets</b>	<b>19,567,239</b>	<b>18,844,942</b>	<b>6,245,673</b>
<b>Total noncurrent assets</b>	<b>23,348,760</b>	<b>19,180,687</b>	<b>8,659,563</b>
<b>Total assets</b>	<b>\$ 24,729,416</b>	<b>\$ 21,030,187</b>	<b>\$ 8,945,579</b>

(Continued)

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 1,492,197	\$ 2,114,356	\$ 2,474,072
-	866,061	-
-	54,375	114,317
705,785	1,948,222	5,681
3,944	3,944	10,624
71,635	172,806	-
2,633	2,633	4,190
177,910	807,879	-
<u>2,454,104</u>	<u>5,970,276</u>	<u>2,608,884</u>
-	6,085,603	-
7,170	452,723	-
1,567,440	2,692,465	43,609
77,203	4,879,167	-
14,527,580	35,193,284	423,461
8,287,048	14,695,378	555,416
1,313,500	41,523,738	-
(10,765,756)	(39,319,163)	(718,992)
<u>15,007,015</u>	<u>59,664,869</u>	<u>303,494</u>
<u>15,014,185</u>	<u>66,203,195</u>	<u>303,494</u>
<u>\$ 17,468,289</u>	<u>\$ 72,173,471</u>	<u>\$ 2,912,378</u>

City of Bettendorf, Iowa

Statement of Net Assets (Continued)

Proprietary Funds

June 30, 2011

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Liabilities and Net Assets</b>			
Liabilities:			
Current:			
Accounts payable	\$ 37,872	\$ 991,185	\$ 7,443
Claims payable	-	-	-
Compensated absences	8,907	-	5,765
Accrued liabilities	34,519	1,114	26,435
Due to other governments	249,307	156,895	5,426
Due to other funds	376,877	-	-
Interest payable	28,260	73,391	19,834
Contracts payable	64,336	-	217,361
Unearned revenue	-	-	-
Current maturities, revenue bonds	-	585,000	-
Current maturities, general obligation bonds	400,000	-	320,000
<b>Total current liabilities</b>	<b>1,200,078</b>	<b>1,807,585</b>	<b>602,264</b>
Noncurrent:			
Compensated absences	24,035	-	15,555
Other post employment benefits obligation	14,212	-	9,205
Revenue bonds	-	11,925,000	-
General obligation bonds, net bond discounts and premiums	7,301,618	-	5,732,326
<b>Total noncurrent liabilities</b>	<b>7,339,865</b>	<b>11,925,000</b>	<b>5,757,086</b>
<b>Total liabilities</b>	<b>8,539,943</b>	<b>13,732,585</b>	<b>6,359,350</b>
Net assets:			
Invested in capital assets, net of related debt	11,865,621	6,334,942	193,347
Unrestricted	4,323,852	962,660	2,392,882
<b>Total net assets</b>	<b>16,189,473</b>	<b>7,297,602</b>	<b>2,586,229</b>
<b>Total liabilities and net assets</b>	<b>\$ 24,729,416</b>	<b>\$ 21,030,187</b>	<b>\$ 8,945,579</b>

Total enterprise funds net assets:

Amounts reported for enterprise activities in the statement of net assets are different because:

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.

Net assets of business-type activities

See Notes to Basic Financial Statements.

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 424,686	\$ 1,461,186	\$ 194,084
-	-	137,629
55,767	70,439	14,963
188,680	250,748	35,646
35,084	446,712	5,831
341,652	718,529	-
2,455	123,940	-
40,844	322,541	-
113,640	113,640	-
-	585,000	-
509,100	1,229,100	-
<u>1,711,908</u>	<u>5,321,835</u>	<u>388,153</u>
160,669	200,259	40,376
72,617	96,034	20,634
-	11,925,000	-
527,380	13,561,324	-
<u>760,666</u>	<u>25,782,617</u>	<u>61,010</u>
<u>2,472,574</u>	<u>31,104,452</u>	<u>449,163</u>
13,970,535	32,364,445	303,494
1,025,180	8,704,574	2,159,721
<u>14,995,715</u>	<u>41,069,019</u>	<u>2,463,215</u>
<u>\$ 17,468,289</u>	<u>\$ 72,173,471</u>	<u>\$ 2,912,378</u>
	\$ 41,069,019	
	<u>(525,186)</u>	
	<u>\$ 40,543,833</u>	

City of Bettendorf, Iowa

**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds		
	QC Waterfront		
	Sewer Utility	Convention Center	Stormwater Utility
Operating revenues:			
Charges for services	\$ 2,446,055	\$ 2,148,027	\$ 798,261
Licenses and permits	111,120	-	7,260
Intergovernmental	-	-	-
Other	16,147	702,368	-
<b>Total operating revenues</b>	<b>2,573,322</b>	<b>2,850,395</b>	<b>805,521</b>
Operating expenses:			
Salaries and benefits	523,810	739,812	333,204
Supplies and services	1,487,771	1,770,250	158,080
Depreciation	1,133,761	589,640	151,015
Amortization	2,447	22,145	831
<b>Total operating expenses</b>	<b>3,147,789</b>	<b>3,121,847</b>	<b>643,130</b>
<b>Operating income (loss)</b>	<b>(574,467)</b>	<b>(271,452)</b>	<b>162,391</b>
Nonoperating revenues (expenses):			
Investment earnings	23,245	3,130	22,829
Interest expense	(178,156)	(904,102)	(91,287)
<b>Total nonoperating revenues (expenses)</b>	<b>(154,911)</b>	<b>(900,972)</b>	<b>(68,458)</b>
<b>Income (loss) before capital grants and contributions and transfers</b>	<b>(729,378)</b>	<b>(1,172,424)</b>	<b>93,933</b>
Capital grants and contributions	257,321	225,048	171,548
Transfers in	-	1,317,944	201,144
Transfers out	(39,246)	-	(321,650)
	218,075	1,542,992	51,042
<b>Changes in net assets</b>	<b>(511,303)</b>	<b>370,568</b>	<b>144,975</b>
Net assets, beginning of year	16,700,776	6,927,034	2,441,254
Net assets, end of year	<b>\$ 16,189,473</b>	<b>\$ 7,297,602</b>	<b>\$ 2,586,229</b>

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,142,331	\$ 9,534,674	\$ 5,572,901
-	118,380	-
574,812	574,812	-
624,498	1,343,013	67,710
<u>5,341,641</u>	<u>11,570,879</u>	<u>5,640,611</u>
4,300,499	5,897,325	3,111,846
2,794,803	6,210,904	2,657,389
1,233,507	3,107,923	17,971
1,646	27,069	-
<u>8,330,455</u>	<u>15,243,221</u>	<u>5,787,206</u>
(2,988,814)	(3,672,342)	(146,595)
62,335	111,539	39,466
(45,580)	(1,219,125)	-
<u>16,755</u>	<u>(1,107,586)</u>	<u>39,466</u>
(2,972,059)	(4,779,928)	(107,129)
510,904	1,164,821	-
2,728,079	4,247,167	32,000
(15,700)	(376,596)	-
<u>3,223,283</u>	<u>5,035,392</u>	<u>32,000</u>
251,224	255,464	(75,129)
14,744,491	40,813,555	2,538,344
<u>\$ 14,995,715</u>	<u>\$ 41,069,019</u>	<u>\$ 2,463,215</u>

**City of Bettendorf, Iowa**

**Reconciliation of the Changes in Net Assets of Enterprise Funds to the Statement of Activities  
Year Ended June 30, 2011**

---

Net changes in net assets in enterprise funds	\$	255,464
Amounts reported for proprietary activities in the statement of activities are different because: Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.		<u>(54,231)</u>
Changes in net assets of business-type activities	\$	<u><u>201,233</u></u>

See Notes to Basic Financial Statements.



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds		
	QC Waterfront		
	Sewer Utility	Convention Center	Stormwater Utility
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,711,972	\$ 2,042,074	\$ 796,978
Receipts from other operating revenue	16,147	1,355,716	-
Payments to suppliers	(1,459,873)	(1,629,766)	(188,632)
Payments to claimants	-	-	-
Payments to employees	(499,693)	(739,842)	(315,787)
<b>Net cash provided by (used in) operating activities</b>	<b>768,553</b>	<b>1,028,182</b>	<b>292,559</b>
Cash flows from noncapital financing activities:			
Proceeds from interfund accounts	376,877	-	-
(Payments of) interfund accounts	-	-	-
Transfers in	-	1,317,944	201,144
Transfers (out)	(39,246)	-	(321,650)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>337,631</b>	<b>1,317,944</b>	<b>(120,506)</b>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1,161,527)	(83,103)	(952,037)
Proceeds from disposal of capital assets	-	-	-
Proceeds from bonds, net of bond issue costs and premiums of \$47,411	2,082,411	-	-
Payment on debt	(320,000)	(545,000)	(310,000)
Interest paid on debt	(253,972)	(906,230)	(247,489)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>346,912</b>	<b>(1,534,333)</b>	<b>(1,509,526)</b>
Cash flows from investing activities, interest received	23,245	4,718	22,829
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,476,341</b>	<b>816,511</b>	<b>(1,314,644)</b>
Cash and cash equivalents, beginning of year	2,238,436	622,613	3,734,566
Cash and cash equivalents, end of year	<b>\$ 3,714,777</b>	<b>\$ 1,439,124</b>	<b>\$ 2,419,922</b>

(Continued)

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,068,851	\$ 9,619,875	\$ 5,578,410
1,145,443	2,517,306	69,875
(2,847,663)	(6,125,934)	(2,686,224)
-	-	(2,337,918)
(4,193,217)	(5,748,539)	(777,745)
(1,826,586)	262,708	(153,602)
51,504	428,381	11,866
(52,633)	(52,633)	-
2,728,079	4,247,167	32,000
(15,700)	(376,596)	-
2,711,250	4,246,319	43,866
(1,497,392)	(3,694,059)	(87,233)
1,406	1,406	-
-	2,082,411	-
(490,700)	(1,665,700)	-
(46,592)	(1,454,283)	-
(2,033,278)	(4,730,225)	(87,233)
63,739	114,531	39,146
(1,084,875)	(106,667)	(157,823)
2,577,072	9,172,687	2,631,895
<u>\$ 1,492,197</u>	<u>\$ 9,066,020</u>	<u>\$ 2,474,072</u>

City of Bettendorf, Iowa

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (574,467)	\$ (271,452)	\$ 162,391
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,133,761	589,640	151,015
Amortization	2,447	22,145	831
Change in assets and liabilities:			
Receivables and due from other governments	154,797	547,395	(8,543)
Prepaid items	-	61,688	-
Accounts payable and due to other governments	27,898	78,796	(30,552)
Claims payable	-	-	-
Compensated absences and accrued liabilities	19,198	(30)	14,836
Other post employment benefits obligation	4,919	-	2,581
Unearned revenue	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 768,553</b>	<b>\$ 1,028,182</b>	<b>\$ 292,559</b>
Schedule of noncash items:			
Capital and related financing activities:			
Acquisition of capital assets through contracts or accounts payable	\$ 20,641	\$ -	\$ 92,197
Capital contributions	257,321	-	171,548
Capitalized interest	82,838	-	157,482

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (2,988,814)	\$ (3,672,342)	\$ (146,595)
1,233,507	3,107,923	17,971
1,646	27,069	-
(115,658)	577,991	7,674
-	61,688	75,943
(52,860)	23,282	(28,835)
-	-	(93,596)
82,960	116,964	6,005
24,322	31,822	7,831
(11,689)	(11,689)	-
<u>\$ (1,826,586)</u>	<u>\$ 262,708</u>	<u>\$ (153,602)</u>

\$ 17,102	\$ 129,940	\$ -
510,904	939,773	-
-	240,320	-

**City of Bettendorf, Iowa**

**Statement of Assets and Liabilities**

**Agency Funds**

**June 30, 2011**

---

<b>Assets</b> , cash and investments	<u>\$ 106,711</u>
--------------------------------------	-------------------

<b>Liabilities</b> , accounts payable	<u>\$ 106,711</u>
---------------------------------------	-------------------

See Notes to Basic Financial Statements.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies**

##### **Nature of operations:**

The City of Bettendorf, Iowa (City) was incorporated in 1903. The form of City government is Mayor-Council, utilizing a professional City Administrator. The City of Bettendorf provides a wide variety of public services through ten professionally staffed departments and the office of the City Administrator, including police, fire, public works, parks, museum, library, community development, finance, legal and personnel.

##### **Reporting entity:**

The City is a municipal corporation governed by an elected mayor and a seven-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from this unit is combined with data of the City. The blended component unit has a June 30 year-end.

Blended component unit: Bettendorf Housing Authority - The governing body of the Bettendorf Housing Authority consists of the same members as that of the City Council. The City approves the Authority's annual budgets and approves rentals. The Authority oversees a Housing and Urban Development rent subsidy program which is accounted for in the Housing and Urban Development Section 8 Fund, a special revenue fund of the City. Complete financial statements of the component unit can be obtained from Bettendorf City Hall at 1609 State Street, Bettendorf, Iowa.

##### **Basis of presentation:**

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 nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported 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. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:

**Governmental Fund Types**: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's major governmental funds:

**General Fund**: The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**Tax Increment Financing Fund**: To account for the accumulation of resources for the repayment of City funds or bonds issued to cash flow various capital projects. Property tax revenue generated on increased assessed valuations within TIF districts are the resources accounted for in this fund.

**Debt Service Fund**: To account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Capital Projects Reserve Fund**: To account for the acquisition and construction of major capital facilities that are not related to proprietary activities of the City.

The Tax Increment Financing Fund is presented as a major fund for public interest purposes.

The other governmental funds of the City are considered nonmajor and are as follows:

**Special Revenue Funds**: To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Road Use Tax Fund: To account for the proceeds from road use tax monies.

Housing and Urban Development Section 8 Fund: To account for the U.S. Department of Housing and Urban Development Block Grant programs.

Economic Development Fund: To account for the restricted proceeds to be used for general economic development and redevelopment purposes of the City, including low interest loans the City makes to private companies for economic development purposes, as well as the acquisition and sale of land.

Police Fund: To account for the Police Local Law Enforcement Block Grant by the U.S. Department of Justice, to financially assist the public who request it from the police department, to equip elementary students with the skills for recognizing and resisting social pressures to experiment with alcohol, tobacco and drugs and to account for revenue received from the sale or auction of items seized in law enforcement activities.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Library Fund: To account for reimbursements from the state of Iowa for library materials lent to noncity residents and other libraries in Iowa, and used for improvements to the Library. This fund also accounts for money received through donations and fundraising activities for the Library.

Park Fund: To account for the donations identified to specifically assist the park programs, annual tree planting and to account for the City's owner occupied residential painting program funded by the River Bend Regional Authority. This fund accounts for miscellaneous City beautification projects funded by gaming revenues.

Employee Benefits Fund: To account for the restricted property tax revenues collected to be used for the City's employees' health insurance and pension costs.

Jump Start Flood Relief Fund: A housing and economic development program developed to address the financial needs of Iowans affected by the 2008 storms, flooding and tornadoes.

**Capital Projects Funds**: To account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets that are not related to proprietary activities of the City.

Vehicle Replacement Fund: To account for the replacement of vehicles currently owned by the City.

Electronic Equipment Replacement Fund: To account for the replacement of electronic equipment, such as copiers, computers and telephone systems currently owned by the City.

CIP/LOT & Interest Fund: To account for the 40 percent of local option tax revenues and interest earnings allocated to the capital projects funds and transfers these funds to specific projects, as needed.

GEO Thuenen Overpass Fund: To account for money received from the Isle of Capri for the repair and maintenance of the George Thuenen Overpass.

Future Projects Fund: To account for deposits received when a developer has an existing unpaved border road and the City requires the developer to pay the estimated cost of paving that road. Funds are used by the City when the border street is paved as part of a larger project to offset special assessments to property owners.

**Proprietary Fund Types**: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector (business-type activities). The measurement focus is upon income determination, financial position and cash flows.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

***Enterprise Funds:*** To account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance issued subsequent to November 30, 1989. The following are the City's major enterprise funds:

Sewer Utility Fund: To account for the operations of the City's sewer utility, including the revenue from usage fees, the operating costs associated with it, any capital costs and all bond issues.

QC Waterfront Convention Center Fund: To account for the operations of the QC Waterfront Convention Center.

Stormwater Utility Fund: To account for the operations of the City's Stormwater Utility, including the revenue from fees and the operating costs associated with it.

The other enterprise funds of the City are considered nonmajor and are as follows:

Recycling/Solid Waste Management Fund: To account for the operations of the City's curbside recycling program, the drop-off recycling center and the yard waste/chipper service and the revenue generated from trash sticker and yard waste fees.

Palmer Hills Golf Course Fund: To account for the operations of the Palmer Hills Golf Course, including all fees generated, all operational costs and any improvements made to the course.

Life Fitness Center Fund: To account for the operations of the Life Fitness Center, including all fees generated, all operational costs and any capital purchases or improvements.

Aquatic Center Fund: To account for the operations of Splash Landing, including all fees generated, all operational costs and any capital purchases or improvements.

Transit Fund: To account for the mass transit program in the City, including grants received from the U.S. Department of Transportation and the Iowa Department of Transportation.

Family Museum of Arts & Science Fund: To account for the operations of the new museum at the Learning Center Campus, including fees and operational costs generated from classes, memberships and exhibits.

Riverfront Circulator Fund: To account for the Riverfront Circulator transit program which runs in the City and 3 other local cities, including federal grants passed through the Iowa Department of Transportation and funding from the other 3 cities.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Internal Service Funds:** To finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City. The following are the City's internal service funds:

Employee Health Insurance Fund: To account for the health insurance premiums and claims for all City employees.

Risk Management Fund: To account for the general liability and property insurance for the City.

Municipal Garage Fund: To account for the maintenance cost related to the vehicles and equipment of the City.

Information Services Fund: To account for the operating costs to provide information and technology services to City-wide users. Services include maintenance of computer hardware and software, user training and support, disaster planning and recovery, telecommunications and GIS (Geographic Information System) development.

**Fiduciary Fund Types:** Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

**Agency Funds:** To account for assets that the City holds for others in an agency capacity. The City has the following agency funds:

Explorers Fund: To account for money received through donations for the Boy Scouts Explorers program.

Explorer Special Events: To account for money received through donations for the Boy Scout Explorers program related to special events.

Section 125 Fund: To account for current payroll deductions of City employees for future use as group insurance premiums.

Police Property Account Fund: To account for money in inmates' possession at time of arrest and money held as evidence for investigations.

Police Ammo Purchase Fund: Accounts for the purchase by individual police officers of ammunition for gun range practice.

Charity Fundraising Fund: Accounts for fundraising for charities by employees and others.

Police Women's Conference Fund: To account for the Police Women's Conference held in Bettendorf at the QC Waterfront Convention Center in 2009.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

##### Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds follow accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, other taxes, intergovernmental revenue 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 assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Licenses and permits, fines and forfeitures, charges for sales and services and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services, including interfund charges related to the activities of the internal service funds. 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 nonoperating revenues and expenses.

##### Summary of significant accounting policies:

The significant accounting policies followed by the City include the following:

**Cash and investments:** The City maintains a cash and investment pool to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Each fund's portion of total cash and investments is reported as such within this report. In addition, certain investments are separately held by several of the City's funds. Investments are reported at fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Statement of cash flows:** For purposes of the statement of cash flows for proprietary fund type funds, the City considers the pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits. Cash equivalents also include restricted cash and investments.

**Accounts receivable:** Results primarily from services provided to citizens and are accounted for in the governmental funds. Sewer services are accounted for in the Sewer Utility Fund, admission to the museum is accounted for in the Family Museum of Arts & Sciences Fund and admission to Splash Landing pool is accounted for in the Aquatic Center Fund. All are net of an allowance for uncollectibles.

**Property taxes receivable:** Property taxes, including tax increment financing, in Governmental Funds are accounted for using the modified accrual basis of accounting.

Property taxes receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City Council is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 2 percent per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2010.

**Inventory:** Consists of consumable supplies and are valued at cost using the first-in first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

**Bond discount, premium and issuance costs:** 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.

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Capital assets:** Including land, construction-in-progress, buildings and structures, improvements, equipment and vehicles and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater.

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value 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 the life of the asset 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. Capitalized interest was \$82,838 in the Sewer Utility Fund and \$157,482 in the Stormwater Utility Fund.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

	<u>Years</u>
Infrastructure	20 - 40
Buildings and structures	10 - 40
Improvements other than buildings	10 - 40
Vehicles and equipment	2 - 25
Computer equipment	5

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy when sold that requires proceeds from the sale of these items to be used to acquire other collection items.

In governmental funds, capital assets (capital outlay) are reported as an expenditure and no depreciation is recognized.

**Deferred and unearned revenues:** In the governmental funds, deferred revenues represent amounts due, which are measurable, but not available, or grants and similar items received, but for which the City has not met all eligibility requirements imposed by the provider. In the statement of net assets and government funds financial statements, unearned revenues and deferred revenues, respectively, represent the deferral of property tax receivables which are levied for a future period and unearned grants.

**Interfund transactions:** 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.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

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 fund's operating statements.

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

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance nonspendable account which indicates that they do not constitute expendable or available financial resources and, therefore, are not available for appropriation.

**Compensated absences:** City employees accumulate vacation and sick leave hours for subsequent use or payment upon termination, death or retirement. All earned vacation hours vest and 20 percent of the sick leave hours accumulated over a 12-month period vest and are paid annually. An employee who quits, resigns or is discharged from their service with the City is not compensated for the nonvested portion of sick leave. For governmental or business-type activities columns in the government-wide financial statements and proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate activity or fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

**Fund balance:** In the governmental fund financial statements, fund balances are classified as follows:

**Nonspendable:** Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted:** Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

**Committed:** Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

**Assigned:** Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director.

**Unassigned:** All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**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. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Sewer Utility and Stormwater Utility enterprise funds were \$3,714,777 and \$2,370,826, respectively. Unspent proceeds for the Capital Projects Reserve Fund was \$6,617,873. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets include unspent bond proceeds, net of related debt.

Net assets restricted through enabling legislation consists of \$909,833 for capital improvements and equipment (local option sales tax); \$378,107 for road use and \$365,174 for debt service.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Joint venture:** The City is a participant in a joint venture to construct, acquire, maintain and use a sewage treatment facility. The Scott Area Solid Waste Management Commission (Commission) was created in 1975 for that purpose. The Commission is governed by a five-member board of which the City is one member. The City is billed monthly for its share of the operating costs and is billed annually for capital additions. If at any time the City chooses to withdraw membership, the City shall be responsible for its share of any debt attributed to its membership in the Commission. The original cost of the City's share of the facility, along with their share of any subsequent facility capital additions, has been included in capital assets and is being depreciated accordingly.

Complete financial statements for the Commission can be obtained from the Commission's administrative office at 226 West 4<sup>th</sup> Street, Davenport, Iowa 52801.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Budgetary 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 nine functional areas as required by state statute for its legally adopted budget.

**Legal compliance and accountability:** The Tax Increment Financing has a fund balance deficit as of June 30, 2011 of \$310,898. The deficit is a result of various TIF projects throughout the City that have been cash flowed by City funds and will be repaid through TIF taxes over the next several years.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 2. Cash and Investments**

Interest rate risk: In accordance with the City's investment policy, portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity. 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. Operating funds may only be invested in instruments that mature within 397 days. Operating funds for the City are defined as those funds which are reasonably expected to be expended during a current budget year or within 15 months of receipt.

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. The City is authorized by statute to invest in U.S. government, its agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances and repurchase agreements. The City's investment policy does limit them from investing in reverse repurchase agreements, futures and options contracts and zero-coupon bonds.

As of June 30, 2011, the City's debt securities had specific maturities and credit ratings as follows:

Investment name	Maturity	Fair value	Standard & Poor's	Moody's
FNMA	03/01/2013	\$ 44,639	Not Rated	Not Rated
FNMA	04/13/2016	1,001,560	AA+	AAA
FNMA	08/24/2018	989,910	AA+	AAA
FNMA	10/28/2020	977,200	AA1	AAA
FNMA	08/25/2022	995,450	AA+	AAA
FNMA	09/30/2022	991,220	AA+	AAA
FNMA	05/25/2023	1,001,120	AA+	AAA
FNMA	06/08/2023	499,250	AA+	AAA
FNMA	06/16/2026	995,340	AA+	Not Rated
FHLB	12/21/2017	1,009,550	AA+	AAA
FHLB	01/26/2018	1,001,120	Not Rated	AAA
FHLB	02/18/2021	401,984	AA+	AAA
FHLB	06/23/2021	989,180	AA+	AAA
FFCB	06/03/2019	982,260	AA+	AAA
FHLMC	07/27/2020	2,002,420	AA+	Not Rated
<b>Total</b>		<u>\$ 13,882,203</u>		

Concentration of credit risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the City's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer. In addition, no more than 5 percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. More than 5 percent of the City's investments are in FNMA, FHLB, FHLMC and FFCB securities. These securities represent 54 percent, 25 percent, 14 percent and 7 percent of the City's total investments, respectively.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

**Note 2. Cash and Investments (Continued)**

*Custodial credit risk:* For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, 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. It is the City's policy that all purchased investments shall be held pursuant to a written third-party custodial agreement. The City's deposits as of June 30, 2011 were entirely insured by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. In addition, the City's investments were not insured but were held by a custodian in the name of the City and not exposed to custodial credit risk.

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2011:

	Beginning Balance June 30, 2010	Additions	Deletions	Ending Balance June 30, 2011
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 8,736,414	\$ -	\$ -	\$ 8,736,414
Construction-in-progress	8,093,368	14,035,994	13,106,645	9,022,717
<b>Total capital assets, not being depreciated</b>	<b>16,829,782</b>	<b>14,035,994</b>	<b>13,106,645</b>	<b>17,759,131</b>
Capital assets, being depreciated:				
Buildings and structures	21,248,652	91,988	-	21,340,640
Equipment and vehicles	17,845,155	1,460,522	379,941	18,925,736
Improvements other than buildings	128,052,288	12,668,284	-	140,720,572
<b>Total capital assets, being depreciated</b>	<b>167,146,095</b>	<b>14,220,794</b>	<b>379,941</b>	<b>180,986,948</b>
Less accumulated depreciation for:				
Buildings and structures	7,904,478	560,714	-	8,465,192
Equipment and vehicles	12,351,397	1,134,548	368,571	13,117,374
Improvements other than buildings	41,686,495	2,972,595	-	44,659,090
<b>Total accumulated depreciation</b>	<b>61,942,370</b>	<b>4,667,857</b>	<b>368,571</b>	<b>66,241,656</b>
<b>Total capital assets, being depreciated, net</b>	<b>105,203,725</b>	<b>9,552,937</b>	<b>11,370</b>	<b>114,745,292</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 122,033,507</b>	<b>\$ 23,588,931</b>	<b>\$ 13,118,015</b>	<b>\$ 132,504,423</b>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	Beginning Balance June 30, 2010	Additions	Deletions	Ending Balance June 30, 2011
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,692,465	\$ -	\$ -	\$ 2,692,465
Construction-in-progress	3,581,209	2,684,648	1,386,690	4,879,167
<b>Total capital assets, not being depreciated</b>	<b>6,273,674</b>	<b>2,684,648</b>	<b>1,386,690</b>	<b>7,571,632</b>
Capital assets, being depreciated:				
Buildings and structures	35,193,284	-	-	35,193,284
Equipment and vehicles	11,867,041	2,984,482	156,145	14,695,378
Improvements other than buildings	40,802,086	721,652	-	41,523,738
<b>Total capital assets, being depreciated</b>	<b>87,862,411</b>	<b>3,706,134</b>	<b>156,145</b>	<b>91,412,400</b>
Less accumulated depreciation for:				
Buildings and structures	6,631,258	960,268	-	7,591,526
Equipment and vehicles	7,279,744	1,077,228	154,739	8,202,233
Improvements other than buildings	22,454,977	1,070,427	-	23,525,404
<b>Total accumulated depreciation</b>	<b>36,365,979</b>	<b>3,107,923</b>	<b>154,739</b>	<b>39,319,163</b>
<b>Total capital assets, being depreciated, net</b>	<b>51,496,432</b>	<b>598,211</b>	<b>1,406</b>	<b>52,093,237</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 57,770,106</b>	<b>\$ 3,282,859</b>	<b>\$ 1,388,096</b>	<b>\$ 59,664,869</b>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

---

**Note 3. Capital Assets (Continued)**

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

**Governmental Activities**

Public safety	\$ 557,532
Public works	3,136,311
Culture and recreation	592,048
Community and economic development	222,332
General government	141,663
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	17,971
	<u>\$ 4,667,857</u>

**Business-Type Activities**

Sewer utility	\$ 1,133,761
Family Museum of Arts & Science	183,025
Stormwater utility	151,015
Aquatic Center	153,025
Recycling/solid waste management	281,688
Palmer Hills Golf Course	121,377
Life Fitness Center	129,134
Transit	245,108
QC Waterfront Convention Center	589,640
Riverfront Circulator	120,150
	<u>\$ 3,107,923</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 4. Bonded and Other Debt**

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2011:

	June 30, 2010	Increases and Issues	Decreases and Retirements	June 30, 2011	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 76,265,200	\$ 16,030,000	\$ 13,449,300	\$ 78,845,900	\$ 5,975,900
Revenue bonds	1,180,000	-	1,180,000	-	-
Compensated absences	963,439	972,731	950,654	985,516	266,123
	<u>78,408,639</u>	<u>17,002,731</u>	<u>15,579,954</u>	<u>79,831,416</u>	<u>6,242,023</u>
Less discounts	63,966	-	7,261	56,705	-
Add premiums	475,659	555,193	42,431	988,421	-
	<u>78,820,332</u>	<u>17,557,924</u>	<u>15,615,124</u>	<u>80,763,132</u>	<u>6,242,023</u>
<b>Business-type activities:</b>					
Revenue bonds	13,055,000	-	545,000	12,510,000	585,000
General obligation bonds	13,739,800	2,035,000	1,120,700	14,654,100	1,229,100
Compensated absences	255,561	324,243	309,106	270,698	70,439
	<u>27,050,361</u>	<u>2,359,243</u>	<u>1,974,806</u>	<u>27,434,798</u>	<u>1,884,539</u>
Less discounts	24,750	-	3,084	21,666	-
Add premiums	94,769	70,471	7,250	157,990	-
	<u>27,120,380</u>	<u>2,429,714</u>	<u>1,978,972</u>	<u>27,571,122</u>	<u>1,884,539</u>
<b>Total long-term debt</b>	<u>\$ 105,940,712</u>	<u>\$ 19,987,638</u>	<u>\$ 17,594,096</u>	<u>\$ 108,334,254</u>	<u>\$ 8,126,562</u>

Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

In the prior fiscal year, the City of Bettendorf issued \$7,180,000 in General Obligation Bonds, Series 2010B to crossover refund (i) \$4,015,000 in General Obligation Bonds, Series 2001A and (ii) \$3,030,000 in General Obligation Bonds, Series 2002A. The net proceeds related to the crossover refunding of \$7,223,032 (after payment of \$51,911 in underwriting fees, insurance and other costs) were used to purchase U.S. government securities (SLGLS) in an irrevocable trust with an escrow agent. These proceeds provided for the future debt service payments of the Series 2001A and 2002A General Obligation bonds through and until they were paid off on June 1, 2011.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 4. Bonded and Other Debt (Continued)

Summary of bond issues:

General obligation and revenue bonds outstanding as of June 30, 2011, consist of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2011
General obligation bonds:				
Various public improvements	June 2003	\$ 4,080,000	1.25-3.85%	\$ 2,570,000
Various public improvements and sewer and stormwater improvements	June 2004	7,650,000	2.25-5.00	5,170,000
Refunding	June 2004	6,943,250	3.00-4.00	835,000
Various public improvements	June 2005	4,590,000	3.00-4.50	3,370,000
Various public improvements and sewer improvements	June 2006	7,125,000	4.13-4.50	5,610,000
Various public improvements	July 2006	6,300,000	4.00-4.05	3,090,000
Refunding	February 2007	3,760,000	3.80-3.90	2,270,000
Various public improvements	June 2007	5,095,000	3.50-4.38	4,310,000
Various public improvements	June 2008	15,555,000	3.50-5.00	12,680,000
Various public improvements	March 2009	13,700,000	2.50-4.50	11,460,000
Various public improvements	June 2010	17,705,000	2.00-4.10	16,890,000
Refunding	June 2010	7,180,000	2.00-3.50	7,180,000
Various public improvements (2)	May 2011	18,065,000	2.00-5.00	18,065,000
<b>Total general obligation bonds</b>				<b>93,500,000</b>
Revenue bonds:				
QCWCC TIF Note (1)	August 2008	13,815,000	7.255-14.746	12,510,000
<b>Total revenue bond</b>				<b>12,510,000</b>
<b>Total bonds</b>				<b>\$ 106,010,000</b>

- (1) The City has pledged a portion of future property tax revenues to repay \$2,675,000 and \$11,140,000 in TIF urban renewal tax increment notes issued in August 2008. The notes were issued to finance construction on the Quad Cities Waterfront Convention Center. Incremental TIF property tax revenues were projected to produce \$13,815,000 of the debt service requirements over the life of the notes. Total principal and interest remaining on the notes is \$24,662,013, payable through 2026. For the current year, principal and interest paid and total incremental TIF property tax revenues for the notes were \$1,451,230 and \$1,110,821, respectively.
- (2) In May 2011, the City of Bettendorf issued \$18,065,000 in General Obligation Bonds, Series 2011A with interest rates ranging from 2.00 percent to 5.00 percent to finance various projects pursuant to the City's Capital Improvement Plan and to current refund (i) \$795,000 of the General Obligation Bonds, Series 2002B with interest rates from 2.00 percent to 3.00 percent and an effective interest rate of 2.25 percent. The net proceeds related to the current refunding of \$795,000 were immediately applied to the redemption of the General Obligation Bonds, Series 2002B. The net change in cash flows related to the current refunding was \$75,347. The economic gain resulting from the current refunding was \$67,927.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 4. Bonded and Other Debt (Continued)

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of June 30, 2011, are as follows:

Year ending June 30:	Debt Service		Enterprise	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 5,975,900	\$ 3,006,807	\$ 1,229,100	\$ 596,012
2013	5,780,000	2,773,429	875,000	547,914
2014	5,375,000	2,601,306	905,000	519,912
2015	4,975,000	2,436,131	935,000	490,709
2016	4,440,000	2,270,538	965,000	458,103
2017 - 2021	22,770,000	9,081,892	4,680,000	1,749,273
2022 - 2026	20,195,000	4,741,644	3,985,000	756,935
2027 - 2031	9,335,000	947,016	1,080,000	114,760
	<u>\$ 78,845,900</u>	<u>\$ 27,858,763</u>	<u>\$ 14,654,100</u>	<u>\$ 5,233,618</u>

Year ending June 30:	Enterprise	
	Revenue Bonds	
	Principal	Interest
2012	\$ 585,000	\$ 880,696
2013	625,000	834,814
2014	270,000	1,178,335
2015	990,000	1,131,284
2016	1,100,000	1,021,625
2017 - 2021	2,535,000	4,450,884
2022 - 2026	6,405,000	2,654,375
	<u>\$ 12,510,000</u>	<u>\$ 12,152,013</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

---

**Note 4. Bonded and Other Debt (Continued)**

**Legal debt margin:**

As of June 30, 2011, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

January 2009 100% assessed valuation		\$	2,734,995,434
Plus: Public gas and electric utilities			82,943,113
Plus: Captured tax increment value			109,976,871
Less: Military exemption			(4,197,554)
Total assessed valuation of the property of the City of Bettendorf		\$	<u>2,923,717,864</u>
Debt limit, 5% of total actual valuation		\$	146,185,893
Debt applicable to debt limit:			
Debt service general obligation bonds	\$	78,845,900	
Debt service TIF revenue bonds		12,510,000	
Enterprise general obligation bonds		14,654,100	106,010,000
<b>Legal debt margin</b>			<u>\$ 40,175,893</u>

**Note 5. Voluntary Separation Program**

The City offered a Voluntary Separation Program to eligible employees through a one-time limited offer program available for enrollment from March 2, 2011 through April 1, 2011.

To be eligible for the program, an employee must have met all of the following criteria:

1. A minimum of 55 years of age as of December 31, 2011.
2. 10 years of consecutive service as an employee of the City.
3. Be a Department Head or Division Head with the following criteria:
  - a. Department Head must report directly to City Administrator or City Council.
  - b. Division Head must report directly to Department Head.
  - c. Division Head must have direct reports.
4. Not be subject to termination.
5. Not have previously retired from employment from the City.

Participants in the program will receive \$1,000 for each full year of service with the City, not to exceed \$25,000, calculated at the participant's resignation date but not paid out until the end of the mandatory waiting period. This calculated amount is paid either in a lump sum, deposited into a 457 plan, or a combination thereof per the participant's choice. The participant may also be entitled to an early incentive payment, which starts at \$12,000 and decreases by \$2,000 each month the participant works subsequent to April 2011. Participants retiring after October 2011 are not eligible for the early incentive payment.

Also as part of the program the City will contribute the equivalent of 60 months of single coverage health care based on the March 1, 2011 COBRA rates into the City's Vantage Care Retirement Health Savings Plan for each participant.

During the year ended June 30, 2011, the City had three participants in the voluntary separation program resulting in a total cost of \$166,650. As of June 30, 2011, one participant was fully paid in the amount of \$55,002 and two other participants, who are retiring in December 2011, were accrued for in the amount of \$111,648. This liability has been recorded in the government-wide financial statements, Sewer Utility fund, Stormwater Utility fund and nonmajor Enterprise funds as an accrued liability.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

---

**Note 6. Interfund Receivables and Payables**

Individual interfund receivables and payables balances as of June 30, 2011, were:

	Total	
	Interfund Receivables	Interfund Payables
Major governmental funds:		
General	\$ 849,831	\$ 430,898
Special revenue fund, tax increment financing	5,178	115,575
Nonmajor governmental funds	426,708	23,538
Internal service funds	4,190	-
Major enterprise fund, sewer utility	-	376,877
Nonmajor enterprise funds	2,633	341,652
<b>Total</b>	<b>\$ 1,288,540</b>	<b>\$ 1,288,540</b>

Advances to and from other funds as of June 30, 2011, were as follows:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds:		
General Fund	\$ 158,677	\$ -
Special revenue funds, tax increment financing	-	312,002
Capital projects funds, capital projects reserve	153,325	-
<b>Total</b>	<b>\$ 312,002</b>	<b>\$ 312,002</b>

Interfund balances result 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 and (3) payments between funds are made. The interfund receivable and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

---

**Note 7. Interfund Transfers**

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Major governmental funds:		
General	\$ 2,426,718	\$ 3,810,278
Special revenue fund, tax increment financing	-	1,202,381
Debt service fund, debt service	-	596,836
Capital projects fund, capital projects reserve	636,589	96,790
Nonmajor governmental funds	2,868,664	4,128,257
Internal service funds	32,000	-
Major enterprise funds:		
Sewer Utility	-	39,246
QC Waterfront Convention Center	1,317,944	-
Stormwater Utility	201,144	321,650
Other nonmajor enterprise funds	2,728,079	15,700
<b>Total</b>	<b>\$ 10,211,138</b>	<b>\$ 10,211,138</b>

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 or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other governmental and proprietary funds in accordance with budgetary authorizations.

**Note 8. Pension and Retirement Systems**

**Iowa Public Retirement System:**

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 4.50 percent of their annual covered salary and the City is required to contribute 6.95 percent of annual covered payroll. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$671,003, \$654,162 and \$591,503, respectively, equal to the required contributions for each year.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

---

#### **Note 8. Pension and Retirement Systems (Continued)**

##### **Municipal Fire and Police Retirement System of Iowa:**

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

Plan members are required to contribute 9.40 percent of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, cannot be less than 17 percent of earnable compensation. Contribution requirements are established by state statute. The City's contributions to the Plan for the years ended June 30, 2011, 2010 and 2009 were \$889,544, \$746,604 and \$741,040, respectively, which met the required minimum contribution for each year.

#### **Note 9. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits 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. The plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these new requirements, the assets of the plan are no longer subject to the general creditors of the City, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

#### **Note 10. Risk Management and Insurance**

The City has established two internal service funds for its risk management program. The Employee Health Insurance Fund is to fund medical and dental claims. The Risk Management Fund is to report premiums and deductibles for general liability and property claims and out-of-pocket expenses for other types of claims.

The City purchases commercial insurance for general liability and property claims. Law enforcement liability and public official liability include a deductible up to \$10,000. The primary limits for each line of coverage are protected by an excess liability policy. Claims for these lines of coverage are adjusted by the carrier's representative.

The City is a member of the Iowa Municipalities Workers' Compensation Association (IMWCA), a self-funded risk sharing pool that provides workers' compensation coverage to local governments including cities, counties, other political subdivisions and entities formed by intergovernmental agreements. IMWCA is organized under Chapter 28E of the *Code of Iowa* and currently covers more than 49,000 employees of nearly 500 members. IMWCA is governed by a nine-member board of trustees comprised of elected and appointed officials chosen from and elected by the membership.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

---

**Note 10. Risk Management and Insurance (Continued)**

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each City depending on the City's own loss experience. Cities with a consistent record of costly claims will pay more than cities with a consistent record of lesser claims activity. The City has a \$50,000 deductible under the plan. Per occurrence coverage limits provided by the Association are: bodily injury by accident, \$5,000,000 each accident, bodily injury by disease, \$5,000,000 memorandum limit and bodily injury by disease, \$5,000,000 each employee. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Any money not used to pay claims and expenses remains with the Association as surplus to fund future catastrophic claims. At such time that surplus substantially exceeds an actuarially sound figure, a distribution may be made to current members according to a formula that contemplates members' premium and claims experience of past years. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of June 30, 2011. The City's contribution to the pool for the year ended June 30, 2011 was \$364,526.

In the unlikely event that all or any of the insurance companies cancel, fail to renew or are unable to meet their obligations under excess insurance contracts, the Association and its member cities would be responsible for such defaulted amounts.

For medical and dental claims, self-insurance is in effect up to an aggregate stop loss of approximately \$2,600,000 with a \$50,000 per claim stop loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount. All claim handling procedures are performed by an independent claims administrator.

There has been no significant reduction in insurance coverage from coverage in the prior year. Settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. All outstanding claims are expected to be paid within fiscal year 2012.

The changes in the aggregate liabilities for claims for the years ended June 30, 2011 and 2010 are as follows:

	Employee Health Insurance	
	2011	2010
Claims payable, beginning of year	\$ 231,225	\$ 134,906
Claims recognized	2,244,322	2,357,243
Claim payments	(2,337,918)	(2,260,924)
Claims payable, end of year	<u>\$ 137,629</u>	<u>\$ 231,225</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 11. Other Postemployment Benefits**

Plan description: The City sponsors a single-employer health care plan that provides medical and prescription drug benefits to all active and retired employees and their eligible dependents. For general employees (excluding police and fire), retiree coverage begins at IPERS retirement age of at least 55 and for police and fire employees, retiree coverage begins at age 55 with 22 years of service. Retirees are allowed to remain on the plan until they are medicare eligible at age 65 and their surviving spouses are allowed to remain on the plan through COBRA coverage only. The plan does not issue a stand-alone financial report.

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the City's union contracts. The current funding policy of the City is to pay health claims as they occur through internal allocated funds. The City does not explicitly subsidize retiree health care coverage. Retirees are responsible for the portion of premium rates not covered by the City.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the City contributed \$43,020. Retiree and active members receiving benefits have required contributions of \$611.67 per month for single health coverage and \$1,310.59 per month for retiree and spouse coverage.

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment 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	\$ 199,469
Interest on net OPEB obligation	14,408
Adjustment to annual required contribution	(14,314)
Annual OPEB cost (expense)	<u>199,563</u>
Contributions and payments made	<u>43,020</u>
Increase in net OPEB obligation	156,543
Net OPEB obligation - July 1, 2010	360,193
Net OPEB obligation - June 30, 2011	<u><u>\$ 516,736</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2011 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 194,003	9.90%	\$ 174,763
June 30, 2010	194,316	4.57	360,193
<b>June 30, 2011</b>	<b>199,563</b>	<b>21.56</b>	<b>516,736</b>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

---

**Note 11. Other Postemployment Benefits (Continued)**

Funded status and funding progress: Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2010, the most recent valuation date is as follows:

	Total	Members
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 285,607	7
Current active members	1,085,718	224
Total Actuarial Accrued Liability (AAL)	1,371,325	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	1,371,325	

As of the July 1, 2010, the plan was zero percent funded. The covered payroll (annual payroll of active employees covered by the plan) was \$12,781,448 and the ratio of the UAAL to the covered payroll was 10.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information.

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in 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.

In the July 1, 2010 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, 3 percent per year payroll growth and an annual health care cost trend rate of 10 percent initially, grading down to five percent in 10 years. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open group. The remaining amortization period at July 1, 2010 was 30 years.

**Note 12. Commitments and Contingencies**

Regular City employees accumulate sick leave hours for subsequent use. The City's approximate maximum contingent liability for nonvested sick leave benefits as of June 30, 2011, is \$3,535,000.

The City has financial commitments relating to various construction projects that are estimated to be approximately \$6,567,000.

The City had encumbrances in the General Fund, Capital Projects fund and nonmajor governmental funds of \$13,014, \$7,424,000 and \$201,516, respectively.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

#### Note 12. Commitments and Contingencies (Continued)

The City is a member of the Scott Area Solid Waste Management Commission (“the Commission”) for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill. The Commission is obligated to provide rates, charges and fees sufficient to pay the cost of operations and maintenance of the Project and to leave net revenues sufficient to pay the semiannual debt service requirements.

In the event future net revenues or other Commission funds are insufficient to pay debt service requirements, each of the members of the Commission has obligated itself to repay the County of Scott, Iowa, its pro rata share of the deficiency from rates imposed on each property within its jurisdiction.

#### Note 13. Fund Balances

In fiscal year 2011, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The classifications of fund balances by opinion unit are as follows:

Fund Balances:	General	Tax Increment Financing	Debt Service	Capital Projects Reserve	Nonmajor Governmental	Total
Nonspendable:						
Advances	\$ 158,677	\$ -	\$ -	\$ 153,325	\$ -	\$ 312,002
Inventories	7,010	-	-	-	-	7,010
Loans	22,250	-	-	-	-	22,250
<b>Total nonspendable</b>	<b>187,937</b>	<b>-</b>	<b>-</b>	<b>153,325</b>	<b>-</b>	<b>341,262</b>
Restricted:						
Road use	-	-	-	-	378,107	378,107
Debt service	-	-	607,182	-	-	607,182
Federal programs	-	-	-	-	322,837	322,837
Economic development	-	-	-	-	2,124	2,124
Police department	3,516	-	-	-	40,731	44,247
Social services	-	-	-	-	27,724	27,724
Fire department	986	-	-	-	-	986
Parks department	8,512	-	-	-	118,047	126,559
Library department	-	-	-	-	874,333	874,333
Capital improvements and equipment	-	-	-	4,716,091	1,926,725	6,642,816
<b>Total restricted</b>	<b>13,014</b>	<b>-</b>	<b>607,182</b>	<b>4,716,091</b>	<b>3,690,628</b>	<b>9,026,915</b>
Assigned:						
Special purpose	85,692	-	-	-	-	85,692
Capital improvements and equipment	-	-	-	-	1,425,479	1,425,479
Road use	-	-	-	-	4,446	4,446
Section 8	-	-	-	-	77,759	77,759
Library department	-	-	-	-	12,400	12,400
Parks department	-	-	-	-	1,970	1,970
Police department	-	-	-	-	1,563	1,563
<b>Total assigned</b>	<b>85,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,523,617</b>	<b>1,609,309</b>
Unassigned	5,157,680	(310,898)	-	-	-	4,846,782
<b>Total fund balances</b>	<b>\$ 5,444,323</b>	<b>\$ (310,898)</b>	<b>\$ 607,182</b>	<b>\$ 4,869,416</b>	<b>\$ 5,214,245</b>	<b>\$ 15,824,268</b>

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

---

#### **Note 14. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements**

The City adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement improves 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. As explained in Note 13 and 15 to the basic financial statements, the City reclassified the fund balances for all governmental funds and restated the General Fund by \$834,648 and aggregate remaining funds by \$(834,648).
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement updates and improves 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*. This Statement had no effect on the City's financial statements in the current year.

The GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, 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 Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

Notes to Basic Financial Statements

---

**Note 14. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

---

**Note 14. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Continued)**

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

**Note 15. Restatement**

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented during the year ended June 30, 2011. The effect of fund type reclassification is as follows:

	General	Other Nonmajor Governmental
Fund balance June 30, 2010, as previously reported	\$ 5,267,055	\$ 5,735,673
Change in fund type classification per implementation of GASB Statement No. 54	834,648	(834,648)
Fund balance July 1, 2010, as restated	<u>\$ 6,101,703</u>	<u>\$ 4,901,025</u>

The City restated the fund balance of the aggregate remaining fund information, which included moving the Old Fashioned 4<sup>th</sup> of July Fund, Subdivision Deposits Fund, Riverboat Gaming Fund and portions of the Road Use Tax Fund and Park Fund to other funds.

**City of Bettendorf, Iowa**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

**SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	7/1/08	\$ -	\$ 1,358,186	\$ 1,358,186	- %	\$ 12,458,516	10.9%
2010	7/1/08	-	1,358,186	1,358,186	-	13,570,922	10.0
2011	7/1/10	-	1,371,325	1,371,325	-	12,781,448	10.7

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

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2010. Additional information follows:

- a. The actuarial method used to determine the ARC is the projected unit credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included: (a) 4 percent discount rate; (b) a health care cost trend rate of 10 percent initially, grading down to 5 percent in 10 years and (c) 3 percent per year payroll growth.
- d. The amortization method is level percentage of pay over 30 years based on an open group.

City of Bettendorf, Iowa

**Budgetary Comparison Schedule  
Budget and Actual - All Governmental Funds and Proprietary Funds  
Required Supplementary Information  
Year Ended June 30, 2011**

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual
<b>Revenues:</b>			
Property tax	\$ 19,829,519	\$ -	\$ 19,829,519
Tax increment financing	3,097,551	-	3,097,551
Other City taxes	7,936,429	-	7,936,429
Special assessments	28,273	-	28,273
Licenses and permits	527,768	118,380	646,148
Intergovernmental	5,954,268	574,812	6,529,080
Charges for services	361,850	15,107,575	15,469,425
Use of money and property	432,853	151,005	583,858
Miscellaneous	924,404	1,410,723	2,335,127
<b>Total revenues</b>	<b>39,092,915</b>	<b>17,362,495</b>	<b>56,455,410</b>
<b>Expenditures/Expenses:</b>			
Public safety	9,472,492	-	9,472,492
Public works	3,506,350	-	3,506,350
Culture and recreation	3,825,678	-	3,825,678
Community and economic development	2,691,227	-	2,691,227
General government	3,336,470	-	3,336,470
Debt service	17,810,719	-	17,810,719
Capital outlay	18,140,150	-	18,140,150
Business-type	-	22,249,552	22,249,552
<b>Total expenditures/expenses</b>	<b>58,783,086</b>	<b>22,249,552</b>	<b>81,032,638</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(19,690,171)</b>	<b>(4,887,057)</b>	<b>(24,577,228)</b>
Other financing sources, net	12,740,175	5,067,392	17,807,567
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses</b>	<b>(6,949,996)</b>	<b>180,335</b>	<b>(6,769,661)</b>
Balances, beginning of year	22,774,264	43,351,899	66,126,163
Balances, end of year	<b>\$ 15,824,268</b>	<b>\$ 43,532,234</b>	<b>\$ 59,356,502</b>

See Note to Required Supplementary Information.

Budgeted Amounts			Final to Actual Variance - Positive (Negative)
Original	Final		
\$ 19,848,076	\$ 19,876,584	\$	(47,065)
3,071,788	3,065,570		31,981
7,743,488	7,984,156		(47,727)
17,800	30,000		(1,727)
573,860	719,440		(73,292)
8,834,999	7,294,100		(765,020)
15,298,599	17,693,645		(2,224,220)
1,202,647	572,207		11,651
2,210,508	2,929,048		(593,921)
58,801,765	60,164,750		(3,709,340)
9,005,881	9,755,979		(283,487)
3,254,790	3,602,543		(96,193)
3,777,601	4,079,507		(253,829)
2,390,329	2,749,104		(57,877)
3,394,148	3,435,922		(99,452)
9,645,166	17,853,887		(43,168)
20,015,088	20,862,490		(2,722,340)
22,285,573	24,382,427		(2,132,875)
73,768,576	86,721,859		(5,689,221)
(14,966,811)	(26,557,109)		1,979,881
13,189,000	17,576,430		231,137
\$ (1,777,811)	\$ (8,980,679)	\$	2,211,018



Bettendorf IOWA  
*a premier city*

**City of Bettendorf, Iowa**

**Note to Required Supplementary Information – Budgetary Reporting  
Year Ended June 30, 2011**

---

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except agency funds. The budget basis of accounting is in accordance with accounting principles generally accepted in the United States of America. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, a budget amendment increased budgeted expenditures by \$12,953,283. The budget amendment was primarily due to increased bond proceeds for additional projects, additional charges for services at QC Waterfront Convention Center offset by reduced federal grants and interest income, refinancing of bonds, flood expenditures, road use salt and fuel costs.

City of Bettendorf, Iowa

**Balance Sheet - General Fund - By Account**  
**June 30, 2011**

	General Account	Riverboat Gaming Account	Total
<b>Assets</b>			
Cash and investments	\$ 4,666,314	\$ 40,286	\$ 4,706,600
Property taxes	9,554,644	-	9,554,644
Accounts	232,861	45,406	278,267
Special assessments	29,519	-	29,519
Loans	22,250	-	22,250
Accrued interest	22,689	-	22,689
Due from other funds	849,831	-	849,831
Due from other governments	1,040,940	-	1,040,940
Inventories	7,010	-	7,010
Advances to other funds	158,677	-	158,677
<b>Total assets</b>	<b>\$ 16,584,735</b>	<b>\$ 85,692</b>	<b>\$ 16,670,427</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 539,455	\$ -	\$ 539,455
Accrued liabilities	475,955	-	475,955
Refundable deposits	84,811	-	84,811
Due to other governments	107,366	-	107,366
Due to other funds	430,898	-	430,898
Deferred revenue	9,587,619	-	9,587,619
<b>Total liabilities</b>	<b>11,226,104</b>	<b>-</b>	<b>11,226,104</b>
<b>Fund Equity:</b>			
Fund balances:			
Nonspendable	187,937	-	187,937
Restricted	13,014	-	13,014
Assigned	-	85,692	85,692
Unassigned	5,157,680	-	5,157,680
<b>Total fund equity</b>	<b>5,358,631</b>	<b>85,692</b>	<b>5,444,323</b>
<b>Total liabilities and fund equity</b>	<b>\$ 16,584,735</b>	<b>\$ 85,692</b>	<b>\$ 16,670,427</b>

City of Bettendorf, Iowa

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
General Fund - By Account  
Year Ended June 30, 2011**

	General Account	Riverboat Gaming Account	Eliminations	Total
<b>Revenues:</b>				
Property taxes	\$ 9,273,566	\$ -	\$ -	\$ 9,273,566
Other taxes	5,906,202	1,658,400	-	7,564,602
Special assessments	28,273	-	-	28,273
Licenses and permits	527,768	-	-	527,768
Intergovernmental	339,513	-	-	339,513
Charges for services	361,850	-	-	361,850
Use of money and property	253,485	728	-	254,213
Miscellaneous	342,460	-	-	342,460
<b>Total revenues</b>	<b>17,033,117</b>	<b>1,659,128</b>	<b>-</b>	<b>18,692,245</b>
<b>Expenditures:</b>				
Current operating:				
Public safety	9,471,196	-	-	9,471,196
Public works	19,710	-	-	19,710
Culture and recreation	3,753,915	-	-	3,753,915
Community and economic development	966,959	-	-	966,959
General government	3,336,470	-	-	3,336,470
Debt service, bond issuance costs	11,314	-	-	11,314
Capital outlay	406,501	-	-	406,501
<b>Total expenditures</b>	<b>17,966,065</b>	<b>-</b>	<b>-</b>	<b>17,966,065</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(932,948)</b>	<b>1,659,128</b>	<b>-</b>	<b>726,180</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,134,066	-	(707,348)	2,426,718
Transfers out	(2,262,646)	(2,254,980)	707,348	(3,810,278)
<b>Total other financing sources (uses)</b>	<b>871,420</b>	<b>(2,254,980)</b>	<b>-</b>	<b>(1,383,560)</b>
<b>Net changes in fund balance</b>	<b>(61,528)</b>	<b>(595,852)</b>	<b>-</b>	<b>(657,380)</b>
Fund balances, beginning of year, as restated	5,420,159	681,544	-	6,101,703
Fund balances, end of year	\$ 5,358,631	\$ 85,692	\$ -	\$ 5,444,323

City of Bettendorf, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2011

	Special Revenue		
	Road Use Tax	Housing and Urban Development Section 8	Economic Development
<b>Assets</b>			
Cash and investments	\$ 290,196	\$ 326,104	\$ 3,992
Receivables:			
Property taxes	-	-	-
Accounts	994	7,377	-
Accrued interest	1,844	-	-
Due from other funds	-	-	-
Due from other governments	275,746	-	-
<b>Total assets</b>	<b>\$ 568,780</b>	<b>\$ 333,481</b>	<b>\$ 3,992</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 126,191	\$ 25	\$ -
Accrued liabilities	40,882	2,863	-
Due to other governments	19,154	491	-
Due to other funds	-	-	1,868
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>186,227</b>	<b>3,379</b>	<b>1,868</b>
Fund Balances:			
Restricted	378,107	252,343	2,124
Assigned	4,446	77,759	-
<b>Total fund balances</b>	<b>382,553</b>	<b>330,102</b>	<b>2,124</b>
<b>Total liabilities and fund balances</b>	<b>\$ 568,780</b>	<b>\$ 333,481</b>	<b>\$ 3,992</b>

(Continued)

Special Revenue				Capital Projects		
Police	Library	Park	Employee Benefits	Vehicle Replacement	Electronic Equipment Replacement	
\$ 139,952	\$ 895,231	\$ 119,487	\$ -	\$ 977,086	\$ 696,129	
-	-	-	2,923,715	-	-	
-	-	-	-	-	-	
611	3,983	530	-	3,498	2,906	
-	-	-	-	-	-	
-	-	-	62	-	-	
<u>\$ 140,563</u>	<u>\$ 899,214</u>	<u>\$ 120,017</u>	<u>\$ 2,923,777</u>	<u>\$ 980,584</u>	<u>\$ 699,035</u>	
\$ 50	\$ 12,482	\$ -	\$ -	\$ 95,188	\$ 23,404	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	21,390	-	280	
-	-	-	2,902,387	-	-	
<u>50</u>	<u>12,482</u>	<u>-</u>	<u>2,923,777</u>	<u>95,188</u>	<u>23,684</u>	
138,950	874,332	118,047	-	158,897	-	
1,563	12,400	1,970	-	726,499	675,351	
<u>140,513</u>	<u>886,732</u>	<u>120,017</u>	<u>-</u>	<u>885,396</u>	<u>675,351</u>	
\$ 140,563	\$ 899,214	\$ 120,017	\$ 2,923,777	\$ 980,584	\$ 699,035	

City Of Bettendorf, Iowa

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2011

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
<b>Assets</b>				
Cash and investments	\$ 492,793	\$ 635,023	\$ 275,318	\$ 4,851,311
Receivables:				
Property taxes	-	-	-	2,923,715
Accounts	-	-	-	8,371
Accrued interest	3,613	2,820	-	19,805
Due from other funds	426,708	-	-	426,708
Due from other governments	-	-	-	275,808
<b>Total assets</b>	<b>\$ 923,114</b>	<b>\$ 637,843</b>	<b>\$ 275,318</b>	<b>\$ 8,505,718</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 44,818	\$ -	\$ 302,158
Accrued liabilities	-	-	-	43,745
Due to other governments	-	-	-	19,645
Due to other funds	-	-	-	23,538
Deferred revenue	-	-	-	2,902,387
<b>Total liabilities</b>	<b>-</b>	<b>44,818</b>	<b>-</b>	<b>3,291,473</b>
Fund Balances:				
Restricted	909,833	582,677	275,318	3,690,628
Assigned	13,281	10,348	-	1,523,617
<b>Total fund balances</b>	<b>923,114</b>	<b>593,025</b>	<b>275,318</b>	<b>5,214,245</b>
<b>Total liabilities and fund balances</b>	<b>\$ 923,114</b>	<b>\$ 637,843</b>	<b>\$ 275,318</b>	<b>\$ 8,505,718</b>



Bettendorf IOWA  
*a premier city*

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2011**

	Special Revenue			
	Road Use Tax	Housing and Urban Development Section 8	Economic Development	Police
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	2,999,494	393,906	-	-
Use of money and property	9,638	962	435	2,263
Miscellaneous	21,136	4,210	111,974	21,057
<b>Total revenues</b>	<b>3,030,268</b>	<b>399,078</b>	<b>112,409</b>	<b>23,320</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	1,296
Public works	3,486,640	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	11,937	421,320	456,738	-
Capital outlay	-	-	-	13,870
<b>Total expenditures</b>	<b>3,498,577</b>	<b>421,320</b>	<b>456,738</b>	<b>15,166</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(468,309)</b>	<b>(22,242)</b>	<b>(344,329)</b>	<b>8,154</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	512,000	100,000	-	-
Transfers out	(39,246)	-	-	-
<b>Total other financing sources (uses)</b>	<b>472,754</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>4,445</b>	<b>77,758</b>	<b>(344,329)</b>	<b>8,154</b>
Fund balances, beginning of year, as restated	378,108	252,344	346,453	132,359
Fund balances, end of year	<b>\$ 382,553</b>	<b>\$ 330,102</b>	<b>\$ 2,124</b>	<b>\$ 140,513</b>

(Continued)

Special Revenue			Capital Projects			
Library	Park	Employee Benefits	Jump Start Flood Relief	Vehicle Replacement	Electronic Equipment Replacement	
\$ -	\$ -	\$ 2,360,426	\$ -	\$ -	\$ -	
-	-	87,715	-	-	-	
60,056	-	1,348	-	166,116	-	
14,740	1,970	-	-	12,410	10,701	
112,780	4,655	-	3,359	-	8,012	
187,576	6,625	2,449,489	3,359	178,526	18,713	
-	-	-	-	-	-	
-	-	-	-	-	-	
71,763	-	-	-	-	-	
-	-	-	3,359	-	-	
66,017	-	-	-	490,284	49,689	
137,780	-	-	3,359	490,284	49,689	
49,796	6,625	2,449,489	-	(311,758)	(30,976)	
-	-	-	-	57,553	-	
-	-	-	-	505,039	-	
-	(4,170)	(2,449,489)	-	(91,714)	(63,241)	
-	(4,170)	(2,449,489)	-	470,878	(63,241)	
49,796	2,455	-	-	159,120	(94,217)	
836,936	117,562	-	-	726,276	769,568	
\$ 886,732	\$ 120,017	\$ -	\$ -	\$ 885,396	\$ 675,351	

City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2011

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 2,360,426
Other taxes	-	-	-	87,715
Intergovernmental	-	-	-	3,620,920
Use of money and property	13,281	10,347	-	76,747
Miscellaneous	-	50,000	150,000	487,183
<b>Total revenues</b>	<b>13,281</b>	<b>60,347</b>	<b>150,000</b>	<b>6,632,991</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	1,296
Public works	-	-	-	3,486,640
Culture and recreation	-	-	-	71,763
Community and economic development	-	-	-	893,354
Capital outlay	-	44,818	-	664,678
<b>Total expenditures</b>	<b>-</b>	<b>44,818</b>	<b>-</b>	<b>5,117,731</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,281</b>	<b>15,529</b>	<b>150,000</b>	<b>1,515,260</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	57,553
Transfers in	1,751,625	-	-	2,868,664
Transfers out	(1,480,397)	-	-	(4,128,257)
<b>Total other financing sources (uses)</b>	<b>271,228</b>	<b>-</b>	<b>-</b>	<b>(1,202,040)</b>
<b>Net changes in fund balance</b>	<b>284,509</b>	<b>15,529</b>	<b>150,000</b>	<b>313,220</b>
Fund balances, beginning of year, as restated	638,605	577,496	125,318	4,901,025
Fund balances, end of year	\$ 923,114	\$ 593,025	\$ 275,318	\$ 5,214,245



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

Combining Statement of Net Assets  
 Nonmajor Enterprise Funds  
 June 30, 2011

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 1,077,553	\$ 133,462
Receivables:		
Accounts and unbilled usage	543,342	19,200
Accrued interest	3,931	-
Special assessments	71,635	-
Due from other funds	-	-
Due from other governments	-	-
<b>Total current assets</b>	<b>1,696,461</b>	<b>152,662</b>
Noncurrent assets:		
Bond issuance costs	5,202	-
Capital assets:		
Nondepreciable:		
Land	-	579,370
Construction-in-progress	-	64,054
Depreciable:		
Buildings and structures	-	1,490,637
Equipment and vehicles	3,385,432	721,224
Improvements other than buildings	-	989,751
Accumulated depreciation	(2,249,437)	(1,259,464)
<b>Net capital assets</b>	<b>1,135,995</b>	<b>2,585,572</b>
<b>Total noncurrent assets</b>	<b>1,141,197</b>	<b>2,585,572</b>
<b>Total assets</b>	<b>\$ 2,837,658</b>	<b>\$ 2,738,234</b>

(Continued)

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 172,126	\$ 75,904	\$ 5,596	\$ 27,556	\$ -	\$ 1,492,197
5,932	5,830	6,870	43,618	80,993	705,785
-	-	13	-	-	3,944
-	-	-	-	-	71,635
-	-	1,196	1,437	-	2,633
-	-	103,725	-	74,185	177,910
178,058	81,734	117,400	72,611	155,178	2,454,104
-	-	-	1,968	-	7,170
840,000	-	-	148,070	-	1,567,440
-	-	-	13,149	-	77,203
3,511,022	4,180,433	-	5,345,488	-	14,527,580
305,035	66,906	2,166,496	801,157	840,798	8,287,048
85,885	8,120	-	229,744	-	1,313,500
(2,086,419)	(1,590,131)	(845,108)	(2,555,225)	(179,972)	(10,765,756)
2,655,523	2,665,328	1,321,388	3,982,383	660,826	15,007,015
2,655,523	2,665,328	1,321,388	3,984,351	660,826	15,014,185
\$ 2,833,581	\$ 2,747,062	\$ 1,438,788	\$ 4,056,962	\$ 816,004	\$ 17,468,289

City of Bettendorf, Iowa

Combining Statement of Net Assets (Continued)  
 Nonmajor Enterprise Funds  
 June 30, 2011

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current:		
Accounts payable	\$ 62,812	\$ 165,242
Compensated absences	11,776	5,189
Accrued liabilities	26,717	9,670
Due to other governments	4,631	7,795
Due to other funds	-	100,000
Interest payable	1,175	-
Contracts payable	-	40,844
Unearned revenue	-	-
Current maturities, general obligation bonds	125,000	-
<b>Total current liabilities</b>	<u>232,111</u>	<u>328,740</u>
Noncurrent:		
Compensated absences	31,773	13,999
Other post employment benefits obligation	16,469	9,405
General obligation bonds, net of bond discounts and premiums	527,380	-
<b>Total noncurrent liabilities</b>	<u>575,622</u>	<u>23,404</u>
<b>Total liabilities</b>	<u>807,733</u>	<u>352,144</u>
Net assets:		
Invested in capital assets, net of related debt	483,615	2,585,572
Unrestricted	1,546,310	(199,482)
<b>Total net assets</b>	<u>2,029,925</u>	<u>2,386,090</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,837,658</u>	<u>\$ 2,738,234</u>

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 36,739	\$ 83,370	\$ 35,866	\$ 39,676	\$ 981	\$ 424,686
5,836	653	11,668	20,645	-	55,767
10,337	1,381	31,494	102,361	6,720	188,680
4,551	5,454	4,317	7,197	1,139	35,084
-	-	106,162	-	135,490	341,652
-	-	-	1,280	-	2,455
-	-	-	-	-	40,844
113,640	-	-	-	-	113,640
-	-	-	384,100	-	509,100
171,103	90,858	189,507	555,259	144,330	1,711,908
15,747	1,763	31,482	55,703	10,202	160,669
1,572	-	22,414	22,757	-	72,617
-	-	-	-	-	527,380
17,319	1,763	53,896	78,460	10,202	760,666
188,422	92,621	243,403	633,719	154,532	2,472,574
2,655,523	2,665,328	1,321,388	3,598,283	660,826	13,970,535
(10,364)	(10,887)	(126,003)	(175,040)	646	1,025,180
2,645,159	2,654,441	1,195,385	3,423,243	661,472	14,995,715
\$ 2,833,581	\$ 2,747,062	\$ 1,438,788	\$ 4,056,962	\$ 816,004	\$ 17,468,289

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Nonmajor Enterprise Funds  
Year Ended June 30, 2011**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Operating revenues:		
Charges for services	\$ 1,793,407	\$ 678,634
Intergovernmental	-	-
Other, primarily concessions	11,327	350,944
<b>Total operating revenues</b>	<b>1,804,734</b>	<b>1,029,578</b>
Operating expenses:		
Salaries and benefits	809,964	622,926
Supplies and services	773,945	431,490
Depreciation	281,688	121,377
Amortization	(1,436)	-
<b>Total operating expenses</b>	<b>1,864,161</b>	<b>1,175,793</b>
<b>Operating (loss)</b>	<b>(59,427)</b>	<b>(146,215)</b>
Nonoperating revenues (expenses):		
Investment earnings	21,589	1,490
Interest expense	(16,807)	-
<b>Total nonoperating revenues (expenses)</b>	<b>4,782</b>	<b>1,490</b>
<b>(Loss) before capital grants and contributions and transfers</b>	<b>(54,645)</b>	<b>(144,725)</b>
Capital grants and contributions	-	-
Transfers in	-	502,494
Transfers out	(15,700)	-
<b>Changes in net assets</b>	<b>(70,345)</b>	<b>357,769</b>
Net assets, beginning	2,100,270	2,028,321
Net assets, ending	<b>\$ 2,029,925</b>	<b>\$ 2,386,090</b>

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 604,013	\$ 242,962	\$ 87,822	\$ 709,016	\$ 26,477	\$ 4,142,331
-	-	446,048	-	128,764	574,812
2,677	12,620	12,997	106,357	127,576	624,498
606,690	255,582	546,867	815,373	282,817	5,341,641
476,389	210,711	712,711	1,293,994	173,804	4,300,499
266,245	134,811	559,833	502,123	126,356	2,794,803
129,134	153,025	245,108	183,025	120,150	1,233,507
-	-	-	3,082	-	1,646
871,768	498,547	1,517,652	1,982,224	420,310	8,330,455
(265,078)	(242,965)	(970,785)	(1,166,851)	(137,493)	(2,988,814)
39,250	-	-	6	-	62,335
-	-	-	(28,773)	-	(45,580)
39,250	-	-	(28,767)	-	16,755
(225,828)	(242,965)	(970,785)	(1,195,618)	(137,493)	(2,972,059)
-	-	510,904	-	-	510,904
107,953	81,561	755,945	1,262,137	17,989	2,728,079
-	-	-	-	-	(15,700)
107,953	81,561	1,266,849	1,262,137	17,989	3,223,283
(117,875)	(161,404)	296,064	66,519	(119,504)	251,224
2,763,034	2,815,845	899,321	3,356,724	780,976	14,744,491
\$ 2,645,159	\$ 2,654,441	\$ 1,195,385	\$ 3,423,243	\$ 661,472	\$ 14,995,715

City of Bettendorf, Iowa

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2011**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,759,257	\$ 681,291
Receipts from other operating revenue	11,327	350,944
Payments to suppliers	(746,326)	(469,669)
Payments to employees	(797,636)	(630,971)
<b>Net cash provided by (used in) operating activities</b>	<b>226,622</b>	<b>(68,405)</b>
Cash flows from noncapital financing activities:		
Proceeds from interfund accounts	-	-
(Payments of) interfund accounts	-	(50,000)
Transfers in	-	502,494
Transfers out	(15,700)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(15,700)</b>	<b>452,494</b>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(941,356)	(411,650)
Proceeds from disposal of capital assets	-	-
Payment on debt	(125,000)	-
Interest (paid) earned on debt	(16,600)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(1,082,956)</b>	<b>(411,650)</b>
Cash flows from investing activities, interest received	22,196	1,781
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(849,838)</b>	<b>(25,780)</b>
Cash and cash equivalents:		
Beginning	1,927,391	159,242
Ending	<b>\$ 1,077,553</b>	<b>\$ 133,462</b>
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:		
Operating (loss)	\$ (59,427)	\$ (146,215)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Depreciation	281,688	121,377
Amortization	(1,436)	-
Change in assets and liabilities:		
Receivables and due from other governments	(34,150)	2,657
Accounts payable and due to other governments	27,619	(38,179)
Compensated absences and accrued liabilities	5,806	(7,942)
Other post employment benefits obligation	6,522	(103)
Unearned revenue	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 226,622</b>	<b>\$ (68,405)</b>
Schedule of noncash items:		
Capital and related financing activities:		
Acquisition of capital assets through contracts or accounts payable	\$ -	\$ 40,844
Capital contributions	-	-

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 600,299	\$ 240,392	\$ 82,617	\$ 678,518	\$ 26,477	\$ 4,068,851
2,677	12,620	464,496	106,357	197,022	1,145,443
(268,623)	(157,112)	(578,033)	(501,312)	(126,588)	(2,847,663)
(475,670)	(210,755)	(691,490)	(1,220,291)	(166,404)	(4,193,217)
(141,317)	(114,855)	(722,410)	(936,728)	(69,493)	(1,826,586)
-	-	-	-	51,504	51,504
-	-	(1,196)	(1,437)	-	(52,633)
107,953	81,561	755,945	1,262,137	17,989	2,728,079
-	-	-	-	-	(15,700)
107,953	81,561	754,749	1,260,700	69,493	2,711,250
-	-	(107,494)	(36,892)	-	(1,497,392)
-	-	1,406	-	-	1,406
-	-	-	(365,700)	-	(490,700)
-	-	-	(29,992)	-	(46,592)
-	-	(106,088)	(432,584)	-	(2,033,278)
39,250	-	209	303	-	63,739
5,886	(33,294)	(73,540)	(108,309)	-	(1,084,875)
166,240	109,198	79,136	135,865	-	2,577,072
\$ 172,126	\$ 75,904	\$ 5,596	\$ 27,556	\$ -	\$ 1,492,197
\$ (265,078)	\$ (242,965)	\$ (970,785)	\$ (1,166,851)	\$ (137,493)	\$ (2,988,814)
129,134	153,025	245,108	183,025	120,150	1,233,507
-	-	-	3,082	-	1,646
7,975	(2,570)	246	(30,498)	(59,318)	(115,658)
(2,378)	(22,301)	(18,200)	811	(232)	(52,860)
516	(44)	11,280	65,944	7,400	82,960
203	-	9,941	7,759	-	24,322
(11,689)	-	-	-	-	(11,689)
\$ (141,317)	\$ (114,855)	\$ (722,410)	\$ (936,728)	\$ (69,493)	\$ (1,826,586)
\$ -	\$ -	\$ -	\$ (23,742)	\$ -	\$ 17,102
-	-	510,904	-	-	510,904

City of Bettendorf, Iowa

Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011

<b>Assets</b>	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
<b>Current assets:</b>					
Cash and investments	\$ 1,077,202	\$ 655,215	\$ 465,252	\$ 276,403	\$ 2,474,072
Prepaid items	-	-	-	114,317	114,317
<b>Receivables:</b>					
Accounts	4,320	1,361	-	-	5,681
Accrued interest	4,899	2,439	2,060	1,226	10,624
Due from other funds	-	4,190	-	-	4,190
<b>Total current assets</b>	<b>1,086,421</b>	<b>663,205</b>	<b>467,312</b>	<b>391,946</b>	<b>2,608,884</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Nondepreciable, land	-	-	43,609	-	43,609
<b>Depreciable:</b>					
Buildings and structures	-	-	423,461	-	423,461
Equipment and vehicles	-	-	555,416	-	555,416
Accumulated depreciation	-	-	(718,992)	-	(718,992)
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>303,494</b>	<b>-</b>	<b>303,494</b>
<b>Total assets</b>	<b>\$ 1,086,421</b>	<b>\$ 663,205</b>	<b>\$ 770,806</b>	<b>\$ 391,946</b>	<b>\$ 2,912,378</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities:</b>					
<b>Current:</b>					
Accounts payable	\$ -	\$ 32,467	\$ 150,425	\$ 11,192	\$ 194,084
Claims payable	137,629	-	-	-	137,629
Compensated absences	-	-	7,232	7,731	14,963
Accrued liabilities	-	-	19,118	16,528	35,646
Due to other governments	-	-	2,906	2,925	5,831
<b>Total current liabilities</b>	<b>137,629</b>	<b>32,467</b>	<b>179,681</b>	<b>38,376</b>	<b>388,153</b>
<b>Noncurrent:</b>					
Compensated absences	-	-	19,515	20,861	40,376
Other post employment benefits obligation	-	-	12,378	8,256	20,634
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>31,893</b>	<b>29,117</b>	<b>61,010</b>
<b>Total liabilities</b>	<b>137,629</b>	<b>32,467</b>	<b>211,574</b>	<b>67,493</b>	<b>449,163</b>
<b>Net assets:</b>					
Invested in capital assets	-	-	303,494	-	303,494
Unrestricted	948,792	630,738	255,738	324,453	2,159,721
<b>Total net assets</b>	<b>948,792</b>	<b>630,738</b>	<b>559,232</b>	<b>324,453</b>	<b>2,463,215</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,086,421</b>	<b>\$ 663,205</b>	<b>\$ 770,806</b>	<b>\$ 391,946</b>	<b>\$ 2,912,378</b>

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds  
Year Ended June 30, 2011**

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Operating revenues:					
Charges for services	\$ 2,722,762	\$ 713,084	\$ 1,553,043	\$ 584,012	\$ 5,572,901
Other	1,427	38,022	19,189	9,072	67,710
<b>Total operating revenues</b>	<b>2,724,189</b>	<b>751,106</b>	<b>1,572,232</b>	<b>593,084</b>	<b>5,640,611</b>
Operating expenses:					
Salaries and benefits, primarily claims expense	2,244,322	-	437,223	430,301	3,111,846
Supplies and services	537,238	757,176	1,170,944	192,031	2,657,389
Depreciation	-	-	17,971	-	17,971
<b>Total operating expenses</b>	<b>2,781,560</b>	<b>757,176</b>	<b>1,626,138</b>	<b>622,332</b>	<b>5,787,206</b>
<b>Operating (loss)</b>	<b>(57,371)</b>	<b>(6,070)</b>	<b>(53,906)</b>	<b>(29,248)</b>	<b>(146,595)</b>
Nonoperating revenues, investment earnings	18,705	9,020	7,351	4,390	39,466
<b>Income (loss) before transfers</b>	<b>(38,666)</b>	<b>2,950</b>	<b>(46,555)</b>	<b>(24,858)</b>	<b>(107,129)</b>
Transfers in	-	-	-	32,000	32,000
<b>Changes in net assets</b>	<b>(38,666)</b>	<b>2,950</b>	<b>(46,555)</b>	<b>7,142</b>	<b>(75,129)</b>
Total net assets, beginning	987,458	627,788	605,787	317,311	2,538,344
Total net assets, ending	\$ 948,792	\$ 630,738	\$ 559,232	\$ 324,453	\$ 2,463,215

City of Bettendorf, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2011

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,722,688	\$ 718,667	\$ 1,553,043	\$ 584,012	\$ 5,578,410
Receipts from other operating revenue	3,592	38,022	19,189	9,072	69,875
Payments to suppliers	(537,238)	(798,088)	(1,165,166)	(185,732)	(2,686,224)
Payments to claimants	(2,337,918)	-	-	-	(2,337,918)
Payments to employees	-	-	(431,368)	(346,377)	(777,745)
<b>Net cash provided by (used in) operating activities</b>	<b>(148,876)</b>	<b>(41,399)</b>	<b>(24,302)</b>	<b>60,975</b>	<b>(153,602)</b>
Cash flows from noncapital financing activities:					
Proceeds of interfund accounts	-	11,866	-	-	11,866
Transfers in	-	-	-	32,000	32,000
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>11,866</b>	<b>-</b>	<b>32,000</b>	<b>43,866</b>
Cash flows from capital financing activities, purchase of capital assets					
	-	-	(87,233)	-	(87,233)
Cash flows from investing activities, interest received					
	18,499	9,237	7,537	3,873	39,146
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(130,377)</b>	<b>(20,296)</b>	<b>(103,998)</b>	<b>96,848</b>	<b>(157,823)</b>
Cash and cash equivalents:					
Beginning	1,207,579	675,511	569,250	179,555	2,631,895
Ending	\$ 1,077,202	\$ 655,215	\$ 465,252	\$ 276,403	\$ 2,474,072
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:					
Operating (loss)	\$ (57,371)	\$ (6,070)	\$ (53,906)	\$ (29,248)	\$ (146,595)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	17,971	-	17,971
Change in assets and liabilities:					
Receivables and due from other governments	2,091	5,583	-	-	7,674
Prepaid items	-	-	-	75,943	75,943
Accounts payable and due to other governments	-	(40,912)	5,778	6,299	(28,835)
Claims payable	(93,596)	-	-	-	(93,596)
Compensated absences and accrued liabilities	-	-	1,855	4,150	6,005
Other postemployment benefits obligation	-	-	4,000	3,831	7,831
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (148,876)</b>	<b>\$ (41,399)</b>	<b>\$ (24,302)</b>	<b>\$ 60,975</b>	<b>\$ (153,602)</b>

City of Bettendorf, Iowa

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2011

---

	Section 125 Plan	Police Property Account	Charity Fundraising	Explorers Special Events	Total
Assets, cash and investments	\$ 32,963	\$ 70,395	\$ 100	\$ 3,253	\$ 106,711
Liabilities, accounts payable	\$ 32,963	\$ 70,395	\$ 100	\$ 3,253	\$ 106,711

City of Bettendorf, Iowa

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2011**

Explorers	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
<b>Assets:</b>				
Cash and investments	\$ 1,837	\$ 9,477	\$ 11,314	\$ -
Accounts receivable	1,295	-	1,295	-
	\$ 3,132	\$ 9,477	\$ 12,609	\$ -
<b>Liabilities, accounts payable</b>	\$ 3,132	\$ 9,477	\$ 12,609	\$ -
<b>Section 125 Plan</b>				
<b>Assets, cash and investments</b>	\$ 32,606	\$ 81,574	\$ 81,217	\$ 32,963
<b>Liabilities, accounts payable</b>	\$ 32,606	\$ 81,574	\$ 81,217	\$ 32,963
<b>Police Property Account</b>				
<b>Assets, cash and investments</b>	\$ 5,244	\$ 65,151	\$ -	\$ 70,395
<b>Liabilities, accounts payable</b>	\$ 5,244	\$ 65,151	\$ -	\$ 70,395
<b>Police Women's Conference</b>				
<b>Assets, cash and investments</b>	\$ 1,250	\$ -	\$ 1,250	\$ -
<b>Liabilities, accounts payable</b>	\$ 1,250	\$ -	\$ 1,250	\$ -
<b>Police Ammo Purchase</b>				
<b>Assets, cash and investments</b>	\$ -	\$ 3,052	\$ 3,052	\$ -
<b>Liabilities, accounts payable</b>	\$ -	\$ 3,052	\$ 3,052	\$ -

(Continued)

City of Bettendorf, Iowa

Combining Statement of Changes in Assets and Liabilities (Continued)

Agency Funds

Year Ended June 30, 2011

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
<b>Charity Fundraising</b>				
<b>Assets, cash and investments</b>	\$ 750	\$ 890	\$ 1,540	\$ 100
<b>Liabilities, accounts payable</b>	\$ 750	\$ 890	\$ 1,540	\$ 100
<b>Explorers Special Events</b>				
<b>Assets, cash and investments</b>	\$ -	\$ 9,098	\$ 5,845	\$ 3,253
<b>Liabilities, accounts payable</b>	\$ -	\$ 9,098	\$ 5,845	\$ 3,253
<b>Combined Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 41,687	\$ 169,242	\$ 104,218	\$ 106,711
Accounts receivable	1,295	-	1,295	-
	\$ 42,982	\$ 169,242	\$ 105,513	\$ 106,711
<b>Liabilities, accounts payable</b>	\$ 42,982	\$ 169,242	\$ 105,513	\$ 106,711



Bettendorf IOWA

*a premier city*

## City of Bettendorf, Iowa

### Statistical Section

#### Contents

---

The statistical section of the City's 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
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	91 - 111
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	112 - 118
<b>Debt Capacity</b>	
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.	119 - 125
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	126 - 127
<b>Operating Information</b>	
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.	128 - 133

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

**City of Bettendorf, Iowa**

**Net Assets By Component  
Last Nine Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 19,103,899	\$ 24,868,920	\$ 32,359,207
Restricted	3,800,866	10,406,431	6,124,873
Unrestricted	17,705,256	11,440,524	12,079,106
<b>Total governmental activities</b>			
<b>net assets</b>	<b>\$ 40,610,021</b>	<b>\$ 46,715,875</b>	<b>\$ 50,563,186</b>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 24,148,187	\$ 26,438,117	\$ 26,983,506
Restricted	2,221,099	389,184	175,786
Unrestricted	1,111,725	3,518,944	3,621,881
<b>Total business-type activities</b>			
<b>net assets</b>	<b>\$ 27,481,011</b>	<b>\$ 30,346,245</b>	<b>\$ 30,781,173</b>
Primary government:			
Invested in capital assets, net of related debt	\$ 43,252,086	\$ 51,307,037	\$ 59,342,713
Restricted	6,021,965	10,795,615	6,300,659
Unrestricted	18,816,981	14,959,468	15,700,987
<b>Total primary government</b>			
<b>net assets</b>	<b>\$ 68,091,032</b>	<b>\$ 77,062,120</b>	<b>\$ 81,344,359</b>

GASB Statement No. 34 Implemented in Fiscal Year 2003

		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	37,919,071	\$	39,923,572	\$	46,616,013	\$	53,124,355	\$	50,086,105	\$	<b>59,344,680</b>
	6,221,183		10,260,032		7,158,860		5,920,270		11,423,859		<b>4,103,202</b>
	10,349,190		9,270,579		13,026,168		9,321,954		8,367,447		<b>7,734,422</b>
\$	<b>54,489,444</b>	\$	<b>59,454,183</b>	\$	<b>66,801,041</b>	\$	<b>68,366,579</b>	\$	<b>69,877,411</b>	\$	<b>71,182,304</b>
\$	29,262,706	\$	30,564,714	\$	38,279,056	\$	37,323,495	\$	38,063,230	\$	<b>38,450,048</b>
	176,219		175,553		166,868		-		-		-
	2,967,755		1,071,417		(1,435,388)		1,272,231		2,279,370		<b>2,093,785</b>
\$	<b>32,406,680</b>	\$	<b>31,811,684</b>	\$	<b>37,010,536</b>	\$	<b>38,595,726</b>	\$	<b>40,342,600</b>	\$	<b>40,543,833</b>
\$	67,181,777	\$	70,488,286	\$	84,895,069	\$	90,447,850	\$	88,149,335	\$	<b>97,794,728</b>
	6,397,402		10,435,585		7,325,728		5,920,270		11,423,859		<b>4,103,202</b>
	13,316,945		10,341,996		11,590,780		10,594,185		10,646,817		<b>9,828,207</b>
\$	<b>86,896,124</b>	\$	<b>91,265,867</b>	\$	<b>103,811,577</b>	\$	<b>106,962,305</b>	\$	<b>110,220,011</b>	\$	<b>111,726,137</b>

**City of Bettendorf, Iowa**

**Changes In Net Assets  
Last Nine Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
Public safety	\$ 7,134,235	\$ 7,303,476	\$ 8,034,864
Public works	5,004,419	5,352,120	6,146,647
Culture and recreation	3,505,020	3,327,610	3,557,691
Community and economic development	1,126,101	1,258,610	3,016,994
General government	3,393,296	3,220,615	3,202,786
Interest on long-term debt	2,584,034	2,486,758	2,565,864
<b>Total governmental activities expenses</b>	<b>22,747,105</b>	<b>22,949,189</b>	<b>26,524,846</b>
Business-type activities:			
Sewer utility	2,773,237	2,517,148	2,742,747
Family Museum of Arts & Science	1,811,973	1,718,447	1,958,342
Aquatic Center	213,572	392,699	426,330
Recycling/solid waste management	1,383,575	1,343,683	1,959,654
Palmer Hills Golf Course	950,886	870,098	909,314
Life Fitness Center	804,775	759,493	777,189
Stormwater utility	26,743	120,494	416,886
Transit	744,344	807,952	1,022,620
QC Waterfront Convention Center	-	-	-
Educational Center	-	-	-
<b>Total business-type activities expenses</b>	<b>8,709,105</b>	<b>8,530,014</b>	<b>10,213,082</b>
<b>Total primary government expenses</b>	<b>31,456,210</b>	<b>31,479,203</b>	<b>36,737,928</b>
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	12,436	11,092	17,409
Public works	41,041	36,529	3,536
Culture and recreation	170,008	200,574	211,570
Community and economic development	650,859	800,999	735,831
General government	82,166	80,081	56,911
Operating grants and contributions:			
Public safety	237,796	247,255	324,501
Public works	50,000	64,488	2,647,908
Culture and recreation	367,950	126,257	195,722
Community and economic development	491,405	541,697	725,813
Capital grants and contributions:			
Public safety	44,410	178,858	41,861
Public works	4,800	2,975,181	2,772,743
Culture and recreation	24,868	-	40,000
<b>Total governmental activities program revenue</b>	<b>2,177,739</b>	<b>5,263,011</b>	<b>7,773,805</b>

(Continued)

Fiscal Year						
	2006	2007	2008	2009	2010	2011
\$	8,474,260	\$ 9,218,990	\$ 9,714,867	\$ 9,951,992	\$ 10,652,552	\$ 10,119,472
	5,762,806	6,209,711	6,480,290	9,997,254	8,613,251	9,722,377
	3,722,405	3,663,690	3,784,862	4,180,037	4,735,415	4,857,215
	1,521,206	1,529,551	2,013,017	2,204,648	2,340,564	2,973,813
	3,566,384	3,440,431	3,498,535	3,706,638	4,284,049	3,699,119
	2,349,192	2,348,925	2,443,655	2,446,577	2,750,859	3,041,880
	25,396,253	26,411,298	27,935,226	32,487,146	33,376,690	34,413,876
	2,767,540	2,906,148	2,927,523	2,979,537	3,195,132	3,331,375
	1,725,794	1,800,585	1,721,249	1,934,671	1,973,712	2,016,226
	412,494	426,630	473,972	491,077	476,338	499,827
	1,580,939	1,633,478	1,720,851	1,793,971	1,803,620	1,897,813
	1,146,586	1,273,827	1,226,764	1,228,773	1,241,863	1,177,573
	782,242	788,259	880,485	861,694	835,180	873,930
	783,017	672,361	794,675	620,500	764,521	737,989
	1,091,502	1,187,029	1,229,554	1,256,562	1,324,093	1,532,212
	-	64,030	91,705	2,129,540	3,469,416	4,025,930
	-	694,448	-	-	184,387	423,702
	10,290,114	11,446,795	11,066,778	13,296,325	15,268,262	16,516,577
	35,686,367	37,858,093	39,002,004	45,783,471	48,644,952	50,930,453
	18,546	21,796	20,457	17,228	24,881	11,881
	23,382	8,983	37,758	13,343	18,280	29,880
	209,673	229,243	227,595	242,993	269,497	276,770
	1,037,467	616,722	567,023	517,903	613,992	599,360
	105,059	115,102	87,066	70,116	91,004	154,266
	436,083	378,140	917,634	326,636	238,659	304,673
	2,664,831	2,665,412	2,728,338	2,640,668	2,774,484	3,197,991
	159,889	108,257	83,837	72,008	82,794	61,334
	512,395	711,400	633,852	990,458	643,827	527,199
	-	80,000	103,726	383,794	108,218	100,000
	1,165,844	1,323,870	2,315,830	1,228,183	2,130,519	2,232,583
	27,051	30,000	20,000	5,000	-	15,000
	6,360,220	6,288,925	7,743,116	6,508,330	6,996,155	7,510,937

City of Bettendorf, Iowa

**Changes In Net Assets (Continued)**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year		
	2003	2004	2005
Business-type activities:			
Charges for services:			
Sewer utility	\$ 2,387,481	\$ 2,274,583	\$ 2,414,522
Family Museum of Arts & Science	579,407	583,961	560,972
Aquatic Center	84,765	193,670	174,104
Recycling/solid waste management	540,119	412,341	1,151,110
Palmer Hills Golf Course	636,080	678,770	718,869
Life Fitness Center	682,852	711,827	570,620
Stormwater utility	5,000	440,008	562,248
Transit	35,965	35,112	40,169
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Operating grants and contributions:			
Family Museum of Arts & Science	128,380	58,244	135,978
Stormwater utility	-	-	-
Transit	240,944	249,631	306,544
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Capital grants and contributions:			
Sewer utility	-	1,479,351	888,281
Aquatic Center	47,513	-	-
Palmer Hills Golf Course	-	-	-
Stormwater utility	-	-	-
Transit	11,737	591,794	50,639
QC Waterfront Convention Center	-	-	-
Educational Center	-	-	-
Riverfront Circulator	-	-	-
<b>Total business-type activities program revenues</b>	<b>5,380,243</b>	<b>7,709,292</b>	<b>7,574,056</b>
<b>Total primary government program revenues</b>	<b>7,557,982</b>	<b>12,972,303</b>	<b>15,347,861</b>
Net (expense) revenue:			
Governmental activities	(20,569,366)	(176,861,787)	(18,751,041)
Business-type activities	(3,328,862)	(820,722)	(2,639,026)
<b>Total primary government net expense</b>	<b>(23,898,228)</b>	<b>(177,682,509)</b>	<b>(21,390,067)</b>
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	12,868,877	13,277,584	14,552,874
Tax increment financing taxes	1,959,951	2,096,938	1,684,641
Local option sales taxes	3,785,366	3,780,399	3,865,352
Other taxes	1,409,786	1,513,867	1,516,246
Gaming tax	2,134,506	2,619,144	2,233,864
Road use tax	2,524,432	2,273,158	-
Franchise tax	362,452	352,434	321,427
State replacement tax credits	24,561	20,431	19,550
State shared revenues, unrestricted	428,560	40,995	41,903
Investment earnings	684,132	469,300	657,905
Gain (loss) on sale of capital assets	313,878	-	-
Miscellaneous	1,458,697	772,707	395,137
Transfers	(3,889,163)	(3,424,925)	(2,690,547)
<b>Total governmental activities</b>	<b>24,066,035</b>	<b>23,792,032</b>	<b>22,598,352</b>

(Continued)

		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	2,491,731	\$	2,410,029	\$	2,422,381	\$	2,526,562	\$	2,532,985	\$	2,557,175
	516,211		572,603		615,898		643,992		650,093		709,016
	167,157		187,471		211,302		247,681		206,771		242,962
	1,355,684		1,420,297		1,591,716		1,652,843		1,727,398		1,793,407
	738,340		740,103		686,948		707,031		698,607		678,634
	368,153		524,665		555,851		564,126		569,750		604,013
	579,144		593,041		619,328		781,391		795,609		805,521
	56,656		61,037		64,270		68,655		73,000		87,822
	-		-		-		414,380		1,569,542		2,148,027
	-		-		-		-		12,162		26,477
	149,273		225,500		133,098		175,937		77,037		106,124
	-		-		-		2,000		-		-
	268,686		555,512		417,756		402,282		421,642		447,848
	-		-		-		963,453		674,212		702,369
	-		-		-		-		57,645		128,764
	465,967		-		121,832		507,934		299,097		257,321
	-		-		-		-		-		-
	300,000		-		-		-		-		-
	310,645		-		81,221		315,489		177,398		171,548
	-		-		12,500		-		793,166		510,904
	-		138,040		4,486,960		355,450		125,100		225,048
	250,000		200,000		-		-		-		-
	-		-		-		-		836,808		-
	8,017,647		7,628,298		12,021,061		10,329,206		12,298,022		12,202,980
	14,377,867		13,917,223		19,764,177		16,837,536		12,298,022		19,713,917
	(19,036,033)		(20,122,373)		(20,192,110)		(25,978,816)		(26,380,535)		(26,902,939)
	(2,272,467)		(3,818,497)		954,283		(2,967,119)		(2,970,240)		(4,313,597)
	(21,308,500)		(23,940,870)		(19,237,827)		(28,945,935)		(29,350,775)		(31,216,536)
	15,375,604		15,619,789		16,795,048		18,408,444		19,299,744		19,813,742
	1,853,383		1,962,103		3,172,985		3,377,334		3,499,290		3,097,551
	3,968,600		4,206,449		4,259,072		4,184,906		4,120,192		4,282,026
	1,557,262		1,440,620		1,573,298		1,533,961		1,550,364		1,519,082
	2,121,774		1,963,498		2,076,120		1,912,972		1,684,304		1,658,400
	-		-		-		-		-		-
	345,734		366,272		392,338		368,246		374,172		379,885
	22,335		22,350		23,080		23,805		23,492		22,599
	34,604		45,081		51,018		52,352		57,449		56,641
	826,908		1,398,304		1,451,101		1,133,258		747,599		472,319
	-		-		21,163		1,726		-		46,183
	352,050		511,323		775,171		398,325		621,627		729,975
	(3,495,963)		(2,448,677)		(3,051,426)		(3,850,975)		(4,086,866)		(3,870,571)
	22,962,291		25,087,112		27,538,968		27,544,354		27,891,367		28,207,832

**City of Bettendorf, Iowa**

**Changes In Net Assets (Continued)**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year		
	2003	2004	2005
Business-type activities:			
Investment earnings	86,640	32,562	180,534
Gain (loss) on sale of capital assets	(84,001)	-	4,000
Miscellaneous	338,821	228,469	198,873
Transfers	3,889,163	3,424,925	2,690,547
<b>Total business-type activities</b>	<b>4,230,623</b>	<b>3,685,956</b>	<b>3,073,954</b>
<b>Total primary government</b>	<b>\$ 28,296,658</b>	<b>\$ 27,477,988</b>	<b>\$ 25,672,306</b>
Changes in net assets:			
Governmental activities	3,496,669	6,105,854	3,847,311
Business-type activities	901,761	2,865,234	434,928
<b>Total primary government</b>	<b>\$ 4,398,430</b>	<b>\$ 8,971,088</b>	<b>\$ 4,282,239</b>

Fiscal Year					
2006	2007	2008	2009	2010	2011
216,631	423,184	280,128	351,216	187,973	<b>111,539</b>
-	-	-	-	-	-
185,380	351,640	382,633	350,118	442,275	<b>532,720</b>
3,495,963	2,448,677	3,051,426	3,850,975	4,086,866	<b>3,870,571</b>
3,897,974	3,223,501	3,714,187	4,552,309	4,717,114	<b>4,514,830</b>
<b>\$ 26,860,265</b>	<b>\$ 28,310,613</b>	<b>\$ 31,253,155</b>	<b>\$ 32,096,663</b>	<b>\$ 4,717,114</b>	<b>\$ 32,722,662</b>
3,926,258	4,964,739	7,346,858	1,565,538	1,510,832	<b>1,304,893</b>
1,625,507	(594,996)	4,668,470	1,585,190	1,746,874	<b>201,233</b>
<b>\$ 5,551,765</b>	<b>\$ 4,369,743</b>	<b>\$ 12,015,328</b>	<b>\$ 3,150,728</b>	<b>\$ 3,257,706</b>	<b>\$ 1,506,126</b>

City of Bettendorf, Iowa

Program Revenues By Function/Program

Last Nine Fiscal Years

(accrual basis of accounting)

(Unaudited)

Program/Functions	Program Revenues		
	Fiscal Year		
	2003		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 12,436	\$ 237,796	\$ 44,410
Public works	41,041	50,000	4,800
Culture and recreation	170,008	367,950	24,868
Community and economic development	650,859	491,405	-
General government	82,166	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>956,510</b>	<b>1,147,151</b>	<b>74,078</b>
<b>Business-type activities:</b>			
Sewer utility	2,387,481	-	-
Family Museum of Arts & Science	579,407	128,380	-
Aquatic Center	84,765	-	47,513
Recycling/solid waste management	540,119	-	-
Palmer Hills Golf Course	636,080	-	-
Life Fitness Center	682,852	-	-
Stormwater utility	5,000	-	-
Transit	35,965	240,944	11,737
Educational Center	-	-	-
Downtown Event Center	-	-	-
Riverfront Circulator	-	-	-
<b>Total business-type activities</b>	<b>4,951,669</b>	<b>369,324</b>	<b>59,250</b>
<b>Total primary government</b>	<b>\$ 5,908,179</b>	<b>\$ 1,516,475</b>	<b>\$ 133,328</b>

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2004			2005		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 11,092	\$ 247,255	\$ 178,858	\$ 17,409	\$ 324,501	\$ 41,861
36,529	64,488	2,975,181	3,536	2,647,908	2,772,743
200,574	126,257	-	211,570	195,722	40,000
800,999	541,697	-	735,831	725,813	-
80,081	-	-	56,911	-	-
-	-	-	-	-	-
1,129,275	979,697	3,154,039	1,025,257	3,893,944	2,854,604
2,274,583	-	1,479,351	2,414,522	-	888,281
583,961	58,244	-	560,972	135,978	-
193,670	-	-	174,104	-	-
412,341	-	-	1,151,110	-	-
678,770	-	-	718,869	-	-
711,827	-	-	570,620	-	-
440,008	-	-	562,248	-	-
35,112	249,631	591,794	40,169	306,544	50,639
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,330,272	307,875	2,071,145	6,192,614	442,522	938,920
\$ 6,459,547	\$ 1,287,572	\$ 5,225,184	\$ 7,217,871	\$ 4,336,466	\$ 3,793,524

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2006		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 18,546	\$ 436,083	\$ -
Public works	23,382	2,664,831	1,165,844
Culture and recreation	209,673	159,889	27,051
Community and economic development	1,037,467	512,395	-
General government	105,059	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>1,394,127</b>	<b>3,773,198</b>	<b>1,192,895</b>
<b>Business-type activities:</b>			
Sewer utility	2,491,731	-	465,967
Family Museum of Arts & Science	516,211	149,273	-
Aquatic Center	167,157	-	-
Recycling/solid waste management	1,355,684	-	-
Palmer Hills Golf Course	738,340	-	300,000
Life Fitness Center	368,153	-	310,645
Stormwater utility	579,144	-	-
Transit	56,656	268,686	-
Educational Center	-	-	250,000
Downtown Event Center	-	-	-
Riverfront Circulator	-	-	-
<b>Total business-type activities</b>	<b>6,273,076</b>	<b>417,959</b>	<b>1,326,612</b>
<b>Total primary government</b>	<b>\$ 7,667,203</b>	<b>\$ 4,191,157</b>	<b>\$ 2,519,507</b>

Program Revenues						
Fiscal Year						
2007			2008			
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
\$ 21,796	\$ 378,140	\$ 80,000	\$ 20,457	\$ 917,634	\$ 103,726	
8,983	2,665,412	1,323,870	37,758	2,728,338	2,315,830	
229,243	108,257	30,000	227,595	83,837	20,000	
616,722	711,400	-	567,023	633,852	-	
115,102	-	-	87,066	-	-	
-	-	-	-	-	-	
991,846	3,863,209	1,433,870	939,899	4,363,661	2,439,556	
2,410,029	-	-	2,422,381	-	121,832	
572,603	225,500	-	615,898	133,098	-	
187,471	-	-	211,302	-	-	
1,420,297	-	-	1,591,716	-	-	
740,103	-	-	686,948	-	-	
524,665	-	-	555,851	-	-	
593,041	-	-	619,328	-	81,221	
61,037	555,512	-	64,270	417,756	12,500	
-	-	138,040	-	-	-	
-	-	200,000	-	-	4,486,960	
-	-	-	-	-	-	
6,509,246	781,012	338,040	6,767,694	550,854	4,702,513	
\$ 7,501,092	\$ 4,644,221	\$ 1,771,910	\$ 7,707,593	\$ 4,914,515	\$ 7,142,069	

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2009		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 17,228	\$ 326,636	\$ 383,794
Public works	13,343	2,640,668	1,228,183
Culture and recreation	242,993	72,008	5,000
Community and economic development	517,903	990,458	-
General government	70,116	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>861,583</b>	<b>4,029,770</b>	<b>1,616,977</b>
<b>Business-type activities:</b>			
Sewer utility	2,526,562	-	507,934
Family Museum of Arts & Science	643,992	175,937	-
Aquatic Center	247,681	-	-
Recycling/solid waste management	1,652,843	-	-
Palmer Hills Golf Course	707,031	-	-
Life Fitness Center	564,126	-	-
Stormwater utility	781,391	2,000	315,489
Transit	68,655	402,282	-
Educational Center	-	-	-
Downtown Event Center	414,380	963,453	355,450
Riverfront Circulator	-	-	-
<b>Total business-type activities</b>	<b>7,606,661</b>	<b>1,543,672</b>	<b>1,178,873</b>
<b>Total primary government</b>	<b>\$ 8,468,244</b>	<b>\$ 5,573,442</b>	<b>\$ 2,795,850</b>

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2010			2011		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 24,881	\$ 238,659	\$ 108,218	\$ 11,881	\$ 304,673	\$ 100,000
18,280	2,774,484	2,130,519	29,880	3,197,991	2,232,583
269,497	82,794	-	276,770	61,334	15,000
613,992	643,827	-	599,360	527,199	-
91,004	-	-	154,266	-	-
-	-	-	-	-	-
1,017,654	3,739,764	2,238,737	1,072,157	4,091,197	2,347,583
2,532,985	-	299,097	2,557,175	-	257,321
650,093	77,037	-	709,016	106,124	-
206,771	-	-	242,962	-	-
1,727,398	-	-	1,793,407	-	-
698,607	-	-	678,634	-	-
569,750	-	-	604,013	-	-
795,609	-	177,398	805,521	-	171,548
73,000	421,642	793,166	87,822	447,848	510,904
-	-	-	-	-	-
1,569,542	674,212	125,100	2,148,027	702,369	225,048
12,162	57,645	836,808	26,477	128,764	-
8,835,917	1,230,536	2,231,569	9,653,054	1,385,105	1,164,821
\$ 9,853,571	\$ 4,970,300	\$ 4,470,306	\$ 10,725,211	\$ 5,476,302	\$ 3,512,404

**City of Bettendorf, Iowa**

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

	2002	2003	2004	2005
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	81,652	95,135	82,006	64,882
Unreserved	4,230,012	4,388,551	4,445,838	4,749,446
<b>Total General Fund</b>	<b>\$ 4,311,664</b>	<b>\$ 4,483,686</b>	<b>\$ 4,527,844</b>	<b>\$ 4,814,328</b>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,050,715	6,394,631	7,147,989	2,068,938
Unreserved, reported in:				
Special revenue funds	3,468,598	3,082,497	3,379,138	3,027,598
Debt service funds	2,247,776	2,141,163	1,905,881	1,605,452
Capital projects funds	5,542,810	7,035,080	7,718,078	9,437,438
<b>Total all other government funds</b>	<b>\$ 15,309,899</b>	<b>\$ 18,653,371</b>	<b>\$ 20,151,086</b>	<b>\$ 16,139,426</b>

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in Fiscal Year 2011

						Fiscal Year					
2006		2007		2008		2009		2010		2011	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	187,937
	-		-		-		-		-		13,014
	-		-		-		-		-		-
	-		-		-		-		-		85,692
	-		-		-		-		-		5,157,680
	47,989		69,408		242,784		210,290		218,796		-
	4,780,972		4,908,122		4,857,574		5,030,470		5,048,259		-
\$	4,828,961	\$	4,977,530	\$	5,100,358	\$	5,240,760	\$	5,267,055	\$	5,444,323
<hr/>											
\$	-	\$	-	\$	-	\$	-	\$	-		153,325
	-		-		-		-		-		10,915,683
	-		-		-		-		-		-
	-		-		-		-		-		1,523,617
	-		-		-		-		-		(2,212,680)
	2,888,698		4,267,649		8,817,132		10,591,791		10,448,066		-
	2,780,057		3,182,157		1,903,418		1,280,112		1,625,616		-
	1,202,569		4,658,472		724,672		806,085		8,105,135		-
	7,712,234		6,431,017		9,184,841		2,754,153		(2,671,608)		-
\$	14,583,558	\$	18,539,295	\$	20,630,063	\$	15,432,141	\$	17,507,209	\$	10,379,945

City of Bettendorf, Iowa

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2002	2003	2004	2005
<b>Revenues:</b>				
Property taxes	\$ 13,966,278	\$ 12,868,877	\$ 13,084,732	\$ 14,631,169
Tax increment financing taxes	-	-	-	1,684,641
Other taxes	5,278,500	7,021,606	9,665,583	7,564,060
Special assessments	8,459	35,185	25,975	5,388
Licenses and permits	411,922	598,484	621,466	636,202
Intergovernmental	6,703,471	6,362,813	3,973,556	4,039,000
Charges for services	340,170	240,675	401,753	326,756
Use of money and property	1,027,639	675,735	444,476	619,366
Fines and forfeitures	149,923	-	-	-
Miscellaneous	1,338,444	1,797,479	976,223	787,742
<b>Total revenues</b>	<b>29,224,806</b>	<b>29,600,854</b>	<b>29,193,764</b>	<b>30,294,324</b>
<b>Expenditures:</b>				
Current operating:				
Community protection	6,823,164	*	*	*
Human development	3,152,880	*	*	*
Home and community development	4,021,299	*	*	*
Policy and administration	3,237,325	*	*	*
Public safety	*	6,617,387	6,914,003	7,487,118
Public works	*	2,309,379	2,557,007	2,660,482
Culture and recreation	*	2,826,226	2,965,014	3,153,672
Community and economic development	*	1,048,976	1,218,663	1,412,845
General government	*	2,860,894	2,790,248	2,798,173
Debt service:				
Principal	3,500,641	3,816,862	7,006,601	9,037,165
Interest	2,463,311	2,639,454	2,486,386	2,567,015
Bond issuance costs	-	-	47,771	33,780
Expenditures in capital outlay not capitalized	-	-	-	-
Capitalized capital outlay	10,781,112	7,490,960	6,199,642	6,835,946
<b>Total expenditures</b>	<b>33,979,732</b>	<b>29,610,138</b>	<b>32,185,335</b>	<b>35,986,196</b>
<b>Excess of revenues (under) expenditures</b>	<b>(4,754,926)</b>	<b>(9,284)</b>	<b>(2,991,571)</b>	<b>(5,691,872)</b>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	6,580,000	6,920,000	8,104,050	4,590,000
Payment to bond escrow agent	-	-	-	-
Premiums	-	1,535	-	-
Discounts	(64,867)	(31,203)	(45,681)	(32,066)
Proceeds from sale of capital assets	-	348,000	-	306,120
Transfers in	11,128,148	5,882,790	5,700,841	6,617,725
Transfers out	(13,843,886)	(10,071,953)	(9,225,766)	(9,515,083)
<b>Total other financing sources (uses)</b>	<b>3,799,395</b>	<b>3,049,169</b>	<b>4,533,444</b>	<b>1,966,696</b>
<b>Net changes in fund balance</b>	<b>\$ (955,531)</b>	<b>\$ 3,039,885</b>	<b>\$ 1,541,873</b>	<b>\$ (3,725,176)</b>
Debt service as a percentage of noncapital expenditures	25.7%	29.2%	36.7%	39.9%

							Fiscal Year					
2006		2007		2008		2009		2010		2011		
\$	15,383,115	\$	15,648,364	\$	16,763,147	\$	18,384,425	\$	19,267,371	\$	19,829,519	
	1,853,383		1,962,103		3,172,985		3,377,334		3,499,290		3,097,551	
	7,511,852		7,995,246		8,416,881		7,999,085		7,732,033		7,936,429	
	19,947		6,761		9,505		12,163		15,577		28,273	
	865,209		542,182		497,123		397,701		583,037		527,768	
	3,952,501		5,019,945		5,343,234		4,833,515		5,498,796		5,954,268	
	394,575		327,801		346,205		381,603		328,038		361,850	
	761,546		1,274,705		1,317,230		1,034,978		646,585		432,853	
	-		-		-		-		-		-	
	729,844		703,696		1,000,499		644,219		917,078		924,404	
	31,471,972		33,480,803		36,866,809		37,065,023		38,487,805		39,092,915	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	7,895,689		8,194,904		9,029,275		9,171,879		9,804,915		9,472,492	
	2,727,337		2,627,335		3,288,166		4,195,342		3,387,878		3,506,350	
	3,300,346		3,187,458		3,311,645		3,578,409		3,759,768		3,825,678	
	1,258,141		1,443,565		1,921,626		2,033,310		2,153,192		2,691,227	
	3,106,289		3,104,868		3,138,414		3,300,052		3,435,015		3,336,470	
	5,089,158		5,524,216		5,615,000		6,020,400		5,488,100		14,629,300	
	2,331,935		2,315,370		2,318,366		2,384,362		2,687,193		2,998,380	
	37,456		251,346		86,604		119,213		287,556		183,039	
	1,093,385		1,298,676		870,795		3,359,508		2,853,555		3,482,715	
	7,253,947		8,368,929		8,818,626		17,839,544		20,355,433		14,657,435	
	34,093,683		36,316,667		38,398,517		52,002,019		54,212,605		58,783,086	
	(2,621,711)		(2,835,864)		(1,531,708)		(14,936,996)		(15,724,800)		(19,690,171)	
	4,580,000		15,155,000		10,540,000		13,700,000		21,580,000		16,030,000	
	-		(6,275,000)		(3,821,388)		-		-		-	
	3,190		76,667		130,466		33,339		279,613		555,193	
	(44,519)		-		-		-		-		-	
	90,972		224,110		28,652		37,112		2,982		57,553	
	6,925,915		7,681,976		8,607,299		8,191,217		9,499,107		5,931,971	
	(10,475,082)		(9,922,583)		(11,739,725)		(12,082,192)		(13,535,539)		(9,834,542)	
	1,080,476		6,940,170		3,745,304		9,879,476		17,826,163		12,740,175	
\$	(1,541,235)	\$	4,104,306	\$	2,213,596	\$	(5,057,520)	\$	2,101,363	\$	(6,949,996)	
	27.6%		28.1%		26.8%		24.6%		24.1%		39.9%	

City of Bettendorf, Iowa

**Tax Revenues by Source, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

Fiscal Year	Property	Hotel/Motel Tax	Local Option Sales Tax	Utility Franchise Tax	Tax Increment Financing
2002	12,152,537	751,467	3,553,136	629,454	1,813,741
2003	12,868,877	752,456	3,651,869	648,397	1,959,951
2004	13,084,732	814,230	3,781,620	690,668	2,096,938
2005	14,631,169	811,857	3,813,950	695,153	1,684,641
2006	15,383,115	876,854	3,832,816	671,320	1,853,383
2007	15,648,364	742,038	4,224,858	691,118	1,962,102
2008	16,763,147	879,403	4,375,125	684,244	3,172,985
2009	18,384,425	774,409	4,183,906	747,401	3,377,334
2010	19,267,371	781,543	4,123,192	734,285	3,499,290
<b>2011</b>	<b>19,829,519</b>	<b>803,119</b>	<b>4,379,063</b>	<b>707,751</b>	<b>3,097,551</b>
Change 2002-2011	63.17%	6.87%	23.25%	12.44%	70.78%

Source: City records.

---

Mobile Home Tax	Gaming Tax	Cable Franchise Tax	Total
8,939	2,099,845	335,504	21,344,623
8,933	2,134,505	321,090	22,346,078
8,969	2,273,158	319,234	23,069,549
9,236	2,233,864	321,427	24,201,297
9,088	2,121,774	345,734	25,094,084
6,818	1,963,498	366,272	25,605,068
9,651	2,076,120	392,338	28,353,013
12,151	1,912,972	368,246	29,760,844
13,072	1,684,304	374,172	30,477,229
<b>8,211</b>	<b>1,658,400</b>	<b>379,885</b>	<b>30,863,499</b>
-8.14%	-21.02%	13.23%	44.60%

**City of Bettendorf, Iowa**

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

---

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Machinery & Equipment
2002	1,300,890,182	268,816,253	16,997,563	11,491,644
2003	1,466,869,955	278,725,560	15,396,453	6,746,181
2004	1,508,179,680	274,969,629	17,287,710	4,505,732
2005	1,652,161,490	338,690,940	13,400,078	-
2006	1,798,988,393	341,209,113	13,455,769	-
2007	1,851,303,035	347,801,087	14,809,173	-
2008	1,921,741,462	351,218,507	20,010,233	-
2009	2,138,636,766	430,585,395	20,661,813	-
2010	2,199,236,152	441,241,852	16,391,700	-
<b>2011</b>	<b>2,255,170,983</b>	<b>443,808,680</b>	<b>21,782,851</b>	-

**Source:** Scott County Auditor

(1) Excludes TIF increment, gas and electric utilities and military exemptions. Includes agricultural land of \$6,407,620

---

Public Utility	Agricultural Property	Total Assessed Value (1)	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
19,916,751	6,078,144	1,624,190,537	3.45	11.45555	1,049,521,251	64.62
17,534,839	5,954,158	1,791,227,146	10.28	11.85000	1,068,872,381	59.67
17,670,824	5,878,051	1,828,491,626	2.08	11.85000	1,089,636,254	59.59
15,445,981	4,700,968	2,024,399,457	10.71	12.34932	1,163,981,114	57.50
15,613,994	4,529,273	2,173,796,542	7.38	12.34952	1,231,469,607	56.65
15,077,966	4,459,440	2,233,450,701	2.74	12.60000	1,224,008,170	54.60
14,536,012	4,437,370	2,311,943,584	3.51%	12.95000	1,261,266,735	54.55
14,365,946	4,692,920	2,608,942,840	12.85%	12.85000	1,404,665,394	53.84
14,034,322	4,727,390	2,675,631,416	2.56%	12.85000	1,474,385,310	55.10
<b>14,232,920</b>	<b>6,407,620</b>	<b>2,741,403,054</b>	<b>5.08%</b>	<b>12.60000</b>	<b>1,535,809,491</b>	<b>56.02%</b>

## City of Bettendorf, Iowa

### Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

---

Tax Year Levied	City Direct Rates				
	General Fund	Employee Benefits	Insurance	Debt Service	Total Direct
2002	6.39072	1.14629	0.11854	3.80000	11.45555
2003	6.54800	1.23023	0.27177	3.80000	11.85000
2004	6.54800	1.23023	0.27177	3.80000	11.85000
2005	7.04761	1.23016	0.27175	3.79980	12.34932
2006	7.04761	1.23016	0.27175	3.80000	12.34952
2007	7.04809	1.23016	0.27175	4.05000	12.60000
2008	6.87883	1.23016	0.34101	4.50000	12.95000
2009	6.48340	1.50164	0.36496	4.50000	12.85000
2010	5.71631	1.54366	0.34003	5.00000	12.60000
<b>2011</b>	<b>5.49661</b>	<b>1.78467</b>	<b>0.31872</b>	<b>5.00000</b>	<b>12.60000</b>

Source: Tax levies for Scott County, Iowa compiled by Scott County Auditor

---

Overlapping Rates

---

Bettendorf School District	Scott County	County Assessor	Area IX	Other	Total Levy
14.56220	4.17307	0.31830	0.60382	0.06790	31.18084
15.78768	4.48067	0.33124	0.62633	0.06248	33.13840
15.77779	4.80887	0.33119	0.61738	0.06721	33.45244
15.46630	4.75497	0.27124	0.59216	0.06939	33.50338
14.69042	5.56513	0.27404	0.59269	0.06973	33.54153
15.00216	5.51106	0.29563	0.61277	0.07034	34.09196
15.00025	5.54040	0.28899	0.60785	0.07079	34.45828
14.85367	5.47607	0.33733	0.87714	0.06845	34.46266
15.00820	6.37607	0.28465	0.92444	0.06946	35.26282
<b>15.00244</b>	<b>6.37759</b>	<b>0.28110</b>	<b>1.01724</b>	<b>0.06891</b>	<b>35.34728</b>

**City of Bettendorf, Iowa**

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mid American Energy Co.	\$ 85,766,833	1	3.21			
Isle of Capri Bettendorf LC	85,002,320	2	3.18	\$ 39,792,199	1	2.36
Inland Western Bett Duck Creek	13,772,290	3	0.51	6,748,671	8	0.40
CMS/Chateau Knoll	13,327,650	4	0.50	11,609,501	2	0.69
Haversian Canal Systems LLP	13,173,640	5	0.49			
First Equity Mngmt LC (formerly Equitable Life Assurance Soc.)	11,434,230	6	0.43			
Olympic Steel Iowa, Inc.	9,227,420	7	0.34	6,140,380	9	0.36
Bettendorf Regency Apartments LC	8,701,290	8	0.33	6,927,565	7	0.41
Green Bridge Co.	8,071,900	9	0.30	7,999,728	5	0.48
Art Mortgage Borrower Propco	7,927,580	10	0.30			
Quad City Lodging Partners, LLC				9,352,906	3	0.56
Aluminum Company of America				8,197,887	4	0.49
Americold Real Estate LP				7,253,852	6	0.43
Mel Foster Co. Properties, Inc.				5,646,830	10	0.34
<b>Total</b>	<b>\$ 256,405,153</b>		<b>9.58</b>	<b>\$ 109,669,519</b>		<b>6.52</b>
Total assessed value	\$ 2,675,631,416			\$ 1,683,281,288		

Source: Scott County Auditor



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

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

Fiscal Year Ended June 30:	Tax Year	Net Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2002	2000	12,229,784	12,151,763	99.36
2003	2001	12,892,364	12,809,584	99.36
2004	2002	13,138,638	13,045,163	99.29
2005	2003	14,559,439	14,536,037	99.84
2006	2004	15,419,061	15,378,320	99.74
2007	2005	15,663,030	15,606,270	99.64
2008	2006	16,797,824	16,749,669	99.71
2009	2007	18,559,049	18,375,091	99.01
2010	2008	19,466,344	19,259,546	98.94
<b>2011</b>	<b>2009</b>	<b>19,860,334</b>	<b>19,814,066</b>	<b>99.77%</b>

Source: City records

Note: Delinquent taxes collected may be from many previous years, so total collections may calculate above 100% of current year's tax levy.

---

Delinquent Tax Collections	Total Collections to Date	
	Amount	Percentage of Levy
774	12,152,537	99.37
59,294	12,868,878	99.82
39,568	13,084,731	99.59
95,132	14,631,169	100.49
4,795	15,383,115	99.77
13,519	15,619,789	99.72
13,480	16,763,149	99.79
9,334	18,384,425	99.06
7,825	19,267,371	98.98
<b>15,453</b>	<b>19,829,519</b>	<b>99.84%</b>

City of Bettendorf, Iowa

**Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	General Bonded Debt			Net General Bonded Debt	Percentage of Actual Taxable Value of Property
	Governmental Activities General Obligation Bonds	Business Type Activities General Obligation Bonds	Less Amount Available in Debt Service		
2002	42,008,652	4,236,348	2,247,776	\$ 43,997,224	4.19
2003	45,726,790	3,758,210	4,986,529	\$ 44,498,471	4.16
2004	47,484,239	9,960,761	6,391,734	\$ 51,053,266	4.69
2005	43,737,074	6,672,926	1,605,452	\$ 48,804,548	4.19
2006	43,972,916	8,432,084	1,202,568	\$ 51,202,432	4.16
2007	48,128,700	7,756,300	4,658,472	\$ 51,226,528	4.19
2008	50,208,700	12,151,300	724,672	\$ 61,635,328	4.89
2009	59,213,300	11,296,700	806,085	\$ 69,703,915	4.96
2010	76,265,200	13,739,800	8,105,133	\$ 81,899,867	5.55
<b>2011</b>	<b>78,845,900</b>	<b>14,654,100</b>	<b>607,182</b>	<b>\$ 92,892,818</b>	<b>6.05</b>

Source: City records

\* Information not available

---

Debt Per Capita	Other Governmental	Business Type	Total Primary Government	Percentage of Personal Income	Per Capita
	Activities	Activities			
	Debt Revenue Bonds	Debt Revenue Bonds			
1,407	7,840,000	1,850,000	\$ 53,687,224	4.91	\$ 1,717
1,423	7,225,000	3,130,000	\$ 54,853,471	4.86	\$ 1,754
1,632	6,565,000	1,260,000	\$ 58,878,266	4.89	\$ 1,883
1,560	5,865,000	1,010,000	\$ 55,679,548	4.53	\$ 1,780
1,637	5,120,000	740,000	\$ 57,062,432	4.36	\$ 1,825
1,638	4,320,000	460,000	\$ 56,006,528	4.03	\$ 1,791
1,971	3,465,000	180,000	\$ 65,280,328	4.42	\$ 2,087
2,229	2,140,000	13,565,000	\$ 85,408,915	5.83	\$ 2,731
2,466	1,180,000	13,055,000	\$ 96,134,867	6.34	\$ 2,894
<b>2,797</b>	-	<b>12,510,000</b>	<b>\$ 105,402,818</b>	*	<b>\$ 3,173</b>

**City of Bettendorf, Iowa**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended June 30, 2011  
(Unaudited)**

Name of Governmental Unit	Total General Long-term Bonded Debt Outstanding	Percent Applicable to the City of Bettendorf	Amount Applicable to the City of Bettendorf
School District, Bettendorf	\$ -	0.00%	\$ -
School District, North Scott	-	0.00%	-
Scott County	15,660,000	13.89%	3,704,804
Eastern Iowa Community College	69,525,000	23.35%	9,755,027
	<u>85,185,000</u>		<u>13,459,831</u>
City of Bettendorf	78,845,900	100.00%	78,845,900
	<u>\$ 164,030,900</u>		<u>\$ 92,305,731</u>

**Source:** Scott County Auditor



Bettendorf IOWA  
*a premier city*

**City of Bettendorf, Iowa**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

	2002	2003	2004	2005
100% assessed valuation	\$ 1,624,190,537	\$ 1,791,245,012	\$ 2,011,187,049	\$ 2,024,482,166
Plus: Public gas and electric utilities	59,090,751	58,719,279	58,058,849	57,805,090
Plus: Captured tax increment value	70,075,567	73,394,426	73,275,607	60,265,733
Less: Military exemption	(4,680,004)	(4,651,525)	(4,517,028)	(4,517,028)
Total assessed valuation of the property of the City of Bettendorf	<u>\$ 1,748,676,851</u>	<u>\$ 1,918,707,192</u>	<u>\$ 2,138,004,477</u>	<u>\$ 2,138,035,961</u>
Debt limit, 5% of total actual valuation	\$ 87,433,843	\$ 95,935,360	\$ 106,900,224	\$ 106,901,798
Debt applicable to debt limit:				
Debt service general obligation bonds	42,008,652	45,726,790	47,484,239	43,737,074
Debt service TIF revenue bonds	7,840,000	7,225,000	6,565,000	5,865,000
Enterprise general obligation bonds	4,236,348	3,758,210	9,960,761	6,672,926
	<u>54,085,000</u>	<u>56,710,000</u>	<u>64,010,000</u>	<u>56,275,000</u>
<b>Legal debt margin</b>	<u>\$ 33,348,843</u>	<u>\$ 39,225,360</u>	<u>\$ 42,890,224</u>	<u>\$ 50,626,798</u>

\* Information not available

Source: City records

		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	2,169,267,269	\$	2,228,991,261	\$	2,307,506,214	\$	2,604,249,920	\$	2,670,904,026	\$	<b>2,734,995,434</b>
	60,744,311		65,453,665		70,778,591		71,650,075		80,870,681		<b>82,943,113</b>
	66,666,168		69,956,005		113,012,248		122,409,826		125,373,346		<b>109,976,871</b>
	(4,457,764)		(4,397,572)		(4,389,236)		(4,306,822)		(4,245,706)		<b>(4,197,554)</b>
\$	<b>2,292,219,984</b>	\$	<b>2,360,003,359</b>	\$	<b>2,486,907,817</b>	\$	<b>2,794,002,999</b>	\$	<b>2,872,902,347</b>	\$	<b>2,923,717,864</b>
\$	114,610,999	\$	118,000,168	\$	124,345,391	\$	139,700,150	\$	143,645,117	\$	<b>146,185,893</b>
	43,972,916		48,128,700		50,208,700		59,213,300		76,265,200		<b>78,845,900</b>
	5,120,000		4,320,000		3,465,000		15,705,000		14,235,000		<b>12,510,000</b>
	8,432,085		7,756,300		12,151,300		11,296,700		13,739,800		<b>14,654,100</b>
	57,525,001		60,205,000		65,825,000		86,215,000		104,240,000		<b>106,010,000</b>
\$	<b>57,085,998</b>	\$	<b>57,795,168</b>	\$	<b>58,520,391</b>	\$	<b>53,485,150</b>	\$	<b>39,405,117</b>	\$	<b>40,175,893</b>

**City of Bettendorf, Iowa**

**Pledged-Revenue Coverage**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

Sewer Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 2,491,607	\$ 1,801,269	\$ 690,338	\$ 375,000	\$ 158,922	\$ 533,922
2003	2,525,176	1,748,980	776,196	235,000	105,923	340,923
2004	2,301,012	1,535,026	765,986	1,870,000	45,093	1,915,093
2005	2,481,261	1,610,415	870,846	250,000	25,805	275,805
2006	2,593,811	1,689,887	903,924	270,000	21,430	291,430
2007	2,634,901	1,714,330	920,571	280,000	16,030	296,030
2008	2,558,846	1,750,477	808,369	280,000	10,430	290,430
2009	2,620,392	1,830,696	789,696	180,000	4,410	184,410
2010	2,571,232	2,003,140	568,092	-	-	-
<b>2011</b>	<b>2,596,567</b>	<b>2,011,581</b>	<b>584,986</b>	-	-	-

Source: City records

---

Tax Increment Financing Bonds

---

Tax		Debt Service		Coverage
Increment		Principal	Interest	
Financing Revenue				
\$ 1,316,321	\$	580,000	\$ 630,410	\$ 1,210,410
1,461,986		615,000	592,625	1,207,625
1,538,548		660,000	552,065	1,212,065
1,175,808		700,000	508,018	1,208,018
1,217,433		745,000	460,855	1,205,855
1,215,580		800,000	407,575	1,207,575
1,150,068		855,000	349,600	1,204,600
1,541,249		1,785,000	1,064,737	2,849,737
2,246,183		1,470,000	1,145,235	2,615,235
<b>3,140,542</b>		<b>2,055,000</b>	<b>154,449</b>	<b>2,209,449</b>

**City of Bettendorf, Iowa**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30,	Population (3)	Personal Income (1)	Per Capita Personal Income (1)	Building Permits (4)		School Enrollment (2)	Unemployment Rate (3)
				Number of Permits	Assessed Value of Permits		
2002	31,275	10,934,610	29,248	1,466	40,489,323	5,109	2.8
2003	31,275	11,295,865	30,295	1,208	76,121,586	4,732	4.1
2004	31,275	12,028,529	32,269	1,342	60,956,350	5,000	3.3
2005	31,275	12,303,789	32,993	1,298	67,539,589	4,896	3.4
2006	31,275	13,094,782	35,030	1,488	105,551,442	4,822	2.8
2007	31,275	13,913,623	37,067	1,179	60,087,091	4,955	3.3
2008	31,275	14,780,968	39,209	1,328	102,484,540	4,962	3.6
2009	31,275	14,658,641	38,670	1,143	45,307,916	4,975	6.0
2010	33,217	15,164,000	*	1,128	36,350,429	5,101	5.5
<b>2011</b>	<b>33,217</b>	*	*	<b>1,667</b>	<b>22,771,605</b>	<b>5,194</b>	<b>5.5</b>

**Sources:**

- (1) Thousands of dollars. Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce - Davenport - Moline - Rock Island, Iowa - Illinois (MSA)
- (2) Bettendorf Community School District, Local Private School Office, Local Parochial School Office
- (3) Iowa Workforce Development
- (4) City records
- \* Information not available

**City of Bettendorf, Iowa**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Aluminum Company of America	2,250	1	2.61%	2,528	1	3.04%
Isle of Capri ( formerly Lady Luck Casino)	1,050	2	1.22%	1,006	2	1.21%
Bettendorf Community School District	594	3	0.69%	541	4	0.65%
Pleasant Valley School District	435	5	0.51%			
Eastern Iowa Community College District	402	5	0.47%	380	6	0.46%
HyVee Food Stores	375	6	0.44%	420	5	0.50%
City of Bettendorf	317	7	0.37%	296	8	0.36%
Genesis	315	8	0.37%			
Sivyer Steel	309	9	0.36%	310	7	0.37%
Trinity	255	10	0.30%			
Mississippi Bend Area Education Agency	222	11	0.26%	645	3	0.78%
The Schebler Co.	156	12	-	176	10	0.21%
The Lodge, Inc. (formerly Jumer's Castle Lodge)	76	13	0.09%	250	9	0.30%
<b>Total</b>	<b>6,756</b>		<b>7.66%</b>	<b>6,552</b>		<b>7.87%</b>

Total County Employment as of 6/30/2010: 84,750

Total County Employment in 2000: 83,210

**Sources:** Quad City Development Group and the respective employer  
and Iowa Workforce Development at [www.iowaworkforce.org/lmi/laborforce/etables/historic/area82.txt](http://www.iowaworkforce.org/lmi/laborforce/etables/historic/area82.txt)

**City of Bettendorf, Iowa**

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

<u>Fund Type/Function</u>	Full-Time Equivalent Employees for Fiscal Year Beginning July 1			
	2011	2010	2009	2008
<b>General Fund:</b>				
Administration	1.84	1.83	1.82	1.82
Community development	9.50	9.50	9.50	9.50
Elected officials	13.00	13.00	13.00	13.00
Fire department	26.50	26.50	23.50	23.50
Finance	6.22	6.21	5.17	5.17
Human resources	1.88	1.80	1.81	1.80
Library	32.02	31.67	30.91	30.91
Legal	1.11	1.08	1.08	1.08
Police	55.64	63.06	62.84	62.62
Parks and recreation	8.80	8.80	9.49	9.20
Public works	6.42	6.42	6.46	6.37
<b>Special revenue funds:</b>				
Administration	0.15	0.15	0.15	0.15
Community development	1.50	1.50	1.50	2.50
Economic development	1.00	1.00	1.00	1.00
Finance	0.34	0.34	0.34	0.35
Human resources	0.10	0.10	0.10	0.10
Legal	0.01	0.01	0.01	0.01
Parks and recreation	-	-	-	-
Public works	23.24	23.24	22.44	22.44
<b>Enterprise funds:</b>				
Administration	0.01	0.03	0.03	0.03
Finance	1.42	1.44	1.48	1.46
Human resources	0.02	0.10	0.09	0.10
Legal	0.03	0.06	0.05	0.06
Museum	17.70	17.60	16.85	16.98
Parks and recreation	10.53	10.67	10.02	10.31
Public works	37.52	35.08	34.74	34.23
<b>Internal service funds:</b>				
Finance	4.02	4.02	4.02	5.02
Legal	-	-	-	-
Public works	6.16	6.16	6.16	5.16
<b>Total</b>	<b>266.68</b>	<b>271.37</b>	<b>264.56</b>	<b>264.87</b>
<b>Budget book personnel summary</b>				
Officials	13.00	13.00	13.00	13.00
Administration	4.00	4.00	4.00	4.00
Legal	1.15	1.15	1.15	1.15
Finance	12.00	12.00	11.00	12.00
Community development	12.00	12.00	12.00	13.00
Public works	73.34	70.90	69.80	68.20
Police	55.64	63.06	62.84	62.62
Fire	26.50	26.50	23.50	23.50
Library	32.02	31.67	30.91	30.91
Museum	17.70	17.60	16.85	16.98
Parks	19.33	19.47	19.51	19.51
<b>Total</b>	<b>266.68</b>	<b>271.35</b>	<b>264.56</b>	<b>264.87</b>

Source: City of Bettendorf Budget Books

Full-Time Equivalent Employees for Fiscal Year Beginning July 1

2007	2006	2005	2004	2003	2002
1.78	1.77	1.92	1.82	1.65	1.65
9.50	8.50	8.50	8.30	9.30	10.50
13.00	13.00	13.00	13.00	13.00	13.00
20.50	20.50	20.50	19.50	19.50	21.00
5.17	4.80	4.80	3.98	4.74	4.74
1.80	1.80	1.77	1.77	1.77	2.77
30.91	29.63	29.63	29.63	29.63	31.94
1.07	1.07	1.05	1.15	1.40	1.50
62.62	62.60	61.10	62.10	63.60	63.60
9.59	13.50	13.50	13.50	14.29	14.29
6.28	12.61	12.61	6.01	5.71	6.71
0.20	0.20	0.05	0.05	-	-
2.50	2.20	2.20	2.40	2.40	3.00
1.00	1.00	1.00	1.00	1.00	1.00
0.35	0.36	0.36	0.37	0.59	0.59
0.10	0.10	0.10	0.10	0.10	0.10
0.02	0.02	0.02	0.02	-	-
-	-	-	0.54	0.54	0.54
22.95	22.95	22.95	27.11	27.11	27.11
0.03	0.03	0.03	0.03	-	-
1.46	1.59	1.59	1.65	1.67	1.67
0.10	0.10	0.13	0.13	0.13	0.13
0.05	0.05	0.07	0.07	-	-
16.98	18.94	18.94	18.94	18.94	23.21
9.92	44.46	44.46	43.92	36.32	47.46
32.87	31.19	31.19	33.63	33.33	33.66
5.02	5.00	5.00	5.00	5.00	6.00
0.01	0.01	0.01	0.01	-	-
6.35	6.25	6.25	6.25	6.35	6.35
262.13	304.23	302.73	301.98	298.07	322.52
13.00	13.00	13.00	13.00	13.00	13.00
4.01	4.00	4.00	3.90	3.65	4.65
1.15	1.15	1.15	1.25	1.40	1.50
12.00	11.75	11.75	11.00	12.00	13.00
13.00	11.70	11.70	11.70	12.70	14.50
68.45	73.00	73.00	73.00	72.50	73.83
62.62	62.60	61.10	62.10	63.60	63.60
20.50	20.50	20.50	19.50	19.50	21.00
30.91	29.63	29.63	29.63	29.63	31.94
16.98	18.94	18.94	18.94	18.94	23.21
19.51	57.96	57.96	57.96	51.15	62.29
262.13	304.23	302.73	301.98	298.07	322.52

**City of Bettendorf, Iowa**

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

Function/Program	01/02	02/03	03/04	04/05
<b>Police:</b>				
Calls for service	42,000	42,000	40,000	40,000
# of Group A offenses	2,100	2,100	2,032	2,100
# of Group B offenses	2,000	2,000	855	855
Traffic citations	1,900	1,900	5,900	6,000
<b>Fire:</b>				
Fire call volume	591	634	608	741
EMS call volume	1,760	1,777	1,795	1,520
Property loss	\$ 500,000	\$ 500,000	\$ 25,600,000	\$ 500,000
<b>Building safety:</b>				
Total building permits	3,500	3,500	3,300	3,300
Total revenue generated by permits	\$ 335,772	\$ 531,439	\$ 445,000	\$ 417,000
<b>Library:</b>				
Number of materials circulated	503,125	450,000	450,000	524,487
Number of registered borrowers	22,355	22,000	23,280	21,866
<b>Public Works:</b>				
Garbage collected (ton)	7,000	7,500	7,900	8,334
Recycle collected (ton)	2,940	2,743	2,880	2,680
Miles of streets maintained	170	175	180	187
Number of traffic signals	235	245	265	270
Miles of sanitary sewers maintained	154	156	158	162
<b>Parks and Recreation:</b>				
Recreation program attendance	113,225	98,406	143,790	152,976
Aquatics program attendance	14,149	24,739	58,447	46,086
Golf rounds played	32,752	29,699	32,859	32,750
Fitness Center memberships sold	2,150	2,271	2,039	1,393
Acres maintained	563	563	563	563

**Source:** City records

Fiscal Year						
05/06	06/07	07/08	08/09	09/10	10/11	
37,015	40,136	39,505	40,962	35,683	<b>29,114</b>	
1,801	1,771	1,830	1,836	1,151	<b>1,127</b>	
882	1,033	468	466	470	<b>235</b>	
8,640	11,380	8,847	5,999	5,576	<b>4,624</b>	
606	544	823	526	953	<b>922</b>	
1,611	1,631	1,831	1,653	1,896	<b>1,904</b>	
\$ 894,288	\$ 4,913,775	\$ 475,685	\$ 500,000	\$ 411,365	<b>\$ 1,314,530</b>	
4,112	3,306	3,291	3,200	2,817	<b>1,667</b>	
\$ 785,142	\$ 463,714	\$ 461,722	\$ 359,784	\$ 533,574	<b>\$ 229,541</b>	
563,732	559,109	560,000	552,686	605,325	<b>602,775</b>	
24,221	21,177	21,000	22,264	20,375	<b>22,608</b>	
7,410	7,857	7,769	9,055	9,305	<b>9,100</b>	
2,671	2,661	2,668	2,676	2,320	<b>2,496</b>	
195	195	220	221	221	<b>221</b>	
290	290	320	345	345	<b>345</b>	
174	178	178	179	179	<b>179</b>	
128,350	135,486	135,500	87,404	82,428	<b>94,374</b>	
42,240	41,424	47,799	56,606	40,312	<b>46,531</b>	
34,812	32,209	30,026	30,066	29,519	<b>28,237</b>	
1,495	1,658	1,687	1,725	1,923	<b>1,822</b>	
580	585	585	585	585	<b>585</b>	

**City of Bettendorf, Iowa**

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

Function/Program	2002	2003	2004	2005
Police:				
Stations	1	1	1	1
Squad cars	14	14	14	14
Fire, fire stations	4	4	4	4
Refuse collection:				
Collection trucks	11	11	11	11
Streets (miles)	175	180	187	195
Traffic signals	235	245	265	270
Parks and recreation:				
Acreage	563	563	563	563
Parks	20	20	21	21
Golf course	1	1	1	1
Baseball/softball diamonds	32	32	32	32
Soccer/football fields	8	8	8	8
Basketball courts	9	9	9	9
Tennis courts	8	8	8	8
Swimming pools	1	1	1	1
Parks with playground equipment	15	15	16	16
Picnic shelters	6	6	6	6
Community centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	503,125	450,000	450,000	524,487
Wastewater:				
Sanitary sewers (miles)	154	156	158	162
Storm sewers (miles)				

**Source:** City records

---

Fiscal Year						
2006	2007	2008	2009	2010	2011	
1	1	1	1	1	1	
18	18	18	18	18	18	
4	4	4	4	4	4	
12	12	12	13	13	13	
195	220	221	221	221	221	
290	290	320	345	345	345	
580	585	585	585	585	585	
21	21	21	21	21	21	
1	1	1	1	1	1	
32	32	32	32	32	32	
8	8	8	8	8	8	
9	9	9	9	9	9	
8	8	8	8	8	8	
1	1	1	1	1	1	
16	16	16	16	16	16	
6	6	6	6	6	6	
1	1	1	1	1	1	
1	1	1	1	1	1	
150,242	153,000	153,000	153,000	175,000	175,000	
174	178	178	179	179	179	

**City of Bettendorf, Iowa**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs,			
Lower Income Housing Assistance Program, Section 8	N/A	14.871	\$ 393,906
<b>U.S. Department of Transportation</b>			
Direct Program, Urban Mass Transit			
Formula Grants:			
Federal Transit - Formula Grants	IA-90-X302-03	20.507	138,568
Federal Transit - Formula Grants	IA-90-X363-00	20.507	611,596
			<u>750,164</u>
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety Police Traffic Services	11-04, Task 01	20.600	38,633
State and Community Highway Safety Police Traffic Services	10-04, Task 01	20.600	11,825
			<u>50,458</u>
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	HDP-0587(626)--71-82	20.205	51,119
Highway Planning and Construction	STP-U-0587(627)-70-82	20.205	223,476
Highway Planning and Construction	EDP-0587(628)-7Y-82	20.205	441,529
Highway Planning and Construction	SB-IA-0587(629)--2T-82	20.205	18,623
Highway Planning and Construction	STP-U-0587(630)-70-82	20.205	953,022
Capital Assistance Program for Elderly Persons and Persons with Disabilities	16-X001-587-08	20.513	21,319
Urban Mass Transit, Riverfront Circulator	95-X003-587-09	20.507	129,197
			<u>1,838,285</u>
			<u>2,638,907</u>
<b>Total U.S. Department of Transportation</b>			
<b>U.S. Department of Justice</b>			
Passed through the Scott County Attorney's office:			
ARRA - Justice Assistance Grant	09JAG/ARRA-4269B	16.803	34,656
ATN Grant	2009-DJ-BX-0943	16.738	30,973
Hot Spots Interdiction-15	09-HOTSPOTS/Interdiction-15	16.NONE	1,821
			<u>67,450</u>
<b>Total U.S. Department of Justice</b>			
<b>Executive Office of the President</b>			
Passed through Quad City Metropolitan Enforcement Group:			
HIDTA Overtime Reimbursement	G10MW0002A	95.001	2,428
HIDTA Overtime Reimbursement	G11MW0002A	95.001	1,280
			<u>3,708</u>
<b>Total Executive Office of the President</b>			
<b>Total federal expenditures</b>			<u>\$ 3,103,971</u>

See Notes to Schedule of Expenditures of Federal Awards.

**City of Bettendorf, Iowa**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011**

---

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bettendorf, Iowa for the year ended June 30, 2011. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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 under the modified accrual basis for governmental funds and accrual basis for proprietary funds. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**City of Bettendorf, Iowa**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2011**

---

	Finding	Status	Corrective Action Plan or Other Explanation
<b>Instances of Noncompliance in Administering Federal Awards</b>			
10-III-A	The City did not appropriately capture certain federal expenditures for the 2008, 2009, and 2010 schedule of federal awards which resulted in certain expenditures removed and included in the schedule of federal awards.	Corrected	
10-III-B	The City did not document time spent by full time employees that are allocated to multiple cost objectives as required by OMB A-87.	Not Corrected	See finding and corrective action plan at 11-III-A
10-III-C	The City did not properly report quarterly activity.	Corrected	
<b>Other Findings Related to Required Statutory Reporting</b>			
10-IV-A	Expenditures for the year ended June 30, 2010, exceeded the amended certified budget amount in the Business-type function.	Corrected	
10-IV-F	The City did not publish a summary of all receipts received monthly.	Not Corrected	See finding and corrective action plan at 11-IV-F
10-IV-H	The City failed to submit quarterly I-Jobs report due June 27, 2010.	Corrected	
10-IV-J	The Tax Increment Financing Fund had a deficit fund balance of \$11,117 as of June 30, 2010.	Not Corrected	See finding and corrective action plan at 11-IV-J



**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 Bettendorf, Iowa  
Bettendorf, Iowa

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Bettendorf, Iowa as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 6, 2011. 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.

**Internal Control Over Financial Reporting**

Management of the City of Bettendorf, Iowa is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 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* identified as item 11-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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*. However, we noted certain immaterial instances of noncompliance that is 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, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the City. Since our audit was based on 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 6, 2011.

The City of Bettendorf'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's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council and appropriate regulatory or oversight bodies and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
December 6, 2011



**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**

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

**Compliance**

We have audited the City of Bettendorf, Iowa's compliance with the types of compliance with the type of 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 the City's major federal programs for the year ended June 30, 2011. The City'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's management. Our responsibility is to express an opinion on the City'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. 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 11-III-A.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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'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.

The City'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's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council and appropriate regulatory or oversight bodies and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
December 6, 2011

City of Bettendorf, Iowa

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

---

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?
- Significant deficiencies identified?
- Noncompliance material to financial statements noted?

- Yes  No
- Yes  None Reported
- Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiencies identified?

- Yes  No
- 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
20.507	Federal Transit - Formula Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?

- Yes  No

(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2011

---

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

11-II-A

Finding: The City's transit department did not submit accounts payable invoices to the finance department. Additionally, the invoices not paid by the City were not submitted for timely reimbursement of potential grant awards.

Criteria: A good internal control system will monitor open invoices for payment to the vendor. A good internal control system over revenues will monitor for potential timely submission invoices for reimbursable expenses under the grant agreements.

Condition: Six invoices over multiple fiscal years were not submitted for payment to the City's finance department by the transit department. The grant administrator failed to recognize the maximum amount of reimbursable expenditures in grant drawdowns.

Context: Pervasive to cash disbursement transactions and eligible grant expenditures.

Effect: Accounts payable were understated. Grant revenues are not maximized.

Recommendation: *For missing invoices:* We recommend the accounts payable function receive invoices directly from vendors and forward the invoices to departments for approval. The accounts payable function should track all payable invoices. *For calculation of reimbursement revenues:* We recommend the City implement additional review procedures of the grant expenditures submitted for reimbursement including recalculation of reimbursement percentages and completeness of eligible expenses.

Response: The City will implement an additional level of review for all invoices billed to the Transit division. The accounting department will work with the Transit division to ensure that all billings are paid in a timely manner.

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls in Administering Federal Awards

None reported

(Continued)

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2011**

---

**B. Instances of Noncompliance**

**11-III-A**

**U.S. Department of Transportation (Direct)**  
**Urban Mass Transit Formula Grants**  
**(CFDA #20.507)**  
**Award Year 2010 and 2011**

Finding/Condition: The City did not document time spent by full time employees that is allocated to multiple cost objectives as required by OMB-87.

Criteria/Context: The Office of Management and Budget (OMB) Circular A-87 requires employees allocated to multiple cost objectives to document their time through an after the fact distribution of actual activity; account for the total activity of the employee; are prepared daily, coinciding with pay periods; and include the signature of the employee.

Effect: Undocumented employee payroll was expensed to the program.

Cause: The City was unaware of the requirement to document management payroll expensed to multiple cost functions.

Questioned Costs: \$329

Recommendation: We recommend the City maintain proper supporting documentation in the appropriate file during the expensing of payroll.

Response: The City will review the cost allocation method for administrative employees and require timesheet certification by all employees allocating time to the program.

**IV. Other Findings Related to Required Statutory Reporting**

**11-IV-A Certified Budget**

No expenditures exceeded the amended certified budget amounts.

**11-IV-B Questionable Disbursements**

No questionable disbursements were noted.

**11-IV-C Travel Expense**

No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**11-IV-D Business Transactions**

No business transactions between the City and City officials or employees were noted.

(Continued)

City of Bettendorf, Iowa

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2011**

---

**11-IV-E Bond Coverage**

Surety bond coverage of City officials and employees is in accordance with statutory provisions.

**11-IV-F Council Minutes**

We noted no transactions where the required Council approval was not obtained. However, the City did not publish a summary of all receipts received monthly.

Finding: The City is required to publish a summary of all receipts received monthly and within 15 days of a Council meeting. The City did not publish a summary of monthly receipts except for May and June 2011.

Recommendation: The City should publish a summary of all receipts received monthly.

Response and Corrective Action Plan: The City began publishing a summary of all receipts in April 2011.

**11-IV-G Deposits and Investments**

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.

**11-IV-H Revenue Notes**

No instances of noncompliance with the wastewater revenue note provisions were noted.

**11-IV-I Telecommunication Services**

The City does not own or operate a municipal utility providing telecommunications services which would be applicable to compliance standards under Chapter 388.10.

**11-IV-J Deficit Balances**

Finding: The Tax Increment Financing Fund had a deficit fund balance of \$310,898 as of June 30, 2011.

Recommendation: The City should monitor fund balance to ensure funds are not operating at a deficit fund balance.

Response and Corrective Action Plan: The City chooses to show the TIF fund as having a deficit balance when they advance funds for economic development projects. It is our method of tracking the progression payments back to the City from the annual TIF revenues. The yearly balances will increase, eventually to zero.

**10-IV-K Competitive Bid or Quote Procedures**

No instances of noncompliance with the required competitive bid or quote procedures were noted.

**City of Bettendorf, Iowa**

**Corrective Action Plan  
Year Ended June 30, 2011**

---

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
-------------------	---------	---------------------------	-----------------------------------	----------------

---

**Findings Related to Financial Statements:**

**Significant Deficiencies in Internal Control**

11-II-A	The City's Transit Department did not submit accounts payable invoices to the finance department. Additionally, the invoices not paid by the City were not submitted for timely reimbursement of potential grant awards.	See corrective action plan at 11-II-A.	June 2012	Carol Barnes
---------	--	--	-----------	--------------

**Instances of Noncompliance in Administering Federal Awards**

11-III-A	The City did not document time spent by full time employees that are allocated to multiple cost objectives as required by OMB A-87.	See corrective action plan at 11-III-A.	June 2012	Carol Barnes
----------	---	---	-----------	--------------

**Other Findings Related to Required Statutory Reporting**

11-IV-F	The City did not publish a summary of all receipts received monthly.	See corrective action plan at 11-IV-F.	June 2012	Carol Barnes
11-IV-J	The Tax Increment Financing Fund had a deficit fund balance of \$310,898 as of June 30, 2011.	See corrective action plan at 11-IV-J.	June 2012	Carol Barnes



Bettendorf IOWA  
*a premier city*



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

In connection with our audit of the financial statements of the City of Bettendorf, Iowa as of and for the year ended June 30, 2011, 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 financial statement 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 is not always 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.

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:

### **Cash Collections**

From other departments: Many of the departments have the same employee collect, reconcile and deposit cash receipts. The compensating control is the reconciling performed by the finance department of the system-generated reports provided by the other departments to the deposit and cash receipt. The finance department also monitors the cash receipts fluctuations. However, to improve the internal control process and prevent misappropriation of assets, we recommend the other departments collecting cash receipts look to realign duties so the same individual collecting receipts is not reconciling receipts.

The Palmer Hills Golf Course pro shop uses a cash register to collect monies throughout the day that is only counted down once a day or counted down more than once a day, but a reconciliation report is not maintain nor money removed at that time. We recommend the cash registers be balanced at the end of each shift and supporting documentation maintained to further track any differences.

Utility: One employee performs the sewer, storm water and garbage billing, maintains the customer accounts, can edit accounts, collects sewer receipts and makes daily deposits. After this employee receives the information from the water company and it is uploaded in the system, the employee cannot edit the detail. However, the employee could go in and enter a credit on someone's account and edit receipt after the daily processing. The compensating controls in place is that a separate employee reconciles daily collections to receipts and the manager of accounting reviews and signs off on all edits made to this system. In addition, a separate individual reconciles the accounts receivable balances to the general ledger. We wanted to stress the importance of these compensating controls in place to mitigate the lack of segregation of duties over this revenue cycle.

Museum: One Museum employee is responsible for setting up class/lesson reservations, entering the participant information into the system, receiving monies, reconciling weekly class revenue and putting the money received into the bag that is sent to City Hall. The compensating control in place is that a separate employee, at City Hall, reconciles the money received from the Museum to reports from the Museum's Point of Sale system. We wanted to stress the importance of this compensating control in place to mitigate the lack of segregation of duties over this revenue cycle.

### **Segregation of duties**

The payroll clerk is able to enter timesheet hours worked, make changes to employee payroll information in the system, print out and mail the checks. This gives the payroll clerk the ability to inappropriately run checks to fictitious employees or overstate hours worked for a time period to increase wages. The compensating controls currently in place include a monthly review by the human resources director of any changes made in the payroll module through review of a "payroll audit report" and the finance director's review of the payroll clerk's paycheck after printing. We wanted to stress the importance of these compensating controls in place to mitigate the lack of segregation of duties over the payroll cycle.

This communication is intended solely for the information and use of management, the 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 6, 2011