



# CITY OF CEDAR RAPIDS, IOWA



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012



*About the Cover*

**City Hall, 101 First Street SE:** The City acquired the former federal courthouse through a land exchange with the federal government in August 2010. In calendar year 2011, the City began renovations to the building to create a City Hall in downtown Cedar Rapids. This building will serve as office space for various City departments and City Council meetings are held in Council Chambers on third floor. The City spent approximately \$9.8 million on renovations and opened the building as City Hall on June 4, 2012.

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF CEDAR RAPIDS, IOWA  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**PUBLISHED BY  
FINANCE DEPARTMENT**

**CITY OF  
CEDAR RAPIDS, IOWA**

# CITY OF CEDAR RAPIDS, IOWA

## Table of Contents

June 30, 2012

<b>I.</b>	<b>INTRODUCTORY SECTION</b>	
	Table of Contents .....	1
	Letter of Transmittal .....	3
	Certificate of Achievement for Excellence in Financial Reporting.....	9
	Organizational Chart .....	10
	List of Principal Officials .....	11
<b>II.</b>	<b>FINANCIAL SECTION</b>	
	<b>A. INDEPENDENT AUDITOR’S REPORT</b> .....	12
	<b>B. MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	14
	<b>C. BASIC FINANCIAL STATEMENTS</b>	
	<b>Government-Wide Financial Statements</b>	
	Statement of Net Assets .....	24
	Statement of Activities.....	25
	<b>Fund Financial Statements</b>	
	Governmental Funds:	
	Balance Sheet.....	27
	Reconciliation of the Balance Sheet of Governmental Funds	
	to the Statement of Net Assets .....	28
	Statement of Revenues, Expenditures, and Changes in Fund Balances .....	29
	Reconciliation of the Statement of Revenues, Expenditures,	
	and Changes in Fund Balances of Governmental Funds to the	
	Statement of Activities.....	30
	Proprietary Funds:	
	Statement of Net Assets .....	31
	Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	33
	Statement of Cash Flows.....	35
	Fiduciary Funds:	
	Statement of Assets and Liabilities – Agency Funds .....	37
	<b>Notes to Financial Statements</b> .....	38
	<b>D. REQUIRED SUPPLEMENTARY INFORMATION</b>	
	Budget Comparison Schedule of Receipts, Disbursements, and Changes in	
	Balances – Budget to Actual – All Governmental Funds and Proprietary Funds .....	71
	Notes to Required Supplementary Information – Budgetary Reporting .....	73
	Schedule of Funding Progress .....	74
	<b>E. COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS</b>	
	Combining Balance Sheet.....	75
	Combining Statement of Revenues, Expenditures, and Changes in	
	Fund Balances (Deficits).....	77
	<b>F. COMBINING STATEMENTS – NONMAJOR ENTERPRISE FUNDS</b>	
	Combining Statement of Net Assets .....	79
	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	81
	Combining Statement of Cash Flows.....	83
	<b>F. COMBINING STATEMENTS – INTERNAL SERVICE FUNDS</b>	
	Combining Statement of Net Assets .....	85
	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	86
	Combining Statement of Cash Flows.....	87

# CITY OF CEDAR RAPIDS, IOWA

## Table of Contents

June 30, 2012

<b>G. COMBINING STATEMENTS – AGENCY FUNDS</b>	
Combining Statement of Assets and Liabilities .....	88
Combining Statement of Changes in Assets and Liabilities .....	89
<b>H. STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS – DISCRETELY PRESENTED COMPONENT UNITS</b> .....	90
<b>I. STATEMENTS OF CASH FLOWS – DISCRETELY PRESENTED COMPONENT UNITS</b> .....	91
<b>J. CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS:</b>	
Schedule By Source .....	92
Schedule by Function and Activity .....	93
Schedule of Changes by Function and Activity .....	94
<b>III. STATISTICAL SECTION (Unaudited)</b>	
Statistical Section .....	96
Net Assets by Component .....	97
Changes in Net Assets .....	99
Program Revenues by Function/Program .....	103
Fund Balances, Governmental Funds .....	105
Changes in Fund Balances, Governmental Funds .....	107
Tax Revenues by Source, Governmental Funds .....	110
Assessed Value and Estimated Actual Value of Taxable Property .....	111
Direct and Overlapping Property Tax Rates .....	113
Principal Property Taxpayers .....	116
Property Tax Levies and Collections .....	117
Ratios of Net General Bonded Debt Outstanding by Type .....	119
Direct and Overlapping Governmental Activities Debt .....	122
Legal Debt Margin Information .....	123
Pledged-Revenue Coverage .....	125
Demographic and Economic Statistics .....	126
Principal Employers .....	128
Full-Time Equivalent Employees by Functions/Programs .....	129
Operating Indicators by Function/Program .....	131
Capital Asset Statistics by Function/Program .....	133
<b>IV. COMPLIANCE SECTION</b>	
Schedule of Expenditures of Federal Awards .....	136
Notes to Schedule of Expenditures of Federal Awards .....	139
Summary Schedule of Prior Audit Findings .....	140
Independent Auditor’s Report 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 .....	142
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 .....	144
Schedule of Findings and Questioned Costs .....	146
Corrective Action Plan .....	149



December 20, 2012

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

The City of Cedar Rapids, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Rapids, Iowa (City) for the fiscal year ended June 30, 2012 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

McGladrey LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2012. The independent auditor’s report is located at the front of the financial section of this report.

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

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

## **PROFILE OF THE CITY OF CEDAR RAPIDS**

The City of Cedar Rapids, incorporated in 1849, is located twenty-five miles north of Iowa City and one hundred-thirty miles east of Des Moines, the State Capitol. Cedar Rapids is an important manufacturing, service, and trade area servicing an eight county area with a combined population estimated at 466,914 and occupies 71 square miles. The population of Linn County based upon the 2011 census is 213,875 of which 127,905 reside within Cedar Rapids. The City of Cedar Rapids is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

Progress with flood recovery can clearly be seen throughout the flood impacted area as 1,173 of 1,300 projected property buyouts have occurred to date and 928 of 1,200 structures scheduled for demolition have been completed. In addition, the City has begun construction of major facilities such as Library, Convention Center, Hotel, Arena, Ground Transportation Center, 2 Fire Stations, Neighborhood Recreation Center, and Public Works Building. These facilities will all be completed over the next two calendar years. The City is working on a flood protection plan to protect both sides of the river and which will assist with future development in the City along the river.

The City of Cedar Rapids has been recognized over the past year nationally:

- Best Places for Business and Careers: Cedar Rapids ranked #33 out of the 200 largest metropolitan statistical areas in the U.S. based on cost of doing business, job growth, education, employment, housing and quality of life.
- Job Growth has Topped National Levels by 7%: Cedar Rapids is considered a growing boomtown.
- 12 Best Cities for High Paying Jobs: Cedar Rapids ranked #7 because of our below-average unemployment and above-average income growth.

- Milken Institute's 2011 Best Performing Cities: Cedar Rapids ranks #13 in the 2011 Milken Institute Best-Performing Cities Index ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth.
- Top 25 Cities Where Homes are Affordable: Cedar Rapids ranked #11 for median family income and median home price.
- Top 10 Best Cities of 2011: Cedar Rapids ranked #9 based on average home costs, property tax rates and great amenities.

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

- New job creation: 10,458
- New business attractions: 44 companies
- Existing business expansions: 153
- Total capital investment: \$1,921,457,552

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

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

The City of Cedar Rapids is building a downtown riverfront amphitheater and levee project on the west bank of the Cedar River. This project is the first segment of a comprehensive west side flood management system, with room for an outdoor event space. The amphitheater is anticipated seat approximately 3,000 to 5,000 people and host eight national touring concerts and 20 ticketed events per year with up to 57,300 total annual attendance. The construction began in the spring of 2011 with anticipated completion in the summer of 2013. The City has secured \$1.075 million in funding from the State of Iowa I-JOBS program as well as \$1.6 million in a State RECAT grant.

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

The City and businesses in efforts to bring the talents of a diverse work force from around the world to this region. This effort is essential for Technology Corridor businesses to compete in a global economy and the City has pledged financial support for this project through calendar year 2013.

Cedar Rapids' unemployment rate decreased 1.0% to 4.9% for fiscal year ending 2012, which is slightly lower than the state unemployment rate of 5.1% and is lower than the national unemployment rate of 8.2% for the same time period.

The Cedar Rapids MSA mean household income in 2012 was \$98,964 as compared to \$94,884 in 2011. These amounts are presented in 1996 constant dollar.

Retail sales in the metro area increased to \$3.9 billion for calendar year 2012 compared to \$3.7 billion in calendar year 2011.

The total value of building permits in FY 2012 was approximately \$346.6 million. This compares with an amount of \$243.8 million for FY 2011. This amount represents an increase of 42.2 percent from the previous fiscal year mainly due to more home and commercial repairs and remodels related to the 2008 flood being completed in FY 2012.

### **Long-term financial planning**

The minimal fund balance in the general fund is \$26.2 million or 70% of total fund balance less nonspendable fund balance. This percentage falls within the City's policy guidelines for reserves, which at a minimum must be 25 percent of next fiscal year's budgeted general fund expenditures as established by Council resolution. By maintaining an appropriate reserve balance the City is able to react to both known and unknown events that will have an impact on the City finances without disrupting services provided to its citizens in the short term.

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

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

### **Relevant financial policies**

#### **Internal Controls**

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

#### **Single Audit**

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

#### **Budgetary Controls**

The City's management team takes a very active role in the financial planning and management of the City for both short-term daily operations and long-range planning. The City adopts its annual program budget to include all funds except fiduciary funds. While budgetary control is exercised at the program level, management control is exercised on a major objective of expenditure basis. The daily operations are

closely monitored through the City's automated and integrated on-line financial system which provides daily appropriations status capabilities, weekly cash management forecasting reports, and monthly, current and year-to-date budget by major object of expenditure reports. Estimated revenues are also closely monitored as to their impact on budgeted expenditures. If a department falls short of its discretionary revenue projections, adjustments must be made in its appropriations to reflect these shortfalls. Encumbrance accounting is employed in all funds for management control purposes. Appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reflected as assigned in the Governmental fund balances, which serve as authorizations for expenditures in the subsequent year. Capital projects are appropriated on a yearly basis.

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

#### Debt Administration

The City's debt management policy strives to repay 30 to 60 percent of the principal amount of its general obligation debt within five years and at least 60 percent within ten fiscal years. Capital projects financed through issuance of debt are programmed to be paid off completely within the expected useful life of the capital project. Currently, the City is on pace to repay over 63 percent of its debt within ten fiscal years. Moody's Investor Services continues to rate the City's general obligation bonds Aaa. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base, and a low debt burden with a rapid payout. FY12 marked our fortieth anniversary of maintaining this rating.

#### Cash Management

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

#### Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer and retention. Safety and loss prevention programs help identify and reduce the City's exposures to risks. Risks that cannot be eliminated or reduced are transferred when possible and cost effective. Retaining risks by self-funding enables the City to stabilize insurance costs, build a fund to provide a reliable and constant source of funds to pay claims, and seeks to provide a high level of service by handling claims promptly and courteously. During fiscal year 2012 the City purchased liability insurance to cover its airport, 3 of its 4 underground fuel tank sites, 4 housing vehicles and liquor liability. The City self-insured, without excess insurance, the remaining exposures to general liability, errors and employment practices liability, police liability, auto and bus liability which is accounted for and financed under a separate subdivision of the Risk Management Fund. The City also self-insures, without stop loss insurance, its workers' compensation, health insurance, and dental insurance. The City's property exposures are insured through a large deductible program. The City accounts for and finances its retained risks through the Risk Management Internal Service Fund. In compliance with Statement 10 of the Governmental Accounting Standards Board, the City's financial statements show as an expense and liability the estimated cost of all claims which have occurred. Claim liabilities are based on the estimated total cost of all claims including claims reported but not settled and claims incurred but not reported. The tort liability and workers' compensation claims liabilities are shown at a 95% confidence level, as determined by an independent actuary, in the City's June 30, 2012 financial statements. The amount of incurred but unpaid health and dental bills were determined by an independent actuary along with calculations to comply with Statement 45 of the Governmental Accounting Standards Board.

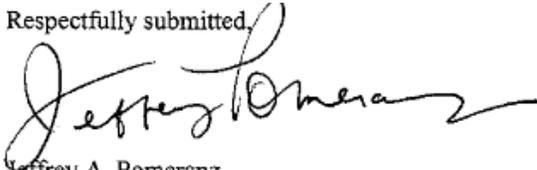
## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids, Iowa, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the thirty first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jeffrey A. Pomeranz  
City Manager



Casey J. Drew  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cedar Rapids  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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.



*Linda C. Danison*

President

*Jeffrey R. Enow*

Executive Director

# The City of Cedar Rapids Organizational Chart



# **CITY OF CEDAR RAPIDS, IOWA**

## **City Manager Form of Government**

### **CITY COUNCIL**

**Ron Corbett**  
Mayor

**Don Karr**  
At-Large

**Ann Poe**  
At-Large

**Chuck Swore**  
At-Large

**Kris Gulick**  
District 1

**Monica Vernon**  
Mayor Pro Tempore  
District 2

**Pat Shey**  
District 3

**Scott Olson**  
District 4

**Justin Shields**  
District 5

### **STAFF**

**Casey J. Drew, CPA**  
Finance Director

**Jeffrey A. Pomeranz**  
City Manager



## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cedar Rapids, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, Cedar Rapids Public Library Foundation, which represents 4.4 percent, 4.9 percent and 6.9 percent, respectively, of the assets, net assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cedar Rapids Public Library Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Cedar Rapids Public Library Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of June 30, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the City of Cedar Rapids, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion & analysis on pages 14 and 22, the budgetary comparison information on pages 71 and 73 and the City of Cedar Rapids, Iowa retiree healthcare plan schedule of funding progress on page 74, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedar Rapid's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedar Rapid's basic financial statements. 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*McGladrey LLP*

Davenport, Iowa  
December 20, 2012

## Management's Discussion and Analysis

As management of the City of Cedar Rapids, Iowa, we offer readers of the City of Cedar Rapids' financial statements this narrative overview and analysis of the financial statements of the City of Cedar Rapids for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

### Financial Highlights

- The assets of the City of Cedar Rapids exceeded its liabilities at the close of June 30, 2012, by \$781.6 million (net assets).
- The government's total assets increased by approximately \$188.4 million.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of \$76.2 million, which is the same as the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$34.7 million, or 32.4 percent of the total general fund expenditures.
- The City has a minimum fund balance policy of 25% of next year's budgeted general fund expenditures. The minimum fund balance for fiscal year 2012 is \$26.2 million or 70.0% of total fund balance less nonspendable.
- Total debt increased by \$62.1 million during the current fiscal year. The City issued \$83.4 million of new general obligation bonds, refunded \$14.2 million in general obligation bonds, issued \$2.4 million in notes payable, issued \$5.8 million of revenue bonds and retired \$43.7 million of existing bonds and notes payable.

### Overview of the Financial Statements

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

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

### Government-wide Financial Statements

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

The Statement of Activities is also included in the government-wide financial statements. The focus of the Statement of Activities is to show how the government's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs,

regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Statement of Net Assets for the Fiscal years Ended June 30, 2012 and 2011:**

A condensed version of the Statement of Net Assets as of June 30, 2012 and 2011 follows:

City of Cedar Rapids Net Assets (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Cash and investments	\$ 91.6	\$ 148.0	\$ 79.9	\$ 2.4	\$ 171.5	\$ 150.4
Restricted assets	71.9	56.9	50.8	32.1	122.7	89.0
Other assets	178.3	119.9	39.5	90.1	217.8	210.0
Capital assets	513.4	433.3	405.0	359.3	918.4	792.6
Total assets	855.2	758.1	575.2	483.9	1,430.4	1,242.0
Other liabilities	188.1	182.3	38.9	31.7	227.0	214.0
Noncurrent liabilities	180.1	160.1	241.7	190.1	421.8	350.2
Total liabilities	368.2	342.4	280.6	221.8	648.8	564.2
Net assets:						
Invested in capital assets, net of debt	387.0	401.6	199.2	186.0	586.2	587.6
Restricted	19.4	67.6	-	10.3	19.4	77.9
Unrestricted (deficit)	80.6	(53.5)	95.4	65.8	176.0	12.3
Total net assets	\$ 487.0	\$ 415.7	\$ 294.6	\$ 262.1	\$ 781.6	\$ 677.8

**Governmental Activities**

Total net assets increased \$71.3 million or 17.2 percent for fiscal year 2012. The change is mainly an increase in improvements & structures due to increase in infrastructure capital projects and property acquired as part of the 2008 flood recovery process.

**Business-Type Activities**

Total net assets increased \$32.5 million or 12.4% for fiscal year 2012. The increase is mainly due to an increase in construction in progress related to the convention center renovations.

**Statement of Activities for the Fiscal years Ended June 30, 2012 and 2011:**

A condensed version of the Statement of Activities as of June 30, 2012 and 2011 follows:

**Table 2**  
**Governmental and Business-type Activities**  
**For Fiscal years Ending June 30, 2012 and 2011**  
(in millions)

	Governmental		Business-type		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Charges for services	\$ 36.5	\$ 34.9	\$ 92.4	\$ 88.8	\$ 128.9	\$ 123.7
Operating grants and contributions	89.7	116.9	2.9	4.7	92.6	121.6
Capital grants and contributions	53.0	71.7	21.8	14.0	74.8	85.7
General revenues:						
Property taxes	84.0	82.5	4.6	4.3	88.6	86.8
Hotel-Motel taxes	2.8	2.7	-	-	2.8	2.7
Local option sales taxes	18.1	19.6	-	-	18.1	19.6
Franchise taxes	3.4	3.7	-	-	3.4	3.7
Investment income	0.8	2.9	0.6	0.5	1.4	3.4
Total revenues	<u>288.3</u>	<u>334.9</u>	<u>122.3</u>	<u>112.3</u>	<u>410.6</u>	<u>447.2</u>
<b>Expenses</b>						
Public safety	67.7	73.6	-	-	67.7	73.6
Public works	45.3	46.6	-	-	45.3	46.6
Culture and recreation	17.5	20.1	-	-	17.5	20.1
Community and economic development	58.9	116.0	-	-	58.9	116.0
General government	21.8	31.7	-	-	21.8	31.7
Debt service	6.4	6.0	-	-	6.4	6.0
Water	-	-	25.3	25.4	25.3	25.4
Water pollution control	-	-	27.2	27.7	27.2	27.7
Sanitary sewer	-	-	7.5	7.8	7.5	7.8
U.S. cellular center	-	-	1.4	3.1	1.4	3.1
Ground transportation system	-	-	8.3	8.6	8.3	8.6
Parking system	-	-	3.6	2.7	3.6	2.7
Solid waste management	-	-	10.3	8.9	10.3	8.9
Golf	-	-	3.2	3.1	3.2	3.1
Paramount theatre	-	-	0.4	0.5	0.4	0.5
Ice arena	-	-	2.0	1.5	2.0	1.5
Total expenses	<u>217.6</u>	<u>294.0</u>	<u>89.2</u>	<u>89.3</u>	<u>306.8</u>	<u>383.3</u>
Increase in net assets before transfers	70.7	40.9	33.1	23.0	103.8	63.9
Transfers	<u>0.6</u>	<u>(2.6)</u>	<u>(0.6)</u>	<u>2.6</u>	<u>-</u>	<u>-</u>
Changes in net assets	71.3	38.3	32.5	25.6	103.8	63.9
Beginning net assets	<u>415.7</u>	<u>377.4</u>	<u>262.1</u>	<u>236.5</u>	<u>677.8</u>	<u>613.9</u>
Ending net assets	<u>\$ 487.0</u>	<u>\$ 415.7</u>	<u>\$ 294.6</u>	<u>\$ 262.1</u>	<u>\$ 781.6</u>	<u>\$ 677.8</u>

## **Governmental Activities**

Charges for services make up 12.7 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 49.5 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes & one-percent local option sales tax.

## **Business-type Activities**

As expected, charges for services are the primary revenue source for business-type activities. Water fees, wastewater fees and sanitary sewer charges are the primary charges for services that make up 80.6 percent of charges for services. Operating and capital grants make up 20.2 percent of overall revenue, grants for ground transportation system and EDA grant for the Cedar Rapids event center make up 66.8 percent of this amount.

## **Fund Financial Statements**

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

## **Governmental Funds**

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

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

The City of Cedar Rapids maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General fund, Infrastructure Construction fund, and Flood fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The General Fund revenues increased \$5.0 million or 6.5%, while expenditures increased \$5.8 million or 5.8% over the prior year thus resulting in an increase in the change in fund balance of \$1.3 million compared to an increase in fiscal year 2011 of \$0.8 million. Property tax revenue increased \$3.0 million or 6.7% due to property tax valuations increasing 6.6% to \$5.5 billion. The main reasons taxable valuations increased in fiscal year 2012 are residential rollback increased 1.62% to 48.53%, equalization of all residential property (equalization reconciles assessments to sales price) averaged a 4.3% increase and reduction of taxable property valuation needed in TIF districts. Personal services also increased \$2.9 million due to increase in retirement contribution rates. The City's contribution rate to MFPRSI (Municipal Fire Police Retirement System of Iowa) increased from fiscal year 2011 to 2012 from 19.9% to 24.76% respectively. The City has continued to maintain its minimum fund balance policy of 25 percent of the next year's expenditure budget in the General Fund of \$26.2 million and is 70% of total fund balance, less

nonspendable fund balance. Infrastructure Construction Fund expenditures decreased by \$7.2 million or 27 percent due to decrease in streets improvements. Revenue also decreased in the Infrastructure Construction Fund by \$1.1 million, resulting in a decrease in fund balance of \$0.8 million as compared to an increase of \$0.7 million in the prior year. The Flood Fund had a decrease in fund balance of \$5.3 million resulting in a negative fund balance of \$54.2 million. The negative fund balance is due to a delay between expenditures and receiving reimbursement from federal and state funding and is expected to be temporary.

### **Proprietary Funds**

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

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

Water operating revenues increased 8.1 percent over the prior year while operating expenses increased 2.9 percent thus increasing the net operating income from \$8.2 million in fiscal year 2011 to \$10.0 million in fiscal year 2012. The change in net assets increased \$7.3 million. The \$2.4 million increase in Water operating revenue is due to an increase in utility rates of 5.0% combined with an increase in consummation of 5.0% except for step IV users which remained unchanged. Water Pollution Control's change in net assets is \$4.1 million as compared to an increase of \$5.9 million in fiscal year 2011 mainly increase in operating revenues. Water Pollution Control's operating revenues increased by 0.9 percent due to a residential usage increase of 0.7 percent. Sanitary Sewer's change in net assets is \$4.4 million compared to an increase of \$3.6 million in fiscal year 2011 mainly due to an increase in intergovernmental revenues of 0.5 million in the current year. U.S. Cellular Center's change in net assets increased \$16.7 million in the current year. The increase is related to the City receiving grant funding through the EDA and State of Iowa I-Jobs programs for the renovation of the existing event center.

### **Fiduciary Funds**

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-70 of this report.

**Other Information**

The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75-87 of this report.

**Budgetary Highlights**

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

The City had one budget amendment during the fiscal year that is our common practice. This amendment increased the expenditure budget by \$76.7 million to a total of \$700.2 million. This represented a 12.31 percent increase. Capital projects increased \$61.1 million mainly due to increased property acquisitions and demolition costs associated with community disaster grant funding. Business-type activities decreased by \$16.6 million mainly due to the delay in expenses related to the Cedar Rapids/Linn County Solid Waste Agency capital equipment and capital project delays that will occur in fiscal year 2013. Actual expenditures were \$514.8 million. Budgetary comparison can be found on pages 71-72 of this report.

**Capital Assets and Debt Administration**

**Capital Assets**

As of June 30, 2012, the City had invested \$918.4 million in capital assets as reflected in the following table. This investment includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

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

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 121.6	\$ 102.3	\$ 21.4	\$ 20.6	\$ 143.0	\$ 122.9
Building and structures	43.3	34.4	63.4	66.8	106.7	101.2
Improvements other than buildings	271.0	261.0	245.6	197.8	516.6	458.8
Machinery and equipment	25.8	25.6	12.2	12.3	38.0	37.9
Construction in progress	51.7	10.0	62.4	61.8	114.1	71.8
Total	<u>\$ 513.4</u>	<u>\$ 433.3</u>	<u>\$ 405.0</u>	<u>\$ 359.3</u>	<u>\$ 918.4</u>	<u>\$ 792.6</u>

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is \$513.4 million that represents a 18.5 percent increase. For business type activities the amount is \$405 million that is a 12.7 percent increase. Detail of this summary is presented on pages 49-50 of the notes.

**Table 4**  
**Change in Capital Assets**  
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Beginning Balance	\$ 433.3	\$ 346.1	\$ 359.3	\$ 339.6	\$ 792.6	\$ 685.7
Additions	100.5	107.6	62.4	36.4	162.9	144.0
Retirement	(5.6)	(10.1)	(6.1)	(6.7)	(11.7)	(16.8)
Depreciation, net	(14.8)	(10.3)	(10.6)	(10.0)	(25.4)	(20.3)
Ending Balance	<u>\$ 513.4</u>	<u>\$ 433.3</u>	<u>\$ 405.0</u>	<u>\$ 359.3</u>	<u>\$ 918.4</u>	<u>\$ 792.6</u>

### Governmental Activities

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

- Acquisition of flood damaged properties, \$18.7 million or 18.6% of total additions
- Street Improvements, \$22.8 million or 22.7% of total additions
- Flood recovery purchases, \$32.6 million or 32.4% of total additions
- Fleet purchases, \$3.4 million or 3.4% of total additions
- Fiber project \$5.8 million or 5.8% of total additions

### Business-type Activities

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

- Improvements at Water Distribution plant, \$5.3 million or 8.5% of total additions
- Renovation of the Event Center, \$28.8 million or 46.2% of total additions
- Renovation of the hotel, \$8.2 million or 13.1% of additions
- Improvements at Water Pollution Control plant, \$7.9 million or 12.7% of total additions
- Sanitary Sewer improvements, \$6.3 million or 10.1% of total additions
- Purchase of five transit buses, \$1.8 million or 2.9% of total additions

Additional information on the City of Cedar Rapids' capital assets can be found in note 7 on pages 49-52 of this report.

### Debt Administration

The amount of debt outstanding at fiscal year end was \$430.8 million as compared to \$368.7 million last fiscal year. The increase is due to the City issuing \$83.4 million of new general obligation bonds, 2.4 million of notes payable and \$5.8 million of revenue bonds and the refunding of \$14.2 million in general obligation bonds. Of the total debt outstanding, \$172.2 million is backed by the full faith and credit of the City. The remainder is general obligation debt, revenue debt and loans abated by enterprise revenues.

**Table 5**  
**Outstanding Debt at Year End**  
(in millions)

	Totals	
	2012	2011
Governmental		
General obligation	\$ 172.2	\$ 162.2
Notes Payable	5.0	5.0
Business-type		
General obligation		
Abated		
by:		
Water	37.4	42.1
Water Pollution Control	34.3	38.1
Sanitary Sewer	16.9	18.4
U.S. Cellular Center	64.2	6.3
Nonmajor	7.4	8.0
Sub-totals	<u>160.2</u>	<u>112.9</u>
Notes Payable		
Abated		
by:		
Water	34.9	36.4
Water Pollution Control	11.2	9.2
Sub-totals	<u>46.1</u>	<u>45.6</u>
Revenue		
Abated		
by:		
Water	27.5	22.5
Water Pollution Control	16.9	17.5
Sanitary Sewer	2.9	3.0
Sub-totals	<u>47.3</u>	<u>43.0</u>
Totals	<u>\$ 430.8</u>	<u>\$ 368.7</u>

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

For more detailed information on the City's debt and amortization terms, please refer to pages 53-59 of the Notes to the Financial Statements.

### **Economic Factors**

Cedar Rapids' unemployment rate decreased 1% to 4.9% for fiscal year ending 2012, which is slightly lower than the state unemployment rate of 5.1% and is lower than the national unemployment rate of 8.2% for the same time period.

The Cedar Rapids MSA mean household income in 2012 was \$98,964 as compared to \$94,884 in 2011. These amounts are presented in 1996 constant dollar.

Retail sales in the metro area increased to \$3.9 billion for calendar year 2012 compared to \$3.7 billion in calendar year 2011.

The total value of building permits in fiscal year 2012 was approximately \$346.6 million. This compares with an amount of \$243.8 million for fiscal year 2011. This amount represents an increase of 42.2 percent from the previous fiscal year mainly due to more home and commercial repairs and remodels related to the 2008 flood being completed in fiscal year 2012.

### **Next Year's Budget and Rates**

Approximately 71.7 percent of our operating costs in the General fund are for Personal Services. Changes in Personal Services can be due to changes in the pay rates, changes in benefits and cost of benefits, changes in number of employees, or any combination of these. The Personal Services within the General Fund increased by \$4.2 million or an increase of 6 percent due to an increase in services provided for traffic enforcement cameras and fleet service expenses.

Water, Sewer and Solid Waste fees combined are expected to increase approximately 4.4 percent in fiscal year 2013 for the average residential customer. The amount of dollar increase on the average residential user (usage of 10 units of water per month) will be \$38.52 annually. Even with these increases in rates, our combined water and sewer rates are still far below other large cities in Iowa that provide similar services.

The U.S. Cellular Center Arena and City owned hotel are closed as the City is building a new convention center in downtown Cedar Rapids. The project will include a renovated arena, a renovated hotel and a new convention center with an exhibit hall, ballrooms and meeting rooms. As a result of this project, the department's capital improvement expenditures are increasing \$36.4 million in fiscal year 2013. The anticipated completion date is June 2013.

### **Financial Information Contact**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability). If you have questions about the report or need additional financial information, please contact the Finance Department at 101 First Street SE, Cedar Rapids, Iowa, 52401.



**CEDAR RAPIDS**

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City of Five Seasons®

**City of Cedar Rapids, Iowa**  
**Statement of Net Assets**  
**June 30, 2012**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and investments	\$ 91,606,264	\$ 79,889,120	\$ 171,495,384	\$ 200	\$ 22,891,736	\$ 6,730,709
Receivables:						
Taxes	94,826,580	4,638,857	99,465,437	-	-	-
Accounts and unbilled usage, net						
\$1,892,561 of allowance for doubtful account	9,515,932	11,297,326	20,813,258	977,297	1,728,906	4,196,605
Special assessments	2,934,929	-	2,934,929	-	-	-
Interest	1,157,872	131,114	1,288,986	-	39,899	-
Internal balances, net	(3,097,367)	3,097,367	-	-	-	-
Due from primary government	-	-	-	33,142,363	-	-
Due from other governments	62,791,034	16,773,630	79,564,664	1,614,860	1,319,014	-
Inventories	1,719,839	723,361	2,443,200	-	-	-
Land held for resale	2,324,542	-	2,324,542	-	-	-
Prepaid items	1,517,363	274,683	1,792,046	22,700	317,903	4,754
Other assets	-	655,672	655,672	-	-	-
<b>Total current assets</b>	<b>265,296,988</b>	<b>117,481,130</b>	<b>382,778,118</b>	<b>35,757,420</b>	<b>26,297,458</b>	<b>10,932,068</b>
<b>Noncurrent assets:</b>						
Restricted cash and investments	71,894,126	50,830,850	122,724,976	-	21,870,200	-
Notes receivable	2,701,249	-	2,701,249	-	-	-
Due from other governments	-	-	-	-	1,000,000	-
Deferred charges	1,887,561	1,894,706	3,782,267	5,449	-	-
Land	121,546,257	21,371,271	142,917,528	8,883,284	3,808,070	-
Buildings and structures	69,911,363	203,194,341	273,105,704	75,412,372	2,338,696	-
Improvements other than buildings	427,974,852	369,303,392	797,278,244	113,154,343	18,107,322	-
Machinery and equipment	58,478,518	35,694,812	94,173,330	6,479,291	7,811,092	10,232
Accumulated depreciation	(216,278,853)	(287,007,444)	(503,286,297)	(81,078,711)	(12,044,791)	(7,822)
Construction in progress	51,736,213	62,426,069	114,162,282	9,932,152	1,244,936	-
<b>Total noncurrent assets</b>	<b>589,851,286</b>	<b>457,707,997</b>	<b>1,047,559,283</b>	<b>132,788,180</b>	<b>44,135,525</b>	<b>2,410</b>
<b>Total assets</b>	<b>855,148,274</b>	<b>575,189,127</b>	<b>1,430,337,401</b>	<b>168,545,600</b>	<b>70,432,983</b>	<b>10,934,478</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Vouchers payable	29,221,881	11,799,658	41,021,539	2,855,944	1,055,582	10,287
Contracts payable	4,361,364	2,493,923	6,855,287	351,101	-	-
Claims and judgments payable	3,105,737	-	3,105,737	-	-	-
Accrued expenses	2,720,590	1,059,892	3,780,482	97,950	125,332	14,135
Revenues collected in advance	369,134	192,460	561,594	-	11,562	-
Unearned revenues	91,611,552	4,690,015	96,301,567	-	-	-
Due to component unit	33,142,363	-	33,142,363	-	-	-
Due to other governments	2,610,620	338,198	2,948,818	2,929	273,750	76,771
Due to general public	494,343	1,005	495,348	-	-	-
Security deposits	3,576	441,065	444,641	18,425	62,500	-
General obligation bonds payable, net	14,404,502	11,883,462	26,287,964	22,036	-	-
Revenue bonds payable, net	-	1,880,000	1,880,000	-	-	-
Interest payable	685,290	647,268	1,332,558	156	-	-
Closure/post closure landfill	-	-	-	-	3,487,379	-
Compensated absences	5,386,419	1,414,284	6,800,703	220,699	130,751	-
Note Payable	-	2,018,000	2,018,000	-	-	-
<b>Total current liabilities</b>	<b>188,117,371</b>	<b>38,859,230</b>	<b>226,976,601</b>	<b>3,569,240</b>	<b>5,146,856</b>	<b>101,193</b>
<b>Noncurrent liabilities:</b>						
Claims and judgments payable	8,908,663	-	8,908,663	-	-	-
General obligation bonds payable, net	160,979,304	151,569,969	312,549,273	53,342	-	-
Revenue bonds payable, net	-	45,224,020	45,224,020	-	-	-
Closure/post closure landfill	-	798,416	798,416	-	19,251,117	-
Note Payable	5,000,000	44,040,669	49,040,669	-	-	-
Accrued interest	184,371	-	184,371	-	-	-
Post-employment liabilities	4,741,609	-	4,741,609	-	-	-
Compensated absences	275,310	86,793	362,103	-	-	-
<b>Total noncurrent liabilities</b>	<b>180,089,257</b>	<b>241,719,867</b>	<b>421,809,124</b>	<b>53,342</b>	<b>19,251,117</b>	<b>-</b>
<b>Total liabilities</b>	<b>368,206,628</b>	<b>280,579,097</b>	<b>648,785,725</b>	<b>3,622,582</b>	<b>24,397,973</b>	<b>101,193</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	386,996,425	199,197,171	586,193,596	132,707,354	21,265,325	2,410
Restricted for:						
Debt service	1,595,970	-	1,595,970	-	-	-
Donor restrictions - expendable	-	-	-	-	-	7,855,576
Donor restrictions - non-expendable	112,990	-	112,990	-	-	512,448
Community and economic development	1,223,255	-	1,223,255	-	-	-
General government	808,931	-	808,931	-	-	-
Employee benefits	3,194,783	-	3,194,783	-	-	-
Public safety	714,142	-	714,142	-	-	-
Culture and recreation	1,405,107	-	1,405,107	-	-	-
Public works	55,730	-	55,730	-	-	-
SSMID projects	2,335	-	2,335	-	-	-
Capital projects	2,298,331	-	2,298,331	-	-	-
Flood recovery	7,982,450	-	7,982,450	-	-	-
Unrestricted	80,551,197	95,412,859	175,964,056	32,215,664	24,769,685	2,462,851
<b>Total net assets</b>	<b>\$ 486,941,646</b>	<b>\$ 294,610,030</b>	<b>\$ 781,551,676</b>	<b>\$ 164,923,018</b>	<b>\$ 46,035,010</b>	<b>\$ 10,833,285</b>

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

**City of Cedar Rapids, Iowa  
Statement of Activities  
For the Year Ended June 30, 2012**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
Public safety	\$ 67,668,522	\$ 13,136,896	\$ 3,696,732	\$ 155,485
Public works	45,309,184	4,626,331	19,318,970	43,519,392
Culture and recreation	17,472,656	3,057,587	6,104,311	1,676,722
Community and economic development	58,864,942	217,349	51,031,154	3,429,185
General government	21,780,113	15,476,313	9,564,494	4,185,250
Interest on long-term debt	6,438,172	-	-	-
Total governmental activities	<u>217,533,589</u>	<u>36,514,476</u>	<u>89,715,661</u>	<u>52,966,034</u>
Business-type activities:				
Water	25,282,580	32,337,249	-	707,601
Water pollution control	27,132,586	31,737,883	-	990,903
Sanitary sewer	7,499,398	10,470,855	-	1,494,994
U.S. Cellular center	1,429,022	968,051	-	17,077,836
Ground transportation system	8,285,590	990,746	2,862,335	1,487,191
Parking system	3,624,409	3,279,137	-	-
Solid waste management	10,313,496	8,373,693	36,554	-
Golf	3,230,817	3,006,215	2,859	-
Paramount theatre	363,978	-	-	-
Ice arena	1,982,137	1,279,162	-	-
Total business-type activities	<u>89,144,013</u>	<u>92,442,991</u>	<u>2,901,748</u>	<u>21,758,525</u>
Total primary government	<u>306,677,602</u>	<u>128,957,467</u>	<u>92,617,409</u>	<u>74,724,559</u>
<b>Component units:</b>				
Airport	14,673,225	14,975,252	149,623	2,525,175
Cedar Rapids / Linn County Solid Waste Agency	7,637,341	12,481,818	91,738	-
Cedar Rapids Public Library Foundation	441,430	-	2,138,701	-
Total component units	<u>22,751,996</u>	<u>27,457,070</u>	<u>2,380,062</u>	<u>2,525,175</u>

General revenues:  
Property taxes  
Hotel-Motel taxes  
Local option sales taxes  
Franchise taxes  
Investment income  
Transfers  
Total general revenues and transfers

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

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

Net (Expense) Revenue and  
Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
\$ (50,679,409)	\$ -	\$ (50,679,409)	\$ -	\$ -	\$ -
22,155,509	-	22,155,509	-	-	-
(6,634,036)	-	(6,634,036)	-	-	-
(4,187,254)	-	(4,187,254)	-	-	-
7,445,944	-	7,445,944	-	-	-
(6,438,172)	-	(6,438,172)	-	-	-
<u>(38,337,418)</u>	<u>-</u>	<u>(38,337,418)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,762,270	7,762,270	-	-	-
-	5,596,200	5,596,200	-	-	-
-	4,466,451	4,466,451	-	-	-
-	16,616,865	16,616,865	-	-	-
-	(2,945,318)	(2,945,318)	-	-	-
-	(345,272)	(345,272)	-	-	-
-	(1,903,249)	(1,903,249)	-	-	-
-	(221,743)	(221,743)	-	-	-
-	(363,978)	(363,978)	-	-	-
-	(702,975)	(702,975)	-	-	-
-	<u>27,959,251</u>	<u>27,959,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(38,337,418)</u>	<u>27,959,251</u>	<u>(10,378,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	2,976,825	-	-
-	-	-	-	4,936,215	-
-	-	-	-	-	1,697,271
-	-	-	<u>2,976,825</u>	<u>4,936,215</u>	<u>1,697,271</u>
83,895,452	4,586,363	88,481,815	-	-	-
2,835,100	-	2,835,100	-	-	-
18,138,388	-	18,138,388	-	-	-
3,353,064	-	3,353,064	-	-	-
761,437	576,409	1,337,846	52,683	159,550	129,290
608,582	(608,582)	-	-	-	-
<u>109,592,023</u>	<u>4,554,190</u>	<u>114,146,213</u>	<u>52,683</u>	<u>159,550</u>	<u>129,290</u>
71,254,605	32,513,441	103,768,046	3,029,508	5,095,765	1,826,561
415,687,041	262,096,589	677,783,630	161,893,510	40,939,245	9,006,724
<u>\$ 486,941,646</u>	<u>\$ 294,610,030</u>	<u>\$ 781,551,676</u>	<u>\$ 164,923,018</u>	<u>\$ 46,035,010</u>	<u>\$ 10,833,285</u>

**City of Cedar Rapids, Iowa  
Balance Sheet  
Governmental Funds  
June 30, 2012**

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 8,201,949	\$ 45,356,396	\$ 1,300	\$ 52,344,566	\$ 105,904,211
Receivables:					
Taxes	48,622,462	-	-	46,204,118	94,826,580
Accounts and unbilled usage, net					
\$1,486,450 of allowance for doubtful accounts	7,083,455	73,351	14,761	316,937	7,488,504
Special assessments	242,871	2,692,058	-	-	2,934,929
Interest	1,104,380	-	-	51,672	1,156,052
Advance to other funds	88,000	-	-	-	88,000
Due from other funds	59,415,103	-	-	-	59,415,103
Due from other governments	89,377	1,186,819	56,819,857	4,632,987	62,729,040
Notes Receivable	-	-	-	2,701,249	2,701,249
Inventories	832,687	-	-	26,776	859,463
Land held for resale	-	-	1,957,248	367,294	2,324,542
Prepaid items	295,641	-	87,397	418,929	801,967
Total assets	<u>125,975,925</u>	<u>49,308,624</u>	<u>58,880,563</u>	<u>107,064,528</u>	<u>341,229,640</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
Liabilities:					
Vouchers payable	3,669,701	2,141,063	16,248,039	3,466,725	25,525,528
Contracts payable	1,559	1,113,689	2,581,658	664,458	4,361,364
Accrued expenditures	2,418,871	-	40,849	48,842	2,508,562
Revenues collected in advance	113,093	3,110	17,851	226,843	360,897
Deferred revenues	48,211,247	3,668,069	40,750,886	45,526,184	138,156,386
Due to other funds	-	-	52,281,384	5,227,425	57,508,809
Advance from other funds	-	-	-	401,135	401,135
Due to component unit	33,142,363	-	-	-	33,142,363
Due to general public	10	-	-	494,333	494,343
Due to other governments	713,904	1,378	1,199,005	696,333	2,610,620
Security deposits	2,658	-	-	300	2,958
Total liabilities	<u>88,273,406</u>	<u>6,927,309</u>	<u>113,119,672</u>	<u>56,752,578</u>	<u>265,072,965</u>
Fund balances (deficits):					
Nonspendable	1,216,328	-	2,044,645	925,989	4,186,962
Restricted	1,591,370	22,720,117	-	48,981,428	73,292,915
Committed	-	-	-	5,453,031	5,453,031
Assigned	200,000	19,661,198	-	-	19,861,198
Unassigned	34,694,821	-	(56,283,754)	(5,048,498)	(26,637,431)
Total fund balances (deficits)	<u>37,702,519</u>	<u>42,381,315</u>	<u>(54,239,109)</u>	<u>50,311,950</u>	<u>76,156,675</u>
Total liabilities and fund balances (deficits)	<u>\$ 125,975,925</u>	<u>\$ 49,308,624</u>	<u>\$ 58,880,563</u>	<u>\$ 107,064,528</u>	<u>\$ 341,229,640</u>

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

**City of Cedar Rapids, Iowa**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

Fund balances-total governmental funds		\$ 76,156,675
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.		490,767,331
Other long-term assets not available to pay for current-period expenditures and, therefore, are reported as deferred revenues in the funds		46,544,834
Internal service funds:		
Capital assets	22,601,019	
Other current assets	61,263,193	
Internal balances	401,135	
Other current liabilities	(16,235,696)	
Noncurrent liabilities	(4,755,948)	63,273,703
Internal service funds allocated to business-type activities		(5,091,661)
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(5,343,330)	
Bonds payable	(172,209,200)	
Notes payable	(5,000,000)	
Bond premium	(3,454,258)	
Bond discount	279,652	
Accrued interest on long-term debt	(869,661)	
Deferred charges	1,887,561	(184,709,236)
Net assets of governmental activities		\$ 486,941,646

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

**City of Cedar Rapids, Iowa**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Property taxes	\$ 47,351,031	\$ -	\$ -	\$ 36,544,421	\$ 83,895,452
Hotel-Motel taxes	-	-	-	2,756,086	2,756,086
Local option sales taxes	-	-	-	18,138,388	18,138,388
Franchise taxes	3,353,064	-	-	-	3,353,064
Licenses and permits	2,890,308	-	-	49,830	2,940,138
Intergovernmental	449,209	9,720,028	103,723,146	27,787,866	141,680,249
Charges for services	18,185,028	229,466	25,892	115,922	18,556,308
Fines and forfeits	8,349,347	-	-	4,150	8,353,497
Use of money and property	-	77,256	4,837	530,047	612,140
Rents and royalties	334,148	14,953	12	485,587	834,700
Miscellaneous	240,492	1,013,893	3,789	1,230,785	2,488,959
Total revenues	<u>81,152,627</u>	<u>11,055,596</u>	<u>103,757,676</u>	<u>87,643,082</u>	<u>283,608,981</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public safety	55,101,744	-	10,972,233	786,627	66,860,604
Public works	20,665,424	153,343	11,534,182	175,811	32,528,760
Culture and recreation	13,012,515	-	1,951,393	1,018,646	15,982,554
Community and economic development	2,829,509	-	35,165,636	19,094,782	57,089,927
General government	14,509,114	-	10,572,755	2,369,548	27,451,417
<b>Debt service:</b>					
Principal	-	-	-	22,480,084	22,480,084
Interest	24,678	-	-	6,245,142	6,269,820
Bond issuance costs	-	-	-	885,447	885,447
Capital outlay	778,470	19,323,760	51,965,110	18,792,599	90,859,939
Total expenditures	<u>106,921,454</u>	<u>19,477,103</u>	<u>122,161,309</u>	<u>71,848,686</u>	<u>320,408,552</u>
Excess (deficiency) of revenues over expenditures	<u>(25,768,827)</u>	<u>(8,421,507)</u>	<u>(18,403,633)</u>	<u>15,794,396</u>	<u>(36,799,571)</u>
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	100,000	7,608,600	1,595,119	23,207,204	32,510,923
Premium on bonds issued	-	371,807	-	1,303,149	1,674,956
Proceeds for sale of capital assets	384,333	-	105	1,100,596	1,485,034
Transfers in	31,076,612	814,928	11,942,261	8,408,970	52,242,771
Transfers (out)	(4,534,081)	(1,201,915)	(803,295)	(44,964,409)	(51,503,700)
Settlement reimbursement	-	-	363,450	-	363,450
Total other financing sources (uses)	<u>27,026,864</u>	<u>7,593,420</u>	<u>13,097,640</u>	<u>(10,944,490)</u>	<u>36,773,434</u>
Net change in fund balances	1,258,037	(828,087)	(5,305,993)	4,849,906	(26,137)
Fund balances - July 1, 2011	36,444,482	43,209,402	(48,933,116)	45,462,044	76,182,812
Fund balances - June 30, 2012	<u>\$ 37,702,519</u>	<u>\$ 42,381,315</u>	<u>\$ (54,239,109)</u>	<u>\$ 50,311,950</u>	<u>\$ 76,156,675</u>

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

**City of Cedar Rapids, Iowa  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2012**

Net change in fund balances-total governmental funds		\$	(26,137)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>			
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>			
Capital outlay	90,859,939		
Contributions of capital assets	1,666,205		
Depreciation expense	<u>(15,922,050)</u>		76,604,094
Governmental funds reported proceeds from sale of capital assets			(1,485,034)
Loss on sale of capital assets			(490,264)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			(1,265,019)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>			
Payments of bond principal	22,480,084		
Premium on bond issued	(1,674,956)		
Issuance of debt	(32,510,923)		
Accrued interest	(235,372)		
Bond issuance costs	885,447		
Amortization	81,496		(10,974,224)
Expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(160,209)
Internal service funds net change reported in governmental activities			11,193,898
Change in internal service funds activities allocated to business-type activities			(2,142,500)
Change in net assets - governmental activities		<u>\$</u>	<u>71,254,605</u>

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

**City of Cedar Rapids, Iowa**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 19,437,151	\$ 34,137,660	\$ 13,984,285	\$ 266,322
Receivables:				
Taxes	-	-	-	-
Accounts and unbilled usage, net				
\$323,902 of allowance for doubtful accounts	3,695,727	4,951,454	373,306	380,855
Interest	131,114	-	-	-
Due from other governments	346	311,991	218,692	14,808,305
Inventories	555,272	41	5,096	-
Prepaid items	17,766	44,499	1,396	123,994
Other assets	-	-	-	-
Total current assets	<u>23,837,376</u>	<u>39,445,645</u>	<u>14,582,775</u>	<u>15,579,476</u>
Noncurrent assets:				
Restricted cash and investments	12,428,716	6,350,614	291,082	30,899,441
Advance to other funds	-	-	-	-
Deferred charges	896,943	478,706	85,673	393,635
Land	520,557	1,358,868	852,144	9,345,748
Buildings and structures	55,189,706	88,843,323	-	11,916,166
Improvements other than buildings	166,212,727	74,671,128	114,562,808	709,948
Machinery and equipment	7,408,971	5,209,210	2,625,009	1,291,931
Accumulated depreciation	(73,311,649)	(112,040,431)	(42,596,205)	(9,159,788)
Construction in progress	3,516,041	8,490,222	-	48,868,543
Total noncurrent assets	<u>172,862,012</u>	<u>73,361,640</u>	<u>75,820,511</u>	<u>94,265,624</u>
Total assets	<u>196,699,388</u>	<u>112,807,285</u>	<u>90,403,286</u>	<u>109,845,100</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	1,880,062	1,366,159	1,091,892	6,262,348
Claims and judgments payable	-	-	-	-
Contracts payable	257,101	293,503	301,395	1,622,541
Accrued expenses	270,136	223,848	69,811	100,477
Compensated absences	483,950	353,822	103,646	-
Revenues collected in advance	110,803	340	-	54,549
Unearned revenues	-	-	-	13,800
Due to other funds	-	-	-	-
Due to other governments	116,665	94,403	-	84,645
Due to general public	1,005	-	-	-
Security deposits	438,770	-	-	-
Notes payable	1,602,000	416,000	-	-
General obligation bonds payable, net	5,338,698	3,756,350	1,597,465	135,000
Revenue bonds payable, net	1,080,000	685,000	115,000	-
Matured bonds interest payable	291,829	212,623	66,789	54,348
Total current liabilities	<u>11,871,019</u>	<u>7,402,048</u>	<u>3,345,998</u>	<u>8,327,708</u>
Noncurrent liabilities:				
Claims and judgments payable	-	-	-	-
General obligation bonds payable, net	33,444,911	31,235,561	15,477,033	64,943,538
Revenue bonds payable, net bond discount	26,342,966	16,100,431	2,780,623	-
Notes payable	33,257,000	10,783,669	-	-
Post-employment liability	-	-	-	-
Closure/post closure landfill	-	798,416	-	-
Compensated absences	52,621	-	-	-
Advance from other funds	-	-	-	88,000
Total noncurrent liabilities	<u>93,097,498</u>	<u>58,918,077</u>	<u>18,257,656</u>	<u>65,031,538</u>
Total liabilities	<u>104,968,517</u>	<u>66,320,125</u>	<u>21,603,654</u>	<u>73,359,246</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	70,899,494	9,905,923	55,764,717	28,793,451
Unrestricted	20,831,377	36,581,237	13,034,915	7,692,403
	<u>\$ 91,730,871</u>	<u>\$ 46,487,160</u>	<u>\$ 68,799,632</u>	<u>\$ 36,485,854</u>

Total enterprise fund net assets  
Amounts reported for business-type activities in the statement of net assets are different due to:  
Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

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

Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 12,063,702	\$ 79,889,120	\$ 57,596,179
4,638,857	4,638,857	-
1,895,984	11,297,326	2,027,428
-	131,114	1,820
1,434,296	16,773,630	61,994
162,952	723,361	860,376
87,028	274,683	715,396
655,672	655,672	-
<u>20,938,491</u>	<u>114,383,763</u>	<u>61,263,193</u>
860,997	50,830,850	-
-	-	495,312
39,749	1,894,706	-
9,293,954	21,371,271	1,016,663
47,245,146	203,194,341	6,103,213
13,146,781	369,303,392	1,876,747
19,159,691	35,694,812	19,655,320
(49,899,371)	(287,007,444)	(12,677,556)
1,551,263	62,426,069	6,626,632
<u>41,398,210</u>	<u>457,707,997</u>	<u>23,096,331</u>
<u>62,336,701</u>	<u>572,091,760</u>	<u>84,359,524</u>
1,199,197	11,799,658	3,696,353
-	-	3,105,737
19,383	2,493,923	-
395,620	1,059,892	212,028
472,866	1,414,284	304,060
26,768	192,460	8,237
4,676,215	4,690,015	-
1,906,294	1,906,294	-
42,485	338,198	-
-	1,005	-
2,295	441,065	618
-	2,018,000	-
1,055,949	11,883,462	-
-	1,880,000	-
21,679	647,268	-
<u>9,818,751</u>	<u>40,765,524</u>	<u>7,327,033</u>
-	-	8,908,663
6,468,926	151,569,969	-
-	45,224,020	-
-	44,040,669	-
-	-	4,741,609
-	798,416	-
34,172	86,793	14,339
-	88,000	94,177
<u>6,503,098</u>	<u>241,807,867</u>	<u>13,758,788</u>
<u>16,321,849</u>	<u>282,573,391</u>	<u>21,085,821</u>
33,833,586	199,197,171	22,601,019
12,181,266	90,321,198	40,672,684
<u>\$ 46,014,852</u>	<u>\$ 289,518,369</u>	<u>\$ 63,273,703</u>
	\$ 289,518,369	
	<u>5,091,661</u>	
	<u>\$ 294,610,030</u>	

**City of Cedar Rapids, Iowa**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
Operating revenues:				
Charges for services	\$ 31,883,035	\$ 31,713,626	\$ 10,470,855	\$ 115,600
Fines and forfeits	-	-	-	-
Use of money and property	331,595	-	-	-
Rents and royalties	50,793	21,596	-	60,457
Miscellaneous	71,826	2,661	-	791,994
Total operating revenues	<u>32,337,249</u>	<u>31,737,883</u>	<u>10,470,855</u>	<u>968,051</u>
Operating expenses:				
Personal services	8,615,285	7,192,420	2,168,710	86,651
Purchased services	5,388,357	6,968,881	1,918,703	916,467
Supplies and materials	3,035,695	4,358,453	327,535	66
Other	402,767	263,802	235,735	115,766
Depreciation	4,857,458	6,346,603	2,181,130	295,835
Total operating expenses	<u>22,299,562</u>	<u>25,130,159</u>	<u>6,831,813</u>	<u>1,414,785</u>
Operating income (loss)	<u>10,037,687</u>	<u>6,607,724</u>	<u>3,639,042</u>	<u>(446,734)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	975,623	742,960	17,073,936
Investment earnings	332,457	124,998	93,104	-
Property tax revenue	-	-	-	-
Gain (loss) on sale of capital assets	6,794	15,280	(3,204)	3,900
Interest expense	(3,575,862)	(2,534,968)	(841,232)	(14,237)
Total nonoperating revenue (expenses)	<u>(3,236,611)</u>	<u>(1,419,067)</u>	<u>(8,372)</u>	<u>17,063,599</u>
Income (loss) before transfers and capital contributions	<u>6,801,076</u>	<u>5,188,657</u>	<u>3,630,670</u>	<u>16,616,865</u>
Capital contributions	<u>700,807</u>	<u>-</u>	<u>755,238</u>	<u>-</u>
Transfers:				
Transfers in	-	13,239	-	42,037
Transfers out	(180,022)	(1,141,899)	(12,977)	-
Change in net assets	7,321,861	4,059,997	4,372,931	16,658,902
Total net assets, beginning	84,409,010	42,427,163	64,426,701	19,826,952
Total net assets, ending	<u>\$ 91,730,871</u>	<u>\$ 46,487,160</u>	<u>\$ 68,799,632</u>	<u>\$ 36,485,854</u>

Net changes in net assets in enterprise funds

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

Change in net assets of business-type activities

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

Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 14,894,812	\$ 89,077,928	\$ 40,091,783
213,060	213,060	-
-	331,595	-
1,068,183	1,201,029	1,558,576
752,898	1,619,379	1,486,776
<u>16,928,953</u>	<u>92,442,991</u>	<u>43,137,135</u>
10,448,783	28,511,849	6,533,053
9,844,008	25,036,416	21,394,591
3,954,132	11,675,881	5,970,055
1,706,716	2,724,786	35,886
2,407,574	16,088,600	2,418,347
<u>28,361,213</u>	<u>84,037,532</u>	<u>36,351,932</u>
<u>(11,432,260)</u>	<u>8,405,459</u>	<u>6,785,203</u>
4,944,286	23,736,805	-
25,850	576,409	150,339
4,586,363	4,586,363	-
(555,347)	(532,577)	(34,029)
<u>(282,682)</u>	<u>(7,248,981)</u>	<u>(14,476)</u>
<u>8,718,470</u>	<u>21,118,019</u>	<u>101,834</u>
(2,713,790)	29,523,478	6,887,037
-	1,456,045	4,437,350
1,504,592	1,559,868	1,109,878
<u>(833,552)</u>	<u>(2,168,450)</u>	<u>(1,240,367)</u>
(2,042,750)	30,370,941	11,193,898
48,057,602	259,147,428	52,079,805
<u>\$ 46,014,852</u>	<u>\$ 289,518,369</u>	<u>\$ 63,273,703</u>
	30,370,941	
	<u>2,142,500</u>	
	<u>\$ 32,513,441</u>	

**City of Cedar Rapids, Iowa  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
<b>Cash flows from operating activities:</b>				
Cash received from users	\$ 31,980,930	\$ 32,586,597	\$ 10,445,263	\$ 695,151
Cash paid to employees	(8,480,725)	(7,115,757)	(2,147,081)	(290,221)
Cash paid to suppliers	(8,498,053)	(12,509,037)	(1,801,073)	(2,652,309)
Net cash flows provided by (used in) operating activities	<u>15,002,152</u>	<u>12,961,803</u>	<u>6,497,109</u>	<u>(2,247,379)</u>
<b>Cash flows from non-capital financing activities:</b>				
Borrowing from other funds	14,356,631	26,813,334	14,522,085	-
Loans to other funds	-	-	-	(10,104,739)
Closure/post-closure landfill costs	-	2,530	-	-
Intergovernmental	-	3,096,115	757,841	8,918,458
Transfers in	-	13,239	-	42,037
Transfers out	(180,022)	(1,141,899)	(12,977)	-
Property taxes	-	-	-	-
Net cash flows provided by (used in) non-capital financing activities	<u>14,176,609</u>	<u>28,783,319</u>	<u>15,266,949</u>	<u>(1,144,244)</u>
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	(4,912,376)	(8,105,744)	(5,861,018)	(31,034,189)
Proceeds from disposition of capital assets	7,160	18,030	11,517	3,900
Capital contributions	-	-	-	-
Revenue bonds issued	5,830,000	-	-	-
State Revolving Fund loan	5,000	2,366,546	-	-
General obligation bonds issued	6,137,734	-	-	57,915,000
Premium (discount) on bonds	569,973	-	-	277,995
Principal paid	(13,264,010)	(4,827,446)	(1,677,356)	(35,000)
Issuance costs paid	(202,764)	-	-	-
Interest paid	(3,600,586)	(2,566,569)	(861,200)	(260,136)
Net cash flows provided by (used in) capital and related financing activities	<u>(9,429,869)</u>	<u>(13,115,183)</u>	<u>(8,388,057)</u>	<u>26,867,570</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	204,650	124,998	93,104	-
Net cash flows provided by investing activities	<u>204,650</u>	<u>124,998</u>	<u>93,104</u>	<u>-</u>
Net increase in cash and cash equivalents	19,953,542	28,754,937	13,469,105	23,475,947
Cash and cash equivalents, July 1, 2011	<u>11,912,325</u>	<u>11,733,337</u>	<u>806,262</u>	<u>7,689,816</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 31,865,867</u>	<u>\$ 40,488,274</u>	<u>\$ 14,275,367</u>	<u>\$ 31,165,763</u>
<b>Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities</b>				
Operating income (loss)	\$ 10,037,687	\$ 6,607,724	\$ 3,639,042	\$ (446,734)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	4,857,458	6,346,603	2,181,130	295,835
Change in assets and liabilities:				
(Increase) decrease in prepaid items	(2,798)	(44,380)	7,753	(115,927)
Increase (decrease) in vouchers payable	301,283	(873,521)	673,147	(1,504,083)
Increase (decrease) in accrued expenses	43,865	33,762	10,292	(203,570)
Increase in compensated absences	90,695	42,901	11,337	-
(Increase) decrease in accounts receivable	(534,904)	890,409	(25,592)	(132,996)
(Increase) in other assets	-	-	-	-
Decrease in inventories	30,281	-	-	-
(Increase) in due from other governments	(4)	-	-	-
Increase (decrease) in due to other governments	44,007	(41,602)	-	(153,098)
Increase (decrease) in revenues collected in advance	29,141	(93)	-	19,590
Increase in security deposit	105,441	-	-	-
(Decrease) in unearned revenue	-	-	-	(6,396)
Increase in post-employment liability	-	-	-	-
(Decrease) in open claims payable	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ 15,002,152</u>	<u>\$ 12,961,803</u>	<u>\$ 6,497,109</u>	<u>\$ (2,247,379)</u>
<b>Schedule of noncash capital and related financing activities:</b>				
Acquisition of capital assets through accounts and contracts payable	<u>\$ (306,522)</u>	<u>\$ 131,334</u>	<u>\$ 162,473</u>	<u>\$ 7,687,803</u>
Acquisition of capital assets through private contributions	<u>\$ 700,807</u>	<u>\$ -</u>	<u>\$ 755,238</u>	<u>\$ -</u>
Acquisition of capital assets through capitalized interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,675</u>

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

Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 15,980,587	\$ 91,688,528	\$ 44,809,289
(10,316,842)	(28,350,626)	(7,455,333)
(15,804,977)	(41,265,449)	(30,176,762)
<u>(10,141,232)</u>	<u>22,072,453</u>	<u>7,177,194</u>
16,529,777	72,221,827	47,105,894
(3,437,780)	(13,542,519)	(3,935,122)
-	2,530	-
6,074,598	18,847,012	-
1,504,592	1,559,868	1,109,878
(833,552)	(2,168,450)	(1,240,367)
4,595,387	4,595,387	-
<u>24,433,022</u>	<u>81,515,655</u>	<u>43,040,283</u>
(3,007,391)	(52,920,718)	(5,662,717)
28,552	69,159	70,840
-	-	4,437,350
-	5,830,000	-
-	2,371,546	-
1,026,343	65,079,077	-
33,782	881,750	-
(1,567,548)	(21,371,360)	-
-	(202,764)	-
(286,113)	(7,574,604)	-
<u>(3,772,375)</u>	<u>(7,837,914)</u>	<u>(1,154,527)</u>
25,852	448,604	136,017
25,852	448,604	136,017
10,545,267	96,198,798	49,198,967
2,379,432	34,521,172	8,397,212
<u>\$ 12,924,699</u>	<u>\$ 130,719,970</u>	<u>\$ 57,596,179</u>
\$ (11,432,260)	\$ 8,405,459	\$ 6,785,203
2,407,574	16,088,600	2,418,347
(30,739)	(186,091)	(141,215)
(288,877)	(1,692,051)	(688,466)
89,448	(26,203)	38,666
42,493	187,426	22,410
(288,454)	(91,537)	220,247
(655,672)	(655,672)	-
19,495	49,776	505,819
(3)	(7)	(22,093)
11,774	(138,919)	-
(5,120)	43,518	2,632
1,295	106,736	-
(12,186)	(18,582)	-
-	-	490,644
-	-	(2,455,000)
<u>\$ (10,141,232)</u>	<u>\$ 22,072,453</u>	<u>\$ 7,177,194</u>
<u>\$ 15,507</u>	<u>\$ 7,690,595</u>	<u>\$ 2,351,430</u>
<u>\$ -</u>	<u>\$ 1,456,045</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 283,675</u>	<u>\$ -</u>

**City of Cedar Rapids, Iowa  
Statement of Assets and Liabilities  
Agency Funds  
June 30, 2012**

	Agency Funds
<b>ASSETS</b>	
Accounts receivable	\$ 287
Due from other governments	720,582
Total assets	\$ 720,869
 <b>LIABILITIES</b>	
Vouchers payable	\$ 41,759
Due to other governments	190,152
Security deposits	488,958
Total liabilities	\$ 720,869

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

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

1. The Eastern Iowa Airport and related parking is operated by the Cedar Rapids Airport Commission. The Commission has all the powers granted to the City except for the authority to sell the airport. The Mayor appoints the members of the Airport Commission with City Council approval. The City also approves its operating budget. The Eastern Iowa Airport does not publish its own annual financial report.
2. The Cedar Rapids/Linn County Solid Waste Agency (CRLCSWA) is the result of a 28E agreement as provided under the Code of Iowa. CRLCSWA disposes of solid wastes into the combined City/County landfills in an integrated manner for the public benefit. The City of Cedar Rapids has the authority to appoint the majority of CRLCSWA's board of directors, and is able to impose its will on CRLCSWA's operations. CRLCSWA publishes its own annual financial report, which is available at their office, 1954 County Home Road, Marion, Iowa 52302 upon request. Further reference regarding the City's on going financial interest as a result of this agreement can be found in Note 14 Closure and Postclosure Care Cost.
3. The Cedar Rapids Public Library Foundation is a nonprofit corporation organized under the laws of the State of Iowa for the purpose of providing resources to be used for the benefit of the Cedar Rapids Public Library. The Foundation publishes its own annual financial report, using the Financial Accounting Standards Board guidance reporting model, which is available at their office, 500 1<sup>st</sup> Street S.E., Cedar Rapids, IA 52401.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the City is reported separately from component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Revenue from federal awards is recognized when the City has done everything necessary to meet the eligibility requirements. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Licenses and permits, fines and forfeits, fees and refunds, charges for services, miscellaneous, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

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

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

**General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The revenues of the General Fund are primarily derived from general property taxes, charges for services, fines and forfeitures, licenses and permits, and certain revenues from state and federal sources. The expenditures of the General Fund primarily relate to general administration, police and fire protection, streets and public buildings operation and maintenance, and parks and recreation oriented activities.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Infrastructure Construction Fund**

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

**Flood**

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

The City reports the following major enterprise funds:

**Water Fund**

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

**Water Pollution Control Fund**

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

**Sanitary Sewer Fund**

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

**U.S. Cellular Center**

The US Cellular Convention Complex accounts for the operation, maintenance, and construction of the Convention Complex. Included in the capital improvement program is the construction of the convention center, hotel, and parking ramp.

Additionally, the City reports the following fund types:

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

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The other construction fund (a capital project fund) accounts for and reports financial resources that are restricted, committed, or assigned to expenditures 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.

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

Agency funds, which are custodial in nature, report on assets and liabilities and do not involve measurement of the results of operations. The City has the following agency funds: developers security deposit, regional planning, and contractors permit deposit.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government wide and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are user fees and charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Assets, liabilities, and net assets or fund balances**

**Cash Management and Investments**

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

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

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The City invests in the Iowa Public Agency Investment Trust, which is a 2a7 – like pool. The Iowa Public Agency Investment Trust is a common law trust established under Iowa code law and is administered by an appointed investment management company. The trust is reported at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

For purposes of the Statement of Cash Flows, the City considers the pooled cash and investments to be cash equivalents.

#### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

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

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

Property taxes levied by the Linn County Auditor for the year ended June 30, 2012, were due by July 1, 2011, with the first half installment being delinquent after September 30, 2011, and the second half installment being delinquent after March 31, 2012. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The tax receivable represents the 2012 levy certified on March 15, 2012, based on 2011 assessed valuations. As the levy is intended for use in the 2013 fiscal year, the revenue has been recorded as unearned revenue in the Statement of Net Assets and deferred revenue in the Balance Sheet for governmental funds.

#### Inventories and prepaid items

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

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

#### Restricted assets

Assets, which are restricted for specific uses by bonded debt requirements, grant provisions, or other requirements are classified as restricted assets.

#### Capital Assets

Capital assets, which include land, buildings and structures, improvements other than buildings, which includes infrastructure, construction in progress, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements 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 estimated useful life of two or more years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2012, \$283,675 of interest expense was added to the cost of assets acquired in US Cellular Center fund.

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

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

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

**Compensated Absences**

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

The non-vested portion of sick leave benefits, which are not included within these financial statements, at June 30, 2012, are as follows:

Governmental	\$ 14,006,437
Business-type	<u>3,572,996</u>
Subtotal	17,579,433
Component Units	<u>373,594</u>
Total	<u>\$ 17,953,027</u>

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

**Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

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

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Deferred Revenue, Unearned Revenue and Revenues Collected in Advance

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes are deferred in the governmental funds and in the government-wide financial statements and recognized as revenue in the year budgeted. Governmental funds, proprietary funds, and the governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned as revenues collected in advance.

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 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 by the City Council to the City Manager and 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. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The City's minimum fund balance policy is to maintain twenty-five (25) percent of next year's total general fund budgeted expenditures as minimum fund balance. This is set by City Council through resolution and can only be revoked by City Council through resolution.

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

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent bond proceeds. There were unspent bond proceeds in the Sanitary Sewer fund of \$291,082, Water fund of \$12,428,716, Water Pollution Control fund of \$6,350,614, U.S. Cellular Center fund of \$30,899,441, Parking System Fund of \$860,997 and \$54,011,881 in governmental activities. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Net assets restricted through enabling legislation included \$4,664,444 for debt service, \$697,104 for general government, \$5,264,234 for capital projects, \$1,058,900 for community and economic development, \$564,444 for public safety, \$67,775 for culture and recreation, \$3,194,783 for employee benefits, \$8,254,647 for flood recovery, and \$2,335 for Self-Supported municipal Improvement District (SSMID) projects.

**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 Control, Compliance, and Appropriation Data**

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

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

Fund receivables and payables at June 30, 2012, were:

	Receivables	Payables
Due to/from other funds:		
Governmental:		
General Fund	\$ 59,415,103	\$ -
Flood Fund	-	52,281,384
Nonmajor Funds	-	5,227,425
Total Governmental	59,415,103	57,508,809
Business-type:		
Nonmajor Funds	-	1,906,294
Total Business-type	-	1,906,294
Total due to/from other funds	\$ 59,415,103	\$ 59,415,103

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

	Advances to	Advances from
Governmental:		
General Fund	\$ 88,000	\$ -
Internal Service Funds	495,312	94,177
Nonmajor Funds	-	401,135
Business-type		
US Cellular Center	-	88,000
Total advance to/from other funds	\$ 583,312	\$ 583,312

These balances resulted from 1) advances from Risk Management to fund purchase of buildings in the nonmajor governmental funds until subsequent funding is received and 2) cash flow advances from the General Fund to U.S. Cellular Center Fund until further revenue is generated.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Primary government and component unit Receivables and Payables:

	<u>Receivables</u>	<u>Payables</u>
Governmental:		
General	\$ -	\$ 33,142,363
Component Unit:		
Airport - Unrestricted	33,142,363	-
Total primary government and component unit	<u>\$ 33,142,363</u>	<u>\$ 33,142,363</u>

These balances resulted from the Airport investing in the City's cash and investment pool.

**Note 3: Fund Transfer Reconciliation**

Transfers in and out for the year ended June 30, 2012, were:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental:		
General Fund	\$ 31,076,612	\$ 4,534,081
Infrastructure Construction Fund	814,928	1,201,915
Flood Fund	11,942,261	803,295
Nonmajor Funds	8,408,970	44,964,409
Internal Service Funds	1,109,878	1,240,367
Total Governmental	<u>53,352,649</u>	<u>52,744,067</u>
Business-type:		
Water	-	180,022
Water Pollution Control	13,239	1,141,899
Sanitary Sewer	-	12,977
US Cellular Center	42,037	-
Nonmajor Funds	1,504,592	833,552
Total Business-Type	<u>1,559,868</u>	<u>2,168,450</u>
Total	<u>\$ 54,912,517</u>	<u>\$ 54,912,517</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other governmental or proprietary funds in accordance with budgetary authorizations.

**Note 4: Self-Supported Municipal Improvement District**

During the year ended June 30, 1988, the City established the Downtown Cedar Rapids Self-Supported Municipal Improvement District (SSMID) pursuant to the provisions of Chapter 386, Code of Iowa (the Act). By establishing SSMID, the City may certify taxes against the property within the district each year, in addition to all other taxes, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2009, and continuing for 7 additional years. The levy is for the purpose of paying expenses of the District as are authorized by the Act, including, but not limited to, the administrative expenses of the District and part or all of the maintenance expenses of improvements or self-liquidating improvements, as defined in the Act, for a period of 8 years. Even though the boundaries of SSMID overlap the Tax Incremental Financing District, as amended, they are not co-terminus.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The amount of property taxes received for SSMID during the year ended June 30, 2012, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

SSMID only	\$ 278,345
SSMID within TIF	<u>58,520</u>
	<u>\$ 336,865</u>

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

**Note 5: Construction Commitments**

The total outstanding construction commitments of the City at June 30, 2012 amount to \$293,546,840. Of these commitments, \$192,856,452 will be funded by federal and state grants. The total outstanding construction commitments of the Airport, a discretely presented component unit, at June 30, 2012 amount to \$7,873,885. Of these commitments, \$6,006,948 will be funded by federal and state grants.

**Note 6: Cash and Investments**

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

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

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

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy states that risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

As of June 30, 2012, the City had the following investments with the following maturities:

Investment Type:	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Totals
US Treasuries	\$ 33,993,650	\$ 33,993,650	-	-	-	\$ 33,993,650
US Agencies	172,163	-	-	-	172,163	172,163
GNMA'S	1,250,581	-	13,920	34,913	1,201,748	1,250,581
IPAIT	56,399,683	56,399,683	-	-	-	56,399,683
Mutual Funds	168,577	168,577	-	-	-	168,577
Total	\$ 91,984,654	\$ 90,561,910	\$ 13,920	\$ 34,913	\$ 1,373,911	\$ 91,984,654

*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. U.S. Treasuries, GNMA's, IPAIT and Mutual Funds are not subject to credit risk.

As of June 30, 2012 the City had the following ratings:

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

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

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2012, the City's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The City's investments are not exposed to custodial credit risk as of June 30, 2012 as they are held by financial institutions in the name of the City.

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consists of deposits, including certificates of deposit and an investment in U.S. Treasury Bills. As of June 30, 2012, the Agency's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The Agency held no investments in the current year subject to custodial credit risk.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The Cedar Rapids Public Library Foundation follows Financial Accounting Standards Board guidance, therefore, GASB Statements No. 3 and No. 40 are not applicable. The Airport's cash and investments consists of \$200 in petty cash, which are not subject to custodial credit risk.

**Note 7: Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 102,344,047	\$ 20,907,806	\$ (1,705,596)	\$ 121,546,257
Construction in progress	<u>10,015,184</u>	<u>45,005,275</u>	<u>(3,284,246)</u>	<u>51,736,213</u>
Total capital assets, not being depreciated	<u>112,359,231</u>	<u>65,913,081</u>	<u>(4,989,842)</u>	<u>173,282,470</u>
Capital assets, being depreciated:				
Buildings	59,729,928	10,341,185	(159,750)	69,911,363
Improvements other than buildings	405,155,869	22,818,983	-	427,974,852
Machinery and equipment	<u>57,457,373</u>	<u>4,751,288</u>	<u>(3,730,143)</u>	<u>58,478,518</u>
Total capital assets being depreciated	<u>522,343,170</u>	<u>37,911,456</u>	<u>(3,889,893)</u>	<u>556,364,733</u>
Less accumulated depreciation for:				
Buildings	(25,339,933)	(1,386,029)	76,680	(26,649,282)
Improvements other than buildings	(144,200,371)	(12,777,029)	-	(156,977,400)
Machinery and equipment	<u>(31,913,474)</u>	<u>(4,177,339)</u>	<u>3,438,642</u>	<u>(32,652,171)</u>
Total accumulated depreciation	<u>(201,453,778)</u>	<u>(18,340,397)</u>	<u>3,515,322</u>	<u>(216,278,853)</u>
Total capital assets, being depreciated, net	<u>320,889,392</u>	<u>19,571,059</u>	<u>(374,571)</u>	<u>340,085,880</u>
Governmental activities capital assets, net	<u>\$ 433,248,623</u>	<u>\$ 85,484,140</u>	<u>\$ (5,364,413)</u>	<u>\$ 513,368,350</u>

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

Governmental activities:	
Public safety	\$ 808,347
Public works	12,687,709
Culture and recreation	1,481,939
Community and economic development	69,524
General government	874,531
Internal service funds	<u>2,418,347</u>
Total depreciation expense - governmental activities	<u>\$ 18,340,397</u>

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

	<u>Beginning Balance</u>	<u>Increase/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 20,579,295	\$ 791,976	\$ -	\$ 21,371,271
Construction in progress	<u>61,794,426</u>	<u>45,299,778</u>	<u>(44,668,135)</u>	<u>62,426,069</u>
Total capital assets, not being depreciated	<u>82,373,721</u>	<u>46,091,754</u>	<u>(44,668,135)</u>	<u>83,797,340</u>
Capital assets, being depreciated:				
Buildings and structures	202,159,451	1,034,890	-	203,194,341
Improvements other than buildings	311,818,157	57,485,235	-	369,303,392
Machinery and equipment	<u>39,405,957</u>	<u>2,407,289</u>	<u>(6,118,434)</u>	<u>35,694,812</u>
Total capital assets being depreciated	<u>553,383,565</u>	<u>60,927,414</u>	<u>(6,118,434)</u>	<u>608,192,545</u>
Less accumulated depreciation for:				
Buildings and structures	(135,355,694)	(4,402,186)	-	(139,757,880)
Improvements other than buildings	(114,015,785)	(9,684,725)	-	(123,700,510)
Machinery and equipment	<u>(27,064,063)</u>	<u>(2,001,689)</u>	<u>5,516,698</u>	<u>(23,549,054)</u>
Total accumulated depreciation	<u>(276,435,542)</u>	<u>(16,088,600)</u>	<u>5,516,698</u>	<u>(287,007,444)</u>
Total capital assets, being depreciated, net	<u>276,948,023</u>	<u>44,838,814</u>	<u>(601,736)</u>	<u>321,185,101</u>
Business-type activities capital assets, net	<u>\$ 359,321,744</u>	<u>\$ 90,930,568</u>	<u>\$ (45,269,871)</u>	<u>\$ 404,982,441</u>
Business-type activities:				
Water			4,857,458	
Water Pollution Control			6,346,603	
Sanitary Sewer			2,181,130	
U.S. Cellular Center			295,835	
Transit System			723,270	
Parking System			472,310	
Solid Waste Management			418,043	
Golf			223,320	
Paramount Theatre			138,401	
Ice Arena			<u>432,230</u>	
Total depreciation expense - business-type activities			<u>\$ 16,088,600</u>	

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Activity for the Airport for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	\$ 8,832,230	\$ 51,054	\$ -	\$ 8,883,284
Construction in progress	1,934,026	7,998,126	-	9,932,152
Total capital assets, not being depreciated	<u>10,766,256</u>	<u>8,049,180</u>	<u>-</u>	<u>18,815,436</u>
Capital assets, being depreciated:				
Buildings and structures	75,257,652	154,720	-	75,412,372
Improvements other than buildings	113,217,475	106,716	(169,848)	113,154,343
Machinery and equipment	6,469,419	91,088	(81,216)	6,479,291
Total capital assets being depreciated	<u>194,944,546</u>	<u>352,524</u>	<u>(251,064)</u>	<u>195,046,006</u>
Less accumulated depreciation for:				
Buildings and structures	(28,319,955)	(1,952,195)	-	(30,272,150)
Improvements other than buildings	(41,190,311)	(5,243,305)	-	(46,433,616)
Machinery and equipment	(4,037,963)	(391,175)	56,193	(4,372,945)
Total accumulated depreciation	<u>(73,548,229)</u>	<u>(7,586,675)</u>	<u>56,193</u>	<u>(81,078,711)</u>
Total capital assets, being depreciated, net	<u>121,396,317</u>	<u>(7,234,151)</u>	<u>(194,871)</u>	<u>113,967,295</u>
Airport capital assets, net	<u>\$ 132,162,573</u>	<u>\$ 815,029</u>	<u>\$ (194,871)</u>	<u>\$ 132,782,731</u>

Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	\$ 3,657,920	\$ 150,150	-	\$ 3,808,070
Construction in progress	223,231	1,021,705	-	1,244,936
Total capital assets, not being depreciated	<u>3,881,151</u>	<u>1,171,855</u>	<u>-</u>	<u>5,053,006</u>
Capital assets, being depreciated:				
Buildings and structures	2,332,996	5,700	-	2,338,696
Improvements other than buildings	18,107,322	-	-	18,107,322
Machinery and equipment	7,316,836	911,072	(416,816)	7,811,092
Total capital assets being depreciated	<u>27,757,154</u>	<u>916,772</u>	<u>(416,816)</u>	<u>28,257,110</u>
Less accumulated depreciation for:				
Buildings and structures	(1,014,568)	(100,627)	-	(1,115,195)
Improvements other than buildings	(4,605,351)	(677,674)	-	(5,283,025)
Machinery and equipment	(5,431,258)	(632,129)	416,816	(5,646,571)
Total accumulated depreciation	<u>(11,051,177)</u>	<u>(1,410,430)</u>	<u>416,816</u>	<u>(12,044,791)</u>
Total capital assets, being depreciated, net	<u>16,705,977</u>	<u>(493,658)</u>	<u>-</u>	<u>16,212,319</u>
CRLCSWA capital assets, net	<u>\$ 20,587,128</u>	<u>\$ 678,197</u>	<u>-</u>	<u>\$ 21,265,325</u>

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	\$ 10,232	\$ -	\$ -	\$ 10,232
Accumulated depreciation	(5,702)	(2,120)	-	(7,822)
Total capital assets, being depreciated, net	<u>\$ 4,530</u>	<u>\$ (2,120)</u>	<u>\$ -</u>	<u>\$ 2,410</u>

**Note 8: Retirement Systems**

The City contributes to the Iowa Public Employees Retirement System, and the Municipal Fire and Police Retirement System of Iowa, which are administered by the State of Iowa. All systems are contributory and all regular full-time and part-time employees must participate in one of the systems.

**Iowa Public Employees Retirement System (IPERS)**

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

Plan members are required to contribute 5.38% of their annual covered salary and the City is required to contribute 8.07% of annual covered payroll except for airport safety employees, in which case the percentages are 6.65% and 9.97%, respectively. Contribution requirements are established by State statute.

The City contributions to IPERS for the years ended June 30, 2012, 2011, and 2010 were \$4,177,954, \$3,475,341, and \$3,262,171, respectively, equal to the required contributions for each year.

**Municipal Fire and Police Retirement System of Iowa (MFPRSI)**

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

Plan members are required to contribute 9.40% of their annual covered salary and the City is required to contribute at an actuarially determined rate; the current rate is 24.76% of annual covered payroll. Contribution requirements are established by State statute. The City contributions to MFPRSI for the years ended June 30, 2012, 2011, and 2010 were \$5,613,649, \$4,319,577, and \$3,681,466, respectively, equal to the required contributions for each year.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 9: Long-Term Liabilities**

Bonded Debt

General Obligation Bonds

There was \$332,416,931 of general obligation bonds outstanding as of June 30, 2012. Unmatured general obligation bonds to be paid by governmental funds totaled \$172,209,200. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total \$160,207,731. These general obligation bonds bear interest rates ranging from 1.0% to 6.25% and mature in varying amounts ranging from \$345,000 to \$25,355,000 with the final payments due in the year ending June 30, 2042.

General obligation bonds to be paid by Airport, a component unit, are included in the Airport Fund obligations totaling \$68,069.

During the year ended June 30, 2012, the City issued \$83,350,000 of general obligation bonds. These bonds were used to pay the costs of opening, widening, extending, grading and draining of streets, highways, sidewalks and other streets related fixtures, and construction and reconstruction projects related to streets; construction and replacement of a new maintenance facility at Usher's Ferry and a building located in Bever Park; paying the costs of planning, undertaking, and carrying out of the urban renewal plan, public parking facilities, and development of the Medical District; renovation of the hotel, US Cellular Center, parking ramp, restoration, repair, cleanup, replacement, and improvement of property, buildings and equipment that have been damaged by a disaster; Mays Island repairs, City parkade repairs, new downtown river amphitheater, and reconstruction of old federal courthouse to serve as new city hall. The average life of the issues is 10.02 years for Series A, 12.68 years for Series B, 13.27 years for Series C, and 11.71 years for Series D. These bonds bear interest at 2.0% to 4.3% per annum and mature in varying annual amounts ranging from \$100,000 to \$3,180,000 with the final payment due in the year ending June 30, 2042.

On June 13, 2012, the City issued \$14,240,000 refunding general obligation bonds. The proceeds of the bonds were used to currently refund, in advance of their maturity, the following bonds (collectively, the "Refunded Bonds"):

Original Issue	Refunded Maturities	Principal Amount to be Refunded
General Obligation Bonds, Series 2003B, dated September 1, 2003	2013-2023	\$ 11,870,000
General Obligation Bonds, Series 2004B, dated September 1, 2004	2013-2024	<u>4,515,000</u>
Total General Obligation Bonds Refunded		<u>\$ 16,385,000</u>

The refunding was conducted to achieve interest savings. The proceeds of the notes were used to pay the principal of the Refunded Bonds at a price of par plus accrued interest. These bonds were currently refunded and are therefore no longer included in these financial statements. The refunding bonds bear interest at 3% and mature in varying amounts ranging from \$300,000 to \$1,395,000. The City completed the current refunding to reduce its total debt service payments by \$4,202,086. The net present value benefit of this refunding, the economic gain, is \$2,650,563.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Revenue Bonds

During the year ended June 30, 2012 the City issued \$5,830,000 water revenue bonds to fund various water construction projects. The bonds are due in annual installments of \$210,000 to \$390,000 through fiscal year ending June 30, 2032 and bear interest at 3.0% to 3.375%.

Notes Payable

During FY2008, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$39.39 million dollars. During the year ended June 30, 2012, the City received \$5,000. Total outstanding as of June 30, 2012 was \$34,859,000. This line of credit was taken out to finance the ultra-violet disinfection system improvements by the Water Fund. The interest rate for this line of credit is 3.25%. Annual payments began in FY 2010, with the last payment in fiscal year 2029. The City has pledged future water customer revenues, net of specified operating expenses, to repay the note payable.

The note payable is payable solely from water customer net revenues included in the Water Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$45,009,890. Principal and interest paid for the current year and total customer net revenues were \$2,647,770 and \$14,895,145, respectively.

During FY2009, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$10.9 million dollars. Total outstanding as of June 30, 2012 was \$8,833,123. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Annual payments began in FY2010, with the last payment in fiscal year 2029. The City has pledged future waste water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$11,964,770. Principal and interest paid for the current year and total customer net revenues were \$686,633 and \$12,954,327, respectively.

During FY2011, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$5.767 million dollars. As of June 30, 2012, the City has received \$2,366,546. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.0%. Annual payments will not begin until the project is completed in FY14, with the last payment in FY2033. The City has pledged future waste water customer revenues in the Water Pollution Control Fund, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$7,886,415. Interest paid for the current year and total customer net revenues were \$49,865 and \$12,954,327, respectively.

During FY2008, the City entered into an agreement with FEMA for a community disaster loan for an amount of \$5,000,000. Total outstanding as of June 30, 2012 was \$5,000,000 with accrued interest of \$184,371. This note was taken out to assist the City with flood recovery projects from the 2008 flooding of the Cedar River. The interest rate for this note is 1.65%. Payment is due January 2014 for principal and interest.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Changes in long-term liabilities:

Long-term debt activity for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	New Issues	Paid	Balance June 30, 2012
Primary government:				
Governmental:				
General obligation	\$ 162,178,361	\$ 32,510,923	\$ 22,480,084	\$ 172,209,200
Plus: unamortized premium	1,933,613	1,674,956	154,311	3,454,258
Less: unamortized discount	308,347	-	28,695	279,652
Total general obligation	<u>163,803,627</u>	<u>34,185,879</u>	<u>22,605,700</u>	<u>175,383,806</u>
Note payable	5,000,000	-	-	5,000,000
Business-type activities				
General obligation				
Water pollution control	38,062,526		3,754,447	34,308,079
Sanitary Sewer	18,424,852	-	1,562,355	16,862,497
Water	42,122,377	6,137,734	10,859,011	37,401,101
US Cellular Center	6,330,000	57,915,000	35,000	64,210,000
Other business-type funds	7,967,259	1,026,343	1,567,548	7,426,054
Notes Payable:				
Water Pollution Control	9,236,122	2,366,546	402,999	11,199,669
Water	36,409,000	5,000	1,555,000	34,859,000
Revenue bonds:				
Water pollution control revenue	17,520,000	-	670,000	16,850,000
Water revenue	22,525,000	5,830,000	850,000	27,505,000
Sewer revenue	3,020,000	-	115,000	2,905,000
Plus: unamortized premiums	2,752,277	881,750	242,140	3,391,887
Less: unamortized discounts	329,504	-	27,337	302,167
Total business-type activities	<u>204,039,909</u>	<u>74,162,373</u>	<u>21,586,163</u>	<u>256,616,120</u>
Total primary government	<u>372,843,536</u>	<u>108,348,252</u>	<u>44,191,863</u>	<u>436,999,926</u>
Component unit:				
General obligation for Airport	1,959,625	-	1,891,557	68,068
Plus: unamortized premiums	24,582	-	3,070	21,512
Less: unamortized premiums	15,466	-	1,263	14,203
Total component unit	<u>1,968,741</u>	<u>-</u>	<u>1,893,364</u>	<u>75,377</u>
Total Long-Term Debt	<u>\$ 374,812,277</u>	<u>\$ 108,348,252</u>	<u>\$ 46,085,227</u>	<u>\$ 437,075,303</u>

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

	Due within one year
Primary government:	
Governmental	
General obligation	\$ 14,404,502
Notes payable	-
Business-type activities:	
Water pollution control	4,857,350
Sanitary Sewer	1,712,465
Water	8,020,698
US Cellular Center	135,000
Other business-type funds	1,055,949
Total primary government	30,185,964
Component unit:	
General obligation for Airport	22,036
Total general obligation for Airport	22,036
Total long-term debt current	\$ 30,208,000

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

At June 30, 2012, the general obligation debt issued by the City did not exceed its legal debt margin compiled as follows:

Total Estimated actual valuation - real property	\$ 9,064,670,318
Debt limit - 5% of total valuation	\$ 453,233,516
Debt applicable to debt limit:	
General obligation bonded debt outstanding	\$ 337,485,000
Legal Debt Margin	\$ 115,748,516

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

Year Ending	Governmental		Business-type activities		General Obligation	
	General Obligation		General Obligation		Totals	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2013	14,404,502	7,829,219	11,883,462	4,366,050	26,287,964	12,195,269
2014	14,166,110	5,955,028	10,676,760	5,396,531	24,842,870	11,351,559
2015	13,487,402	5,497,863	12,773,695	5,010,784	26,261,097	10,508,647
2016	13,794,706	5,057,088	12,045,294	4,569,650	25,840,000	9,626,738
2017	13,845,470	4,585,972	12,059,530	4,143,585	25,905,000	8,729,557
2018-2022	49,229,518	16,247,482	47,525,482	14,791,932	96,755,000	31,039,414
2023-2027	28,779,992	8,463,111	28,825,108	7,835,457	57,605,100	16,298,568
2028-2032	18,726,500	3,242,418	19,813,400	3,362,630	38,539,900	6,605,048
2033-2037	3,130,000	1,000,770	2,070,000	803,726	5,200,000	1,804,496
2038-2042	2,645,000	269,309	2,535,000	333,493	5,180,000	602,802
	<u>\$ 172,209,200</u>	<u>\$58,148,260</u>	<u>\$ 160,207,731</u>	<u>\$ 50,613,838</u>	<u>\$ 332,416,931</u>	<u>\$108,762,098</u>

Revenue Bonds

Year Ending	Principal	Interest
June 30:		
2013	1,880,000	1,904,770
2014	1,940,000	1,861,673
2015	1,995,000	1,810,254
2016	2,050,000	1,749,026
2017	2,125,000	1,681,969
2018-2022	11,880,000	7,163,769
2023-2027	14,745,000	4,461,913
2028-2032	10,645,000	992,950
	<u>\$ 47,260,000</u>	<u>\$ 21,626,324</u>

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

Year Ending	General Obligation	
	Abated By	
	Airport	
June 30:	Principal	Interest
2013	22,036	1,868
2014	22,130	1,260
2015	23,903	661
	<u>\$ 68,069</u>	<u>\$ 3,789</u>

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

Year Ending	Note Payable	
	June 30:	Interest
2013	2,018,000	1,443,695
2014	2,080,000	1,435,860
2015	2,143,000	1,367,190
2016	2,208,000	1,296,420
2017	2,276,000	1,223,490
2018-2022	12,466,000	4,942,230
2023-2027	14,487,000	2,751,540
2028-2033	8,380,669	520,650
	\$ 46,058,669	\$ 14,981,075

Changes in other long-term liabilities:

Other long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
Claims and Judgments	\$ 14,469,400	\$ 16,484,685	\$ 18,939,685	\$ 12,014,400	\$ 3,105,737
Compensated absences	5,479,110	4,694,537	4,511,918	5,661,729	5,386,419
Governmental activity					
Long-term liabilities	\$ 19,948,510	\$ 21,179,222	\$ 23,451,603	\$ 17,676,129	\$ 8,492,156
<b>Business-type activities:</b>					
Compensated absences	\$ 1,313,651	\$ 1,334,866	\$ 1,147,440	\$ 1,501,077	\$ 1,414,284
Closure/post closure landfill	795,886	2,530	-	798,416	-
Business-type activity					
Long-term liabilities	\$ 2,109,537	\$ 1,337,396	\$ 1,147,440	\$ 2,299,493	\$ 1,414,284
<b>Component Units:</b>					
<b>Airport</b>					
Compensated absences	\$ 220,875	\$ 153,881	\$ 154,056	\$ 220,699	\$ 220,699
<b>CRLCSWA:</b>					
Compensated absences	\$ 109,987	\$ 194,304	\$ 173,540	\$ 130,751	\$ 130,751
Closure/post closure landfill	22,873,122	819,000	953,626	22,738,496	3,487,379
Long-term liabilities	\$ 22,983,109	\$ 1,013,304	\$ 1,127,166	\$ 22,869,247	\$ 3,618,130

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. In the past, approximately 87.2% has been paid by the General Fund and the remainder by other governmental and internal service funds. The claims and judgement liability will generally be liquidated by the City's Risk Management Fund (See Note 12, also). The Risk Management Fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by the individual funds. Currently, the General Fund bears approximately 65% of the claims and judgement costs; no other individual fund is charged more than 9% of the total amount.

**Industrial Revenue Bonds**

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

As of June 30, 2012, there were 74 series of Industrial Revenue Bonds outstanding issued prior to July 1, 1995. Of the 74 series, a total of 21 have been closed. The aggregate principal amount payable could not be determined, however; their original issue amounts totaled \$81,139,500.

The aggregate principal balance as of June 30, 2012 due on bonds issued after July 1, 1995, is \$107,850,000.

**Note 10: Deficit Fund Equity**

At June 30, 2012, individual funds with deficit fund balances were as follows:

Special Revenue:	
Flood	\$ 54,239,109
Community Development Block Grants	66,383
Tax Incremental Financing	2,248,759

The Flood fund is funded by federal and state revenues that have not been received but expenditures were incurred. Non-exchange revenues for the Community Development Block Grants program are subject to deferral, thus causing a deficit fund balance for the year ended June 30, 2012. The TIF fund is funded by TIF property taxes, which pay a portion of the city's general obligation debt. Future TIF property tax revenue received will pay off the deficit in the fund. It is felt that these are temporary deficits and will be rectified in the next fiscal year.

**Note 11: Deferred Compensation Plans**

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

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

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 12: Risk Management**

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

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

There has been no significant change in insurance coverage purchased in fiscal year 2012 compared to the prior year. For those risks covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

**Torts and errors:**

During fiscal year 2012, the City purchased liability insurance to cover its airport, 3 of its 4 underground fuel tank sites, four vehicles and liquor liability. The City self-insures without excess insurance, the rest of its general liability, errors and employment practices liability, police liability, auto liability, and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. The City self-administers claims and utilizes an independent appraiser firm to write vehicle damage repair estimates and an adjuster firm to negotiate bodily injury and non-vehicle property damage claims. All City Departments and Enterprise Funds are charged a liability premium according to their loss exposure and past losses. The total premium charged for fiscal year 2012 was determined by an actuary at an 80% confidence level. A claims liability of \$3,604,000 as of June 30, 2012, was calculated by an independent actuary at a 95% confidence level and includes claims reported but not settled and those incurred but not reported. The claims liabilities shown below are in accordance with the requirements of GASB Statement 10.

Changes in the Tort Liability Fund's claims liability amount are as follows:

	Beginning Fiscal Year	Additions & Change in		Ending Fiscal Year
	<u>Liability</u>	<u>Accrual</u>	<u>Claims Paid</u>	<u>Liability</u>
7/10 – 6/11	\$2,446,000	\$3,487,763	(\$298,763)	\$5,635,000
7/11 – 6/12	\$5,635,000	(\$1,696,873)	(\$334,127)	\$3,604,000

**Theft of, damage to, or destruction of assets:**

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

**Job related injuries to employees:**

Benefits due City employees under the Iowa Workers' Compensation Laws are accounted for and financed under a separate subdivision of the Risk Management Fund without excess insurance. Claims administration is performed by City staff. All City Departments and Enterprise funds are charged a premium based on their share of past losses. The June 30, 2012 claims liability of \$7,100,000 was calculated at a 95% confidence level by an independent actuary.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Changes in the Workers' Compensation Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/10 – 6/11	\$6,302,000	\$4,242,856	(\$2,928,856)	\$7,616,000
7/11 – 6/12	\$7,616,000	\$1,266,536	(\$1,782,536)	\$7,100,000

**Health care benefits for employees, retirees, and dependents:**

The City has been accounting for and financing health care benefits under a separate subdivision of the Risk Management Fund since January 1, 1992. Claims administration is provided by a third party administrator. As of July 1, 2010, the City discontinued purchasing stop loss insurance. All City Departments and Enterprise Funds are charged a premium based on the number of single and family plans in place each month. Retirees and COBRA participants pay 102% of the monthly plan premium. The total premium charged is the amount needed to pay expected claim and administrative costs. A \$1,270,000 claims liability for incurred but unpaid medical bills as of June 30, 2012 was determined by an independent actuary. Changes in the Health Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/10 – 6/11	\$1,161,000	\$16,830,047	(\$16,813,047)	\$1,178,000
7/11 – 6/12	\$1,178,000	\$16,024,580	(\$15,932,580)	\$1,270,000

**Dental Care benefits for employees and dependents:**

Effective April 1, 1993, the City began to account for and finance dental care benefits under a separate subdivision of the Risk Management Fund. Claims administration is provided by a third party administrator. All City Departments and Enterprise Funds are charged a premium based on the number of plans in place each month. Employees pay the extra cost to purchase family plan coverage. COBRA participants pay 102% of the single or family plan monthly premium. The total premium charged is the estimated amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid dental bills as of June 30, 2012 to be \$40,400. Changes in the Dental Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/10 – 6/11	\$41,700	\$861,517	(\$861,917)	\$40,400
7/11 – 6/12	\$40,400	\$890,442	(\$890,442)	\$40,400

**Note 13: Contingent Liabilities**

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

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. And disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City is currently completing an appeals process for claims the Federal Emergency Management Agency has de-obligated. The City is also closing out a review conducted by the Office of Inspector General in regards to reimbursements under the CDBG disaster recovery program. The City is working with both agencies to complete and resolve these processes and believe any exposure and amounts owed will be resolved to the City's benefit.

**Note 14: Closure and Postclosure Care Cost**

State and federal laws and regulations require a final cover be placed on a landfill site when an entity stops accepting waste and requires an entity to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the liabilities of closure and postclosure care costs are to be expensed in each period based upon landfill capacity used as of each statement date.

On July 1, 1994, the City entered into an agreement with Linn County to form the Cedar Rapids/Linn County Solid Waste Agency. The City and Linn County's liability for closure and postclosure care costs as of July 1, 1994, were fixed as part of the agreement based on estimated care costs and the percentage of landfill capacity utilized for each of the two respective landfill sites. The City's liability for closure and postclosure costs as of July 1, 1994, was \$6,553,050. As part of the agreement, the City transferred its landfill site and certain other assets with a fair value of \$3,202,554 and an equal amount of closure and postclosure care liabilities to the agency. These liabilities as well as those transferred by Linn County, in connection with the transfer of its landfill site, are recognized as liabilities by the component unit. The remaining amount of the City's closure and postclosure care costs were fully recognized by the primary government as of June 30, 2012.

Cedar Rapids/Linn County Solid Waste Agency is liable for all closure and postclosure care costs at the two landfill sites except for the liabilities retained by the City and Linn County. Cedar Rapids/Linn County Solid Waste Agency's liability as of June 30, 2012, is summarized below.

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

	Former City Landfill	Former County Landfill	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total care costs	\$ 12,892,925	\$ 11,346,746	\$ 24,239,671
Care costs remaining to be recognized attributable to unutilized capacity	<u>-</u>	<u>(1,501,175)</u>	<u>(1,501,175)</u>
Care costs recognized attributable to utilized capacity	<u>\$ 12,892,925</u>	<u>\$ 9,845,571</u>	<u>\$ 22,738,496</u>
Capacity utilized	<u>100.00%</u>	<u>86.77%</u>	
Estimated remaining life	<u>0 years</u>	<u>2.4 years</u>	

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The City operates an ash sanitary landfill consisting of two lagoons at the City’s Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2012, was estimated by a professional engineer and is \$798,416. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

**Note 15: Operating Leases**

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

The Airport also leases land and building space under various long-term leases, which expire between June 2012 and January 2050.

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

<u>Fiscal Year</u>	<u>Amount</u>
2013	3,164,313
2014	2,056,245
2015	2,048,388
2016	1,906,905
2017	1,208,146
2018-2022	1,742,538
2023-2027	1,333,449
2028-2032	5,350
2033-2037	5,350
2038-2042	5,350
2043-2047	2,289
Total lease payments	<u>\$ 13,478,322</u>

**Note 16: Other Post Employment Benefits (OPEB)**

Plan Description and Funding Policy

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

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2012, the City contributed \$490,644. Retiree and COBRA participants receiving benefits contributed \$269,592 through their required contribution of:

Plan	Retiree	Retiree & Spouse	Retiree & Children	Family
Traditional	\$606	\$ -	\$ -	\$1,440
Choice	575	1,150	885	1,555

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

Annual required contribution	\$ 824,219
Interest on net OPEB obligation	212,548
Adjustment to annual required contribution	<u>(276,531)</u>
Annual OPEB cost (expense)	\$ 760,236
Contributions made	<u>(269,592)</u>
Increase in net OPEB obligation	\$ 490,644
Net OPEB obligation – July 1, 2011	<u>4,250,965</u>
Net OPEB obligation – June 30, 2012	<u><u>\$ 4,741,609</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$ 692,763	34.0%	\$3,747,051
6/30/11	\$1,054,534	52.2%	\$4,250,965
6/30/12	\$ 760,236	35.5%	\$4,741,609

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Funded Status and Funding Progress

Post Employment Benefit Obligations under GASB 45 calculated as of July 1, 2011, the most recent actuarial valuation date:

Actuarial Accrued Liability	Total	Members
Future Retirees	\$ 5,278,970	1,298
Retirees	1,219,714	49
Total Actuarial Accrued Liability (AAL)	6,498,684	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	6,498,684	

The covered payroll (annual payroll of active employees covered by the plan) was \$70,607,909 and the ratio of the UAAL to the covered payroll was 9.2%. There is not a separate, audited GAAP-basis postemployment benefit plan report for the City.

Actuarial Methods and Assumptions

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

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB 45. The excess of the AAL over the actuarial value of plan assets is the Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over a maximum 30 years in level dollar amounts on an open period amortization basis. The sum of the Normal

Cost and the amortization of the Unfunded Actuarial Accrued Liability is the Annual Required Contribution, which with interest at the valuation rate, determines the Annual OPEB Cost. The investment rate of return is 5.0%.

*Demographic Assumptions*

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

*Economic Cost Assumptions*

The rate at which projected cash flows are to be discounted should reflect rates of return on high-quality fixed-income investments currently available and expected to be available during the period in which the benefits are expected to be paid. Fiscal year 2012 per capita health care costs for retirees were determined based on an analysis of the retiree's claims experience provided by the City over the prior five fiscal years. Per capita costs are adjusted for age, and illustrative costs are shown below:

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

	Age	Male	Female
Traditional	<55	\$ 7,500	\$ 8,800
	55 – 59	\$10,100	\$ 9,800
	60 – 64	\$12,900	\$11,600
	Age	Male	Female
Choice	<55	\$ 7,100	\$ 8,300
	55 – 59	\$ 9,600	\$ 9,300
	60 – 64	\$12,200	\$11,000

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

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2012 is shown below and is assumed to increase by the HCCT shown below.

Plan	Retiree	Retiree & Spouse	Retiree & Children	Family
Traditional	\$606	\$ -	\$ -	\$1,440
Choice	575	1,150	885	1,555

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

Fiscal Year Beginning	Medical
Change Over Prior	Trend
2013	10.0%
2014	9.5%
2015	9.0%
2016	8.5%
2017	8.0%
2018	7.5%
2019	7.0%
2020	6.5%
2021	6.0%
2022	5.5%
2023+	5.0%

Actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Benefits are projected based on benefit levels and cost-sharing arrangements as of July 1, 2011 and do not explicitly reflect the potential effects of legal or contractual funding limitations. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 17: Governmental Fund Balance Classification**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" establishes criteria for classifying fund balances specifically defined classifications and clarifies definitions for governmental fund types. The following represents these classifications and the purposes for which the amounts can be spent.

	General	Infrastructure Construction	Flood	Other Governmental	Total
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Advances	\$ 88,000	\$ -	\$ -	\$ -	\$ 88,000
Corpus of principal	-	-	-	112,990	112,990
Inventories	832,687	-	-	26,776	859,463
Land held for resale	-	-	1,957,248	367,294	2,324,542
Prepaid items	295,641	-	87,397	418,929	801,967
<b>Total Nonspendable</b>	<b>1,216,328</b>	<b>-</b>	<b>2,044,645</b>	<b>925,989</b>	<b>4,186,962</b>
<b>Restricted:</b>					
Capital projects	770,449	22,720,117	-	29,751,172	53,241,738
Community and economic development	-	-	-	1,223,255	1,223,255
Culture and recreation	67,775	-	-	1,337,332	1,405,107
Debt service	-	-	-	4,664,444	4,664,444
Employee benefits	-	-	-	3,194,783	3,194,783
Flood recovery	-	-	-	7,982,450	7,982,450
General government	697,104	-	-	111,827	808,931
Public safety	312	-	-	713,830	714,142
Public works	55,730	-	-	-	55,730
SSMID	-	-	-	2,335	2,335
<b>Total Restricted</b>	<b>1,591,370</b>	<b>22,720,117</b>	<b>-</b>	<b>48,981,428</b>	<b>73,292,915</b>
<b>Committed:</b>					
Culture and recreation	-	-	-	729,854	729,854
Economic development	-	-	-	2,989,493	2,989,493
General government	-	-	-	1,281,239	1,281,239
Public safety services	-	-	-	452,445	452,445
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,453,031</b>	<b>5,453,031</b>
<b>Assigned:</b>					
Capital improvements and equipment	-	19,661,198	-	-	19,661,198
Encumbrances	200,000	-	-	-	200,000
<b>Total Assigned</b>	<b>200,000</b>	<b>19,661,198</b>	<b>-</b>	<b>-</b>	<b>19,861,198</b>
<b>Unassigned:</b>					
	34,694,821	-	(56,283,754)	(5,048,498)	(26,637,431)
<b>Total fund balances</b>	<b>\$ 37,702,519</b>	<b>\$ 42,381,315</b>	<b>\$ (54,239,109)</b>	<b>\$ 50,311,950</b>	<b>\$ 76,156,675</b>

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**Note 18: Subsequent Event**

On October 24, 2012, the City entered into an agreement with Paramount Theatre Manager, LLC. The terms of the agreement included the sale of the Paramount Theatre to Paramount Theatre Manager, LLC (the LLC). In addition the City made a cash contribution of approximately \$7.4 million and loaned the LLC approximately \$21.8 million. In return the City received 100 units of membership in the LLC, which represents 100% ownership of the LLC.

**Note 19: New Pronouncements**

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. 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.
- 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.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

- 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. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the City beginning with its year ending June 30, 2014. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.
- GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the City beginning with its year ending June 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

**CITY OF CEDAR RAPIDS, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City beginning with its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

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

**City of Cedar Rapids, Iowa**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule of Receipts,**  
**Disbursements, and Changes in Balances -**  
**Budget and Actual - All Governmental Funds and Proprietary Funds,**  
**and Discretely Presented Component Units**  
**Year ended June 30, 2012**

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
<b>Revenues:</b>			
Property taxes	\$ 80,635,269	\$ 4,586,363	\$ -
TIF revenues	3,260,183	-	-
Other taxes	20,894,474	-	-
Licenses and permits	2,940,138	135	2,375
Use of money and property	12,495,875	9,905,973	11,450,788
Intergovernmental	141,772,628	23,776,164	2,764,493
Charges for services	21,909,373	107,749,050	14,061,636
Special assessments	801,383	-	18,780
Miscellaneous	978,478	23,350,060	2,137,767
Total revenues	<u>285,687,801</u>	<u>169,367,745</u>	<u>30,435,839</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	56,364,239	-	-
Public works	20,916,205	-	-
Culture and recreation	13,936,596	-	-
Community and economic development	22,142,280	-	-
General government	14,929,360	-	-
Debt service	29,602,448	-	-
Capital projects	164,631,089	-	-
Business-type	-	170,826,766	21,448,962
Total expenditures	<u>322,522,217</u>	<u>170,826,766</u>	<u>21,448,962</u>
Excess (deficiency) of revenues over (under) expenditures	(36,834,416)	(1,459,021)	8,986,877
Other financing sources, net	39,092,642	44,418,535	(1,971,454)
Net change in fund balances, net assets	2,258,226	42,959,514	7,015,423
Fund balances, budgetary basis net assets - July 1, 2011	80,692,282	315,180,988	151,262,060
Fund balances, budgetary basis net assets - June 30, 2012	<u>\$ 82,950,508</u>	<u>\$ 358,140,502</u>	<u>\$ 158,277,483</u>
<b>Adjustments not budgeted:</b>			
Other accrued liabilities	(696,827)	(17,134)	(2,472)
Sale of capital assets	-	706,605	25,023
Bond proceeds	(1,994,027)	(74,162,373)	-
Accrued bond interest	(4,102,979)	(21,889,744)	(1,897,650)
Capital outlay variance from depreciation	-	90,014,216	54,555,644
Fund balances, net assets - June 30, 2012 GAAP basis	<u>\$ 76,156,675</u>	<u>\$ 352,792,072</u>	<u>\$ 210,958,028</u>

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

Net	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 85,221,632	\$ 80,466,303	\$ 80,466,303	\$ 4,755,329
3,260,183	3,362,964	3,362,964	(102,781)
20,894,474	25,527,263	23,927,263	(3,032,789)
2,942,648	2,777,898	2,777,898	164,750
33,852,636	14,312,232	14,730,091	19,122,545
168,313,285	240,414,927	291,075,200	(122,761,915)
143,720,059	124,126,887	141,397,678	2,322,381
820,163	455,827	791,420	28,743
26,466,305	36,526,683	40,978,317	(14,512,012)
<u>485,491,385</u>	<u>527,970,984</u>	<u>599,507,134</u>	<u>(114,015,749)</u>
56,364,239	50,745,960	57,683,028	1,318,789
20,916,205	19,463,561	21,456,807	540,602
13,936,596	13,273,974	14,760,397	823,801
22,142,280	15,695,645	42,849,503	20,707,223
14,929,360	30,495,933	16,554,215	1,624,855
29,602,448	22,643,368	31,262,605	1,660,157
164,631,089	195,816,539	256,931,403	92,300,314
192,275,728	275,304,141	258,667,900	66,392,172
<u>514,797,945</u>	<u>623,439,121</u>	<u>700,165,858</u>	<u>185,367,913</u>
(29,306,560)	(95,468,137)	(100,658,724)	71,352,164
81,539,723	76,621,780	106,368,582	(24,828,859)
52,233,163	(18,846,357)	5,709,858	46,523,305
547,135,330	389,232,941	389,232,941	157,902,389
<u>\$ 599,368,493</u>	<u>\$ 370,386,584</u>	<u>\$ 394,942,799</u>	<u>\$ 204,425,694</u>

CITY OF CEDAR RAPIDS, IOWA  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Note to Required Supplementary Information – Budgetary Reporting  
June 30, 2012

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budget disbursements by \$76,726,737. This budget amendment is reflected in the final budgeted amounts.

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

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

Actuarial Valuation Date	Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	6/30/2010	\$ -	\$ 5,576,747	\$ 5,576,747	0.00%	\$ 85,561,112	6.50%
7/1/2009	6/30/2011	\$ -	\$ 5,576,747	\$ 5,576,747	0.00%	\$ 85,561,112	6.50%
7/1/2011	6/30/2012	\$ -	\$ 6,498,684	\$ 6,498,684	0.00%	\$ 70,607,909	9.20%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2011. Additional information follows:

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012**

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
<b>ASSETS</b>							
Cash and investments	\$ -	\$ 43,897	\$ 1,532,433	\$ 5,729,382	\$ -	\$ 3,047,589	\$ 396,069
Receivables:							
Taxes	-	-	-	2,250,820	8,611,964	-	-
Accounts and unbilled usage, net	-	-	-	-	-	-	-
\$257,289 of allowance for doubtful accounts	-	26,597	-	-	-	-	109,588
Interest	-	-	-	-	-	-	-
Due from other governments	159,259	-	805,195	-	-	2,216,645	-
Notes receivable	-	-	-	-	2,701,249	-	-
Inventories	-	-	-	-	-	-	-
Land held for resale	-	-	-	320,473	-	-	-
Prepaid items	5,199	-	-	-	-	-	403,061
Total assets	<u>164,458</u>	<u>70,494</u>	<u>2,337,628</u>	<u>8,300,675</u>	<u>11,313,213</u>	<u>5,264,234</u>	<u>908,718</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>							
Liabilities:							
Vouchers payable	85,241	3,849	72,398	46,028	772	-	52,686
Contracts payable	-	-	-	-	-	-	-
Accrued expenditures	17,934	828	-	-	-	-	17,545
Revenues collected in advance	-	3,044	-	-	-	-	-
Deferred revenues	25,342	34,562	805,195	-	8,435,779	-	-
Advance from other funds	-	-	401,135	-	-	-	-
Due to other funds	102,304	-	-	-	5,125,121	-	-
Due to general public	-	-	-	-	-	-	243,230
Due to other governments	-	-	-	-	-	-	192
Security deposits	-	-	-	-	300	-	-
Total liabilities	<u>230,821</u>	<u>42,283</u>	<u>1,278,728</u>	<u>46,028</u>	<u>13,561,972</u>	<u>-</u>	<u>313,653</u>
Fund balances (deficits):							
Nonspendable	5,199	-	-	320,473	-	-	403,061
Restricted	-	28,211	1,058,900	7,934,174	-	5,264,234	192,004
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(71,562)	-	-	-	(2,248,759)	-	-
Total fund balances (deficits)	<u>(66,363)</u>	<u>28,211</u>	<u>1,058,900</u>	<u>8,254,647</u>	<u>(2,248,759)</u>	<u>5,264,234</u>	<u>595,065</u>
Total liabilities and fund balances (deficits)	<u>\$ 164,458</u>	<u>\$ 70,494</u>	<u>\$ 2,337,628</u>	<u>\$ 8,300,675</u>	<u>\$ 11,313,213</u>	<u>\$ 5,264,234</u>	<u>\$ 908,718</u>

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Debt Service	
\$ 30,300	\$ 3,910,181	\$ 664,499	\$ 481,002	\$ 7,352,006	\$ 23,187,358	\$ 24,486,939	\$ 4,670,269	\$ 52,344,566
561,153	14,392,326	1,699,074	2,664,075	229,639	30,409,051	-	15,795,067	46,204,118
-	109	-	-	153,070	289,364	27,573	-	316,937
-	-	1,127	50,428	117	51,672	-	-	51,672
-	-	-	-	276,157	3,457,256	1,175,731	-	4,632,987
-	-	-	-	-	2,701,249	-	-	2,701,249
-	-	-	-	464	464	26,312	-	26,776
-	-	-	-	46,821	367,294	-	-	367,294
-	-	-	-	10,669	418,929	-	-	418,929
591,453	18,302,616	2,364,700	3,195,505	8,068,943	60,882,637	25,716,555	20,465,336	107,064,528
28,124	159,602	589,460	84,070	109,893	1,232,123	2,082,441	152,161	3,466,725
-	-	-	-	-	-	664,458	-	664,458
-	-	-	-	9,411	45,718	3,124	-	48,842
-	243	-	-	217,829	221,116	5,727	-	226,843
560,994	14,251,847	1,685,670	2,636,561	265,772	28,701,722	1,175,731	15,648,731	45,526,184
-	-	-	-	-	401,135	-	-	401,135
-	-	-	-	-	5,227,425	-	-	5,227,425
-	-	-	-	251,103	494,333	-	-	494,333
-	696,141	-	-	-	696,333	-	-	696,333
-	-	-	-	-	300	-	-	300
589,118	15,107,833	2,275,130	2,720,631	854,008	37,020,205	3,931,481	15,800,892	56,752,578
-	-	-	-	170,944	899,677	26,312	-	925,989
2,335	3,194,783	89,570	474,874	1,590,960	19,830,045	24,486,939	4,664,444	48,981,428
-	-	-	-	5,453,031	5,453,031	-	-	5,453,031
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(2,320,321)	(2,728,177)	-	(5,048,498)
2,335	3,194,783	89,570	474,874	7,214,935	23,862,432	21,785,074	4,664,444	50,311,950
\$ 591,453	\$ 18,302,616	\$ 2,364,700	\$ 3,195,505	\$ 8,068,943	\$ 60,882,637	\$ 25,716,555	\$ 20,465,336	\$ 107,064,528

**City of Cedar Rapids, Iowa**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2012**

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
<b>Revenues:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,260,183	\$ -	\$ -
Hotel-Motel taxes	-	-	2,756,086	-	-	-	-
Local option sales tax	-	-	-	18,138,388	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,204,871	434,316	-	-	-	12,000,526	6,069,514
Charges for services	6,739	-	-	-	-	-	75,815
Fines and forfeits	-	-	-	-	-	-	-
Use of money and property	11	40	19,546	1,909	-	4,884	-
Rents and royalties	-	-	-	-	-	-	-
Miscellaneous	31,977	31,932	-	6,200	750	-	8
<b>Total revenues</b>	<u>1,243,598</u>	<u>466,288</u>	<u>2,775,632</u>	<u>18,146,497</u>	<u>3,260,933</u>	<u>12,005,410</u>	<u>6,145,337</u>
<b>Expenditures:</b>							
<b>Current:</b>							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community and economic development	1,203,008	461,873	2,008,881	4,900,478	2,169,024	-	5,997,882
General government	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,203,008</u>	<u>461,873</u>	<u>2,008,881</u>	<u>5,900,682</u>	<u>2,169,024</u>	<u>-</u>	<u>5,997,882</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>40,590</u>	<u>4,415</u>	<u>766,751</u>	<u>12,245,815</u>	<u>1,091,909</u>	<u>12,005,410</u>	<u>147,455</u>
<b>Other Financing Sources (Uses):</b>							
Long-term debt issued	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	5,057	-	-	-	34,485	-	-
Transfers (out)	-	-	(762,240)	(5,799,301)	(4,215,637)	(11,207,823)	-
<b>Total other financing sources (uses)</b>	<u>5,057</u>	<u>-</u>	<u>(762,240)</u>	<u>(5,799,301)</u>	<u>(4,181,152)</u>	<u>(11,207,823)</u>	<u>-</u>
<b>Net change in fund balances</b>	45,647	4,415	4,511	6,446,514	(3,089,243)	797,587	147,455
Fund balances (deficits) - July 1, 2011	(112,010)	23,796	1,054,389	1,808,133	840,484	4,466,647	447,610
<b>Fund balances (deficits) - June 30, 2012</b>	<u>\$ (66,363)</u>	<u>\$ 28,211</u>	<u>\$ 1,058,900</u>	<u>\$ 8,254,647</u>	<u>\$ (2,248,759)</u>	<u>\$ 5,264,234</u>	<u>\$ 595,065</u>

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Debt Service	
\$ 278,345	\$ 14,516,335	\$ 1,385,071	\$ 2,843,122	\$ 222,532	\$ 22,505,588	\$ -	\$ 14,038,833	\$ 36,544,421
-	-	-	-	-	2,756,086	-	-	2,756,086
-	-	-	-	-	18,138,388	-	-	18,138,388
-	-	-	-	49,830	49,830	-	-	49,830
-	-	-	-	1,622,992	21,332,219	6,455,647	-	27,787,866
-	-	-	-	22,190	104,744	11,178	-	115,922
-	-	-	-	4,150	4,150	-	-	4,150
72	5,300	-	58,389	-	90,151	9,454	430,442	530,047
-	-	-	-	485,587	485,587	-	-	485,587
-	-	-	-	430,660	501,527	729,258	-	1,230,785
<u>278,417</u>	<u>14,521,635</u>	<u>1,385,071</u>	<u>2,901,511</u>	<u>2,837,941</u>	<u>65,968,270</u>	<u>7,205,537</u>	<u>14,469,275</u>	<u>87,643,082</u>
-	-	129,880	354,304	295,698	779,882	6,745	-	786,627
-	-	-	-	-	-	175,811	-	175,811
286,923	-	-	-	905,401	905,401	113,245	-	1,018,646
-	512	-	-	771,161	17,799,230	1,295,552	-	19,094,782
-	-	-	-	39,695	40,207	335,313	1,994,028	2,369,548
-	-	-	-	-	-	-	22,480,084	22,480,084
-	-	-	-	-	-	-	885,447	885,447
-	-	-	-	8,252	8,252	-	6,236,890	6,245,142
-	-	-	-	349,836	1,350,040	17,442,559	-	18,792,599
<u>286,923</u>	<u>512</u>	<u>129,880</u>	<u>354,304</u>	<u>2,370,043</u>	<u>20,883,012</u>	<u>19,369,225</u>	<u>31,596,449</u>	<u>71,848,686</u>
(8,506)	14,521,123	1,255,191	2,547,207	467,898	45,085,258	(12,163,688)	(17,127,174)	15,794,396
-	-	-	-	-	-	12,945,705	10,261,499	23,207,204
-	-	-	-	-	-	49,467	1,253,682	1,303,149
2,946	-	-	-	1,097,650	1,100,596	-	-	1,100,596
58,520	-	355,643	-	1,588,963	2,042,668	709,511	5,656,791	8,408,970
(97,916)	(14,430,981)	(1,521,264)	(2,787,349)	(2,062,455)	(42,884,966)	(1,511,264)	(568,179)	(44,964,409)
<u>(36,450)</u>	<u>(14,430,981)</u>	<u>(1,165,621)</u>	<u>(2,787,349)</u>	<u>624,158</u>	<u>(39,741,702)</u>	<u>12,193,419</u>	<u>16,603,793</u>	<u>(10,944,490)</u>
(44,956)	90,142	89,570	(240,142)	1,092,056	5,343,556	29,731	(523,381)	4,849,906
47,291	3,104,641	-	715,016	6,122,879	18,518,876	21,755,343	5,187,825	45,462,044
<u>\$ 2,335</u>	<u>\$ 3,194,783</u>	<u>\$ 89,570</u>	<u>\$ 474,874</u>	<u>\$ 7,214,935</u>	<u>\$ 23,862,432</u>	<u>\$ 21,785,074</u>	<u>\$ 4,664,444</u>	<u>\$ 50,311,950</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2012**

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 2,783,152	\$ 218,478	\$ 8,847,416	\$ 16,114
Receivables:				
Taxes	4,638,857	-	-	-
Accounts and unbilled usage, net				
\$66,614 of allowance for doubtful accounts	87,184	295,808	1,260,713	24,341
Due from other governments	1,347,932	-	4	1,715
Inventories	1,429	19	17,343	144,161
Prepaid items	750	-	1,650	76,459
Other assets	-	655,672	-	-
Total current assets	<u>8,859,304</u>	<u>1,169,977</u>	<u>10,127,126</u>	<u>262,790</u>
Noncurrent assets:				
Restricted cash and investments	-	860,997	-	-
Deferred charges	-	10,649	-	8,526
Land	2,445,367	5,910,123	27,229	602,704
Buildings and structures	8,824,993	22,306,249	214,837	1,175,128
Improvements other than buildings	3,179,167	4,315,410	-	5,369,720
Machinery and equipment	11,465,343	504,375	3,998,659	991,803
Accumulated depreciation	(16,745,556)	(18,680,780)	(3,626,524)	(3,641,961)
Construction in progress	-	1,551,263	-	-
Total noncurrent assets	<u>9,169,314</u>	<u>16,778,286</u>	<u>614,201</u>	<u>4,505,920</u>
Total assets	<u>18,028,618</u>	<u>17,948,263</u>	<u>10,741,327</u>	<u>4,768,710</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	209,314	246,483	349,471	233,891
Contracts payable	37	19,346	-	-
Accrued expenses	128,521	10,013	108,988	51,804
Compensated absences	175,872	26,240	167,560	103,194
Revenues collected in advance	14,290	12,353	125	-
Deferred revenues	4,594,474	-	-	-
Due to other funds	-	-	-	562,712
Due to other governments	4,463	-	-	32,059
Security deposits	1,000	-	-	-
General obligation bonds payable, net	-	138,075	-	249,731
Matured bonds interest payable	-	2,391	-	6,794
Total current liabilities	<u>5,127,971</u>	<u>454,901</u>	<u>626,144</u>	<u>1,240,185</u>
Noncurrent liabilities:				
General obligation bonds payable, net	-	1,031,550	-	2,013,541
Compensated absences	22,699	10,237	1,236	-
Total noncurrent liabilities	<u>22,699</u>	<u>1,041,787</u>	<u>1,236</u>	<u>2,013,541</u>
Total liabilities	<u>5,150,670</u>	<u>1,496,688</u>	<u>627,380</u>	<u>3,253,726</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	9,169,314	15,598,012	614,201	2,234,122
Unrestricted (deficit)	3,708,634	853,563	9,499,746	(719,138)
	<u>\$ 12,877,948</u>	<u>\$ 16,451,575</u>	<u>\$ 10,113,947</u>	<u>\$ 1,514,984</u>

Paramount Theatre	Ice Arena	Total
\$ -	\$ 198,542	\$ 12,063,702
-	-	4,638,857
-	227,938	1,895,984
84,645	-	1,434,296
-	-	162,952
-	8,169	87,028
-	-	655,672
<u>84,645</u>	<u>434,649</u>	<u>20,938,491</u>
-	-	860,997
3,751	16,823	39,749
308,531	-	9,293,954
4,921,813	9,802,126	47,245,146
29,950	252,534	13,146,781
275,897	1,923,614	19,159,691
(2,341,800)	(4,862,750)	(49,899,371)
-	-	1,551,263
<u>3,198,142</u>	<u>7,132,347</u>	<u>41,398,210</u>
<u>3,282,787</u>	<u>7,566,996</u>	<u>62,336,701</u>
-	160,038	1,199,197
-	-	19,383
-	96,294	395,620
-	-	472,866
-	-	26,768
-	81,741	4,676,215
1,343,582	-	1,906,294
-	5,963	42,485
-	1,295	2,295
243,143	425,000	1,055,949
1,743	10,751	21,679
<u>1,588,468</u>	<u>781,082</u>	<u>9,818,751</u>
412,252	3,011,583	6,468,926
-	-	34,172
<u>412,252</u>	<u>3,011,583</u>	<u>6,503,098</u>
<u>2,000,720</u>	<u>3,792,665</u>	<u>16,321,849</u>
2,538,996	3,678,941	33,833,586
(1,256,929)	95,390	12,181,266
<u>\$ 1,282,067</u>	<u>\$ 3,774,331</u>	<u>\$ 46,014,852</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2012**

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	\$ 865,906	\$ 2,721,801	\$ 8,363,572	\$ 2,035,390
Fines and forfeits	-	213,060	-	-
Rents and royalties	75,029	-	-	687,240
Miscellaneous	49,811	344,276	10,121	283,585
Total operating revenues	<u>990,746</u>	<u>3,279,137</u>	<u>8,373,693</u>	<u>3,006,215</u>
Operating expenses:				
Personal services	3,980,240	351,368	4,058,817	1,350,931
Purchased services	1,979,957	2,297,281	3,837,259	926,674
Supplies and materials	843,883	2,609	2,348,861	674,131
Other	1,124,146	519,749	29,724	20,733
Depreciation	723,270	472,310	418,043	223,320
Total operating expenses	<u>8,651,496</u>	<u>3,643,317</u>	<u>10,692,704</u>	<u>3,195,789</u>
Operating (loss)	<u>(7,660,750)</u>	<u>(364,180)</u>	<u>(2,319,011)</u>	<u>(189,574)</u>
Nonoperating revenues (expenses):				
Intergovernmental	4,868,576	-	75,710	-
Investment earnings	2,971	227	22,235	-
Property tax revenue	4,586,363	-	-	-
Gain (loss) on sale of capital assets	(519,050)	-	(39,156)	2,859
Interest expense	-	(16,678)	-	(97,796)
Total nonoperating revenue (expenses)	<u>8,938,860</u>	<u>(16,451)</u>	<u>58,789</u>	<u>(94,937)</u>
Income (loss) before transfers and capital contributions	1,278,110	(380,631)	(2,260,222)	(284,511)
Transfers in	113,681	194,130	24,700	353,945
Transfers out	(704,751)	(120,721)	(8,080)	-
Change in net assets	687,040	(307,222)	(2,243,602)	69,434
Total net assets, beginning	12,190,908	16,758,797	12,357,549	1,445,550
Total net assets, ending	<u>\$ 12,877,948</u>	<u>\$ 16,451,575</u>	<u>\$ 10,113,947</u>	<u>\$ 1,514,984</u>

Paramount Theatre	Ice Arena	Total
\$ -	\$ 908,143	\$ 14,894,812
-	-	213,060
-	305,914	1,068,183
-	65,105	752,898
-	<u>1,279,162</u>	<u>16,928,953</u>
115,135	592,292	10,448,783
78,327	724,510	9,844,008
-	84,648	3,954,132
6,415	5,949	1,706,716
138,401	432,230	2,407,574
<u>338,278</u>	<u>1,839,629</u>	<u>28,361,213</u>
<u>(338,278)</u>	<u>(560,467)</u>	<u>(11,432,260)</u>
-	-	4,944,286
-	417	25,850
-	-	4,586,363
-	-	(555,347)
<u>(25,700)</u>	<u>(142,508)</u>	<u>(282,682)</u>
<u>(25,700)</u>	<u>(142,091)</u>	<u>8,718,470</u>
(363,978)	(702,558)	(2,713,790)
269,894	548,242	1,504,592
-	-	(833,552)
<u>(94,084)</u>	<u>(154,316)</u>	<u>(2,042,750)</u>
1,376,151	3,928,647	48,057,602
<u>\$ 1,282,067</u>	<u>\$ 3,774,331</u>	<u>\$ 46,014,852</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2012**

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	\$ 1,035,859	\$ 2,527,451	\$ 8,249,522	\$ 3,016,216
Cash paid to employees	(3,937,324)	(347,324)	(4,019,314)	(1,370,915)
Cash paid to suppliers	(4,134,170)	(3,067,729)	(6,213,499)	(1,610,983)
Net cash flows provided by (used in) operating activities	<u>(7,035,635)</u>	<u>(887,602)</u>	<u>(1,983,291)</u>	<u>34,318</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	2,682,790	1,725,431	10,714,513	674,941
Loans to other funds	(1,691,521)	(622,955)	-	(680,637)
Intergovernmental	5,998,888	-	75,710	-
Transfers in	113,681	194,130	24,700	353,945
Transfers out	(704,751)	(120,721)	(8,080)	-
Property taxes	4,595,387	-	-	-
Net cash flows provided by non-capital financing activities	<u>10,994,474</u>	<u>1,175,885</u>	<u>10,806,843</u>	<u>348,249</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,791,770)	(1,154,545)	-	(51,576)
Proceeds from disposition of capital assets	17,462	-	1,629	9,461
General obligation bonds issued	-	510,125	-	516,218
Premium on bonds	-	-	-	33,782
Principal paid	-	(114,700)	-	(802,559)
Interest paid	-	(13,927)	-	(102,717)
Net cash flows provided by (used in) capital financing activities	<u>(1,774,308)</u>	<u>(773,047)</u>	<u>1,629</u>	<u>(397,391)</u>
Cash flows from investing activities:				
Interest on investments	2,971	229	22,235	-
Net cash flows provided by investing activities	<u>2,971</u>	<u>229</u>	<u>22,235</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,187,502	(484,535)	8,847,416	(14,824)
Cash and cash equivalents, July 1, 2011	595,650	1,564,010	-	30,938
Cash and cash equivalents, June 30, 2012	<u>\$ 2,783,152</u>	<u>\$ 1,079,475</u>	<u>\$ 8,847,416</u>	<u>\$ 16,114</u>
Reconciliation of operating (loss) to net cash flows provided by (used in) operating activities				
Operating (loss)	\$ (7,660,750)	\$ (364,180)	\$ (2,319,011)	\$ (189,574)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	723,270	472,310	418,043	223,320
Change in assets and liabilities:				
(Increase) decrease in prepaid items	-	-	5,079	(31,843)
Increase (decrease) in vouchers payable	(186,184)	(248,090)	(2,734)	22,903
Increase (decrease) in accrued expenses	27,007	1,128	15,121	(19,270)
Increase (decrease) in compensated absences	15,909	2,916	24,382	(714)
(Increase) decrease in accounts receivable	41,575	(96,014)	(124,167)	11,503
(Increase) in other assets	-	(655,672)	-	-
Decrease in inventories	-	-	-	19,495
(Increase) due from other governments	-	-	-	(3)
Increase (decrease) due to other governments	3,538	-	(4)	3,621
(Decrease) in revenues collected in advance	-	-	-	(5,120)
Increase in security deposit	-	-	-	-
(Decrease) in unearned revenue	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ (7,035,635)</u>	<u>\$ (887,602)</u>	<u>\$ (1,983,291)</u>	<u>\$ 34,318</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	<u>\$ 29</u>	<u>\$ 15,478</u>	<u>\$ -</u>	<u>\$ -</u>

Paramount Theatre	Ice Arena	Total
\$ -	\$ 1,151,539	\$ 15,980,587
(115,135)	(526,830)	(10,316,842)
(84,778)	(693,818)	(15,804,977)
<u>(199,913)</u>	<u>(69,109)</u>	<u>(10,141,232)</u>
256,976	475,126	16,529,777
(55,442)	(387,225)	(3,437,780)
-	-	6,074,598
269,894	548,242	1,504,592
-	-	(833,552)
-	-	4,595,387
<u>471,428</u>	<u>636,143</u>	<u>24,433,022</u>
-	(9,500)	(3,007,391)
-	-	28,552
-	-	1,026,343
-	-	33,782
(240,289)	(410,000)	(1,567,548)
<u>(31,226)</u>	<u>(138,243)</u>	<u>(286,113)</u>
<u>(271,515)</u>	<u>(557,743)</u>	<u>(3,772,375)</u>
-	417	25,852
-	417	25,852
-	9,708	10,545,267
-	188,834	2,379,432
<u>\$ -</u>	<u>\$ 198,542</u>	<u>\$ 12,924,699</u>
\$ (338,278)	\$ (560,467)	\$ (11,432,260)
138,401	432,230	2,407,574
-	(3,975)	(30,739)
(36)	125,264	(288,877)
-	65,462	89,448
-	-	42,493
-	(121,351)	(288,454)
-	-	(655,672)
-	-	19,495
-	-	(3)
-	4,619	11,774
-	-	(5,120)
-	1,295	1,295
<u>(199,913)</u>	<u>(69,109)</u>	<u>(10,141,232)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,507</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2012**

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 3,344,902	\$ 2,661,622	\$ 6,143,115	\$ 45,446,540	\$ 57,596,179
Receivables:					
Accounts and unbilled usage, net	31,949	567,539	1,384,802	43,138	2,027,428
Interest	-	-	-	1,820	1,820
Due from other governments	16,010	45,959	25	-	61,994
Inventories	-	860,376	-	-	860,376
Prepaid items	-	-	137,352	578,044	715,396
<b>Total current assets</b>	<b>3,392,861</b>	<b>4,135,496</b>	<b>7,665,294</b>	<b>46,069,542</b>	<b>61,263,193</b>
Noncurrent assets:					
Advance to other funds	-	-	-	495,312	495,312
Land	1,016,663	-	-	-	1,016,663
Buildings and structures	6,082,507	-	20,706	-	6,103,213
Improvements other than buildings	1,843,172	33,575	-	-	1,876,747
Machinery and equipment	116,219	18,151,436	1,387,665	-	19,655,320
Accumulated depreciation	(5,990,183)	(5,809,855)	(877,518)	-	(12,677,556)
Construction in progress	-	-	6,626,632	-	6,626,632
<b>Total noncurrent assets</b>	<b>3,068,378</b>	<b>12,375,156</b>	<b>7,157,485</b>	<b>495,312</b>	<b>23,096,331</b>
<b>Total assets</b>	<b>6,461,239</b>	<b>16,510,652</b>	<b>14,822,779</b>	<b>46,564,854</b>	<b>84,359,524</b>
<b>LIABILITIES</b>					
Current liabilities:					
Vouchers payable	95,103	545,755	2,495,280	560,215	3,696,353
Claims and judgments payable	-	-	-	3,105,737	3,105,737
Accrued expenses	53,756	88,017	69,428	827	212,028
Revenues collected in advance	-	-	-	8,237	8,237
Compensated absences	94,085	127,979	81,996	-	304,060
Security deposits	-	-	-	618	618
<b>Total current liabilities</b>	<b>242,944</b>	<b>761,751</b>	<b>2,646,704</b>	<b>3,675,634</b>	<b>7,327,033</b>
Noncurrent liabilities:					
Claims and judgments payable	-	-	-	8,908,663	8,908,663
Compensated absences	-	14,339	-	-	14,339
Post-employment liability	-	-	-	4,741,609	4,741,609
Advance from other funds	94,177	-	-	-	94,177
<b>Total noncurrent liabilities</b>	<b>94,177</b>	<b>14,339</b>	<b>-</b>	<b>13,650,272</b>	<b>13,758,788</b>
<b>Total liabilities</b>	<b>337,121</b>	<b>776,090</b>	<b>2,646,704</b>	<b>17,325,906</b>	<b>21,085,821</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	3,068,378	12,375,156	7,157,485	-	22,601,019
Unrestricted	3,055,740	3,359,406	5,018,590	29,238,948	40,672,684
	<b>\$ 6,124,118</b>	<b>\$ 15,734,562</b>	<b>\$ 12,176,075</b>	<b>\$ 29,238,948</b>	<b>\$ 63,273,703</b>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Operating revenues:					
Charges for services	\$ 1,839,609	\$ 10,848,790	\$ 3,167,162	\$ 24,236,222	\$ 40,091,783
Rents and royalties	1,558,576	-	-	-	1,558,576
Miscellaneous	7,845	21,645	-	1,457,286	1,486,776
Total operating revenues	<u>3,406,030</u>	<u>10,870,435</u>	<u>3,167,162</u>	<u>25,693,508</u>	<u>43,137,135</u>
Operating expenses:					
Personal services	1,653,469	2,878,937	1,929,428	71,219	6,533,053
Purchased services	583,149	847,509	1,052,676	18,911,257	21,394,591
Supplies and materials	239,841	5,603,405	120,755	6,054	5,970,055
Other	2,472	16,734	16,680	-	35,886
Depreciation	213,552	2,071,601	133,194	-	2,418,347
Total operating expenses	<u>2,692,483</u>	<u>11,418,186</u>	<u>3,252,733</u>	<u>18,988,530</u>	<u>36,351,932</u>
Operating income (loss)	<u>713,547</u>	<u>(547,751)</u>	<u>(85,571)</u>	<u>6,704,978</u>	<u>6,785,203</u>
Nonoperating revenues (expenses):					
Investment earnings	4,471	122	4,488	141,258	150,339
(Loss) on sale of capital assets	(101)	(33,928)	-	-	(34,029)
Interest expense	(6,448)	(8,028)	-	-	(14,476)
Total nonoperating revenue (expenses)	<u>(2,078)</u>	<u>(41,834)</u>	<u>4,488</u>	<u>141,258</u>	<u>101,834</u>
Income before transfers & capital contributions	711,469	(589,585)	(81,083)	6,846,236	6,887,037
Capital contributions	-	2,347,190	2,090,160	-	4,437,350
Transfers in	-	1,109,878	-	-	1,109,878
Transfers out	(41,267)	(572,759)	-	(626,341)	(1,240,367)
Change in net assets	670,202	2,294,724	2,009,077	6,219,895	11,193,898
Total net assets, beginning	5,453,916	13,439,838	10,166,998	23,019,053	52,079,805
Total net assets, ending	<u>\$ 6,124,118</u>	<u>\$ 15,734,562</u>	<u>\$ 12,176,075</u>	<u>\$ 29,238,948</u>	<u>\$ 63,273,703</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Cash flows from operating activities:					
Cash received from users	\$ 3,410,007	\$ 11,363,777	\$ 2,827,486	\$ 27,208,019	\$ 44,809,289
Cash paid to employees	(1,626,001)	(2,869,405)	(1,906,179)	(1,053,748)	(7,455,333)
Cash paid to suppliers	(814,777)	(6,415,746)	(1,393,219)	(21,553,020)	(30,176,762)
Net cash flows provided by (used in) operating activities	<u>969,229</u>	<u>2,078,626</u>	<u>(471,912)</u>	<u>4,601,251</u>	<u>7,177,194</u>
Cash flows from non-capital financing activities:					
Borrowing from other funds	2,418,917	1,682,127	2,078,835	40,926,015	47,105,894
Loans to other funds	-	(2,700,331)	(1,234,791)	-	(3,935,122)
Transfers in	-	1,109,878	-	-	1,109,878
Transfers out	(41,267)	(572,759)	-	(626,341)	(1,240,367)
Net cash flows provided by (used in) non-capital financing activities	<u>2,377,650</u>	<u>(481,085)</u>	<u>844,044</u>	<u>40,299,674</u>	<u>43,040,283</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	(3,353,559)	(2,309,158)	-	(5,662,717)
Proceeds from disposition of capital assets	-	70,840	-	-	70,840
Capital contributions	-	2,347,190	2,090,160	-	4,437,350
Net cash flows provided by (used in) capital financing activities	<u>-</u>	<u>(935,529)</u>	<u>(218,998)</u>	<u>-</u>	<u>(1,154,527)</u>
Cash flows from investing activities:					
Interest on investments	(1,977)	(7,906)	4,488	141,412	136,017
Net cash flows provided by (used in) investing activities	<u>(1,977)</u>	<u>(7,906)</u>	<u>4,488</u>	<u>141,412</u>	<u>136,017</u>
Net decrease in cash and cash equivalents					
Cash and cash equivalents, July 1, 2011	3,344,902	654,106	157,622	45,042,337	49,198,967
Cash and cash equivalents, June 30, 2012	<u>\$ 3,344,902</u>	<u>\$ 2,661,622</u>	<u>\$ 6,143,115</u>	<u>\$ 45,446,540</u>	<u>\$ 57,596,179</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities					
Operating income (loss)	\$ 713,547	\$ (547,751)	\$ (85,571)	\$ 6,704,978	\$ 6,785,203
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities					
Depreciation expense	213,552	2,071,601	133,194	-	2,418,347
Change in assets and liabilities:					
(Increase) decrease in prepaid items	-	2,730	(91,720)	(52,225)	(141,215)
Increase (decrease) in vouchers payable	10,685	(456,647)	(111,388)	(131,116)	(688,466)
Increase in accrued expenses	12,216	2,895	22,728	827	38,666
Increase in compensated absences	15,252	6,637	521	-	22,410
(Increase) decrease in accounts receivable	3,977	515,410	(339,651)	40,511	220,247
Decrease in inventories	-	505,819	-	-	505,819
(Increase) in due from other governments	-	(22,068)	(25)	-	(22,093)
Increase in revenues collected in advance	-	-	-	2,632	2,632
Increase post-employment liability	-	-	-	490,644	490,644
(Decrease) in open claims payable	-	-	-	(2,455,000)	(2,455,000)
Net cash flows provided by (used in) operating activities	<u>\$ 969,229</u>	<u>\$ 2,078,626</u>	<u>\$ (471,912)</u>	<u>\$ 4,601,251</u>	<u>\$ 7,177,194</u>
Schedule of noncash capital and related financing activities:					
Acquisition of capital assets through accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,430</u>	<u>\$ -</u>	<u>\$ 2,351,430</u>

**City of Cedar Rapids, Iowa**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2012**

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Total
<b>ASSETS</b>				
Receivables:				
Accounts receivable	\$ -	\$ 287	\$ -	\$ 287
Due from other governments	477,453	11,279	231,850	720,582
Total Assets	\$ 477,453	\$ 11,566	\$ 231,850	\$ 720,869
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 61	\$ 41,698	\$ 41,759
Due to other governments	-	-	190,152	190,152
Security deposits	477,453	11,505	-	488,958
Total liabilities	\$ 477,453	\$ 11,566	\$ 231,850	\$ 720,869

**CITY OF CEDAR RAPIDS, IOWA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FISCAL YEAR ENDED June 30, 2012**

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>Developers Security Deposit</b>				
Assets:				
Due from other governments	\$ 476,490	\$ 7,189	\$ 6,226	\$ 477,453
Liabilities:				
Security deposits	476,490	7,189	6,226	\$ 477,453
Total liabilities	\$ 476,490	\$ 7,189	\$ 6,226	\$ 477,453
<b>Contractors Permit Deposit</b>				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	11,279	-	-	11,279
Total assets	\$ 11,566	\$ -	\$ -	\$ 11,566
Liabilities:				
Vouchers payable	\$ 61	\$ -	\$ -	\$ 61
Security deposits	11,505	-	-	11,505
Total liabilities	\$ 11,566	\$ -	\$ -	\$ 11,566
<b>Regional Planning</b>				
Assets:				
Due from other governments	\$ 216,384	\$ 200,158	\$ 184,692	\$ 231,850
Liabilities:				
Vouchers payable	\$ 26,232	\$ 38,903	\$ 23,437	\$ 41,698
Due to other governments	190,152	121,155	121,155	190,152
Total liabilities	\$ 216,384	\$ 160,058	\$ 144,592	\$ 231,850
<b>Total</b>				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	704,153	207,347	190,918	720,582
Total assets	\$ 704,440	\$ 207,347	\$ 190,918	\$ 720,869
Liabilities:				
Vouchers payable	\$ 26,293	\$ 38,903	\$ 23,437	\$ 41,759
Due to other governments	190,152	121,155	121,155	190,152
Security deposits	487,995	7,189	6,226	488,958
Total liabilities	\$ 704,440	\$ 167,247	\$ 150,818	\$ 720,869

**City of Cedar Rapids, Iowa**  
**Statements of Revenues, Expenses, and Changes in Fund Net Assets**  
**Discretely Presented Component Units**  
**For the Year Ended June 30, 2012**

	<u>Airport</u>	<u>Cedar Rapids/ Linn County Solid Waste Agency</u>
Operating revenues:		
Charges for services	\$ 3,749,850	\$ 10,311,786
Licenses and permits	2,375	-
Use of money and property	18,114	71,512
Rents and royalties	11,117,686	29,200
Miscellaneous	<u>87,227</u>	<u>2,069,320</u>
Total operating revenues	<u>14,975,252</u>	<u>12,481,818</u>
Operating expenses:		
Personal services	2,944,485	2,607,158
Purchased services	2,952,474	1,971,198
Supplies and materials	1,017,273	1,295,727
Other	75,963	352,828
Depreciation	<u>7,586,675</u>	<u>1,410,430</u>
Total operating expenses	<u>14,576,870</u>	<u>7,637,341</u>
Operating income	<u>398,382</u>	<u>4,844,477</u>
Nonoperating revenues:		
Intergovernmental	149,623	89,695
Investment income (loss)	52,683	159,550
Gain (loss) on sale of assets	(14,523)	2,043
Interest expense	<u>(81,832)</u>	<u>-</u>
Total nonoperating revenue	<u>105,951</u>	<u>251,288</u>
Capital contributions	<u>2,525,175</u>	<u>-</u>
Change in net assets	3,029,508	5,095,765
Total net assets, beginning	<u>161,893,510</u>	<u>40,939,245</u>
Total net assets, ending	<u>\$ 164,923,018</u>	<u>\$ 46,035,010</u>

**City of Cedar Rapids, Iowa**  
**Statements of Cash Flows**  
**Discretely Presented Component Units**  
**For the Year Ended June 30, 2012**

	Airport	Cedar Rapids/ Linn County Solid Waste Agency
Cash flows from operating activities:		
Cash received from users	\$ 13,799,511	\$ 11,805,147
Cash paid to employees	(2,923,613)	(2,532,192)
Cash paid to suppliers	(2,544,183)	(3,510,833)
Net cash flows from operating activities	8,331,715	5,762,122
Cash flows from non-capital financing activities:		
Borrowing from other funds	2,278,772	-
Loans to other funds	(3,447,726)	-
Intergovernmentals	149,623	89,695
Net cash flows from non-capital financing activities	(1,019,331)	89,695
Cash flows from capital and related financing activities:		
Purchase of capital assets	(7,918,788)	(2,088,627)
Capital contributions	2,525,175	-
Proceeds from disposition of capital assets	10,500	2,043
Principal paid	(1,891,557)	-
Interest paid	(90,397)	-
Net cash flows from capital and related financing activities	(7,365,067)	(2,086,584)
Cash flows from investing activities:		
Interest on investments	52,683	146,802
Net (increase) decrease in cash and cash equivalents	-	3,912,035
Cash and cash equivalents, July 1, 2011	200	40,849,901
Cash and cash equivalents, June 30, 2012	\$ 200	\$ 44,761,936
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 398,382	\$ 4,844,477
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	7,586,675	1,410,430
Change in assets and liabilities:		
(Increase) in prepaid items	(18,237)	(216,305)
Increase in vouchers payable	1,519,764	459,851
(Decrease) in compensated absences	(176)	20,764
Increase in accrued expenses	21,048	54,202
(Increase) in accounts receivable	(47,577)	(916,119)
Decrease in notes receivable	-	234,186
(Increase) decrease in due from other governments	(1,087,077)	14,930
Increase (decrease) in due to other governments	2,929	(21,790)
Increase in security deposits	-	11,000
Increase (decrease) in revenues collected in advance	(44,016)	1,122
(Decrease) in closure/postclosure payable	-	(134,626)
Net cash flows from operating activities	\$ 8,331,715	\$ 5,762,122
Schedule of noncash capital and related financing activities:		
Acquisition of capital assets through contracts payable	\$ 313,068	

**City of Cedar Rapids, Iowa**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source**  
**June 30, 2012**

Governmental funds capital assets:	
Land	\$ 120,529,594
Building	63,808,150
Improvements other than Building	426,098,105
Machinery and equipment	38,823,198
Construction in progress	45,109,581
Total governmental funds capital assets	<u>\$ 694,368,628</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 103,427,049
Special revenue funds	9,443,475
Capital projects funds	559,883,885
Donations	21,614,219
Total governmental funds capital assets	<u>\$ 694,368,628</u>

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

**City of Cedar Rapids, Iowa**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2012**

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
<b>Public Safety:</b>						
Police	\$ 1,057,051	\$ 10,568,948	\$ 595,862	\$ 3,825,813	\$ 61,027	\$ 16,108,701
Flood Control	-	-	10,616	-	-	10,616
Fire	1,012,318	5,102,494	117,654	8,229,674	244,762	14,706,902
Building Inspections	-	266,930	-	72,879	-	339,809
Animal Control	-	196,963	14,630	132,760	-	344,353
Total Public Safety	<u>2,069,369</u>	<u>16,135,335</u>	<u>738,762</u>	<u>12,261,126</u>	<u>305,789</u>	<u>31,510,381</u>
<b>Public Works:</b>						
Roads, Bridges, Sidewalks	17,050,849	-	338,635,399	472,367	-	356,158,615
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	413,653	-	8,326,432	-	8,740,085
Flood Recovery	86,434,707	4,696,564	2,633,924	5,615,999	34,078,509	133,459,703
Other Public Works	1,013	254,072	39,538,313	114,658	9,878	39,917,934
Total Public Works	<u>103,499,046</u>	<u>5,374,028</u>	<u>391,472,752</u>	<u>15,704,901</u>	<u>34,088,387</u>	<u>550,139,114</u>
<b>Culture &amp; Recreation:</b>						
Library Services	1,597,574	109,952	-	249,091	-	1,956,617
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,289,262	4,188,611	14,751,759	2,786,096	1,815,266	28,830,994
Recreation	63,287	8,738,439	6,445,744	4,377,614	-	19,625,084
Other Culture and Recreation	-	-	-	-	-	-
Total Culture and Recreation	<u>6,950,123</u>	<u>13,037,002</u>	<u>21,197,503</u>	<u>7,425,811</u>	<u>1,815,266</u>	<u>50,425,705</u>
<b>Community &amp; Economic Development:</b>						
Community Beautification	10,500	-	-	525,245	-	535,745
Economic Development	4,942,134	-	1,875,485	46,652	-	6,864,271
Housing and Urban Renewal	28,445	-	89,494	32,558	-	150,497
Other Community and Economic Development	1,771,725	-	-	121,237	-	1,892,962
Total Community and Economic Development	<u>6,752,804</u>	<u>-</u>	<u>1,964,979</u>	<u>725,692</u>	<u>-</u>	<u>9,443,475</u>
<b>General Government:</b>						
Mayor and Council	-	-	-	10,389	-	10,389
Clerk, Treasurer, Finance	-	-	1,370,769	881,174	-	2,251,943
City Attorney	-	-	-	13,222	-	13,222
City Hall and Other Buildings	85,100	26,797,810	4,230,130	204,987	40,964	31,358,991
Other General Government	1,173,152	2,463,975	5,123,210	1,595,896	8,859,175	19,215,408
Total General Government	<u>1,258,252</u>	<u>29,261,785</u>	<u>10,724,109</u>	<u>2,705,668</u>	<u>8,900,139</u>	<u>52,849,953</u>
<b>Total governmental funds capital assets</b>	<u><u>\$ 120,529,594</u></u>	<u><u>\$ 63,808,150</u></u>	<u><u>\$ 426,098,105</u></u>	<u><u>\$ 38,823,198</u></u>	<u><u>\$ 45,109,581</u></u>	<u><u>\$ 694,368,628</u></u>

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

**City of Cedar Rapids, Iowa**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**Year Ended June 30, 2012**

Function and Activity	Governmental Funds Capital Assets July 1, 2011	Additions	Deletions	Governmental Funds Capital Assets June 30, 2012
<b>Public Safety:</b>				
Police	16,258,965	\$ 191,796	\$ (342,060)	\$ 16,108,701
Flood Control	10,616	-	-	10,616
Fire	13,025,004	1,712,155	(30,257)	14,706,902
Building Inspections	339,809	-	-	339,809
Animal Control	364,213	-	(19,860)	344,353
Total Public Safety	<u>29,998,607</u>	<u>1,903,951</u>	<u>(392,177)</u>	<u>31,510,381</u>
<b>Public Works:</b>				
Roads, Bridges, Sidewalks	335,014,521	21,153,357	(9,263)	356,158,615
Traffic Control and Safety	11,862,777	-	-	11,862,777
Street Cleaning	10,349,453	250,781	(1,860,149)	8,740,085
Flood	82,199,985	54,070,444	(2,810,726)	133,459,703
Other Public Works	39,663,862	254,072	-	39,917,934
Total Public Works	<u>479,090,598</u>	<u>75,728,654</u>	<u>(4,680,138)</u>	<u>550,139,114</u>
<b>Culture &amp; Recreation:</b>				
Library Services	1,772,156	200,000	(15,539)	1,956,617
Museum, Band, Theater	13,010	-	-	13,010
Parks	27,551,357	1,508,032	(228,395)	28,830,994
Recreation	19,608,731	154,482	(138,129)	19,625,084
Other Culture and Recreation	-	-	-	-
Total Culture and Recreation	<u>48,945,254</u>	<u>1,862,514</u>	<u>(382,063)</u>	<u>50,425,705</u>
<b>Community &amp; Economic Development:</b>				
Community Beautification	535,745	-	-	535,745
Economic Development	8,887,836	21,186	(2,044,751)	6,864,271
Housing and Urban Renewal	293,123	-	(142,626)	150,497
Other Community and Economic Development	1,909,479	-	(16,517)	1,892,962
Total Community and Economic Development	<u>11,626,183</u>	<u>21,186</u>	<u>(2,203,894)</u>	<u>9,443,475</u>
<b>General Government:</b>				
Mayor and council	15,892	-	(5,503)	10,389
Clerk, Treasurer, Finance	2,251,943	-	-	2,251,943
City Attorney	19,270	-	(6,048)	13,222
City Hall and Other Buildings	21,638,079	9,728,823	(7,911)	31,358,991
Other General Government	13,609,640	6,565,261	(959,492)	19,215,408
Total General Government	<u>37,534,824</u>	<u>16,294,084</u>	<u>(978,954)</u>	<u>52,849,953</u>
<b>Total governmental funds capital assets</b>	<u><u>\$ 607,195,466</u></u>	<u><u>\$ 95,810,389</u></u>	<u><u>\$ (8,637,226)</u></u>	<u><u>\$ 694,368,628</u></u>

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



**CEDAR RAPIDS**

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City of Five Seasons®

# STATISTICAL SECTION

The statistical section of the City of Cedar Rapids' comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
<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.	97
<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).	110
<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
<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
<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.	129

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

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 170,293,419	\$ 180,212,606	\$ 182,522,603	\$ 188,024,772
Restricted	-	-	22,186,515	22,186,515
Unrestricted	120,141,715	110,680,666	95,704,733	103,526,477
<b>Total governmental activities</b>				
<b>net assets</b>	<u>290,435,134</u>	<u>290,893,272</u>	<u>300,413,851</u>	<u>313,737,764</u>
Business-type activities:				
Invested in capital assets, net of related debt	155,123,651	163,871,381	163,821,373	171,583,350
Restricted	18,660,585	-	-	-
Unrestricted	68,725,552	72,525,516	70,100,125	65,769,024
<b>Total business-type activities</b>				
<b>net assets</b>	<u>242,509,788</u>	<u>236,396,897</u>	<u>233,921,498</u>	<u>237,352,374</u>
Primary government:				
Invested in capital assets, net of related debt	325,417,070	344,083,987	346,343,976	359,608,122
Restricted	18,660,585	-	-	-
Unrestricted	188,867,267	183,206,182	165,804,858	169,295,501
<b>Total primary government assets</b>				
<b>net assets</b>	<u>\$ 532,944,922</u>	<u>\$ 527,290,169</u>	<u>\$ 534,335,349</u>	<u>\$ 551,090,138</u>

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

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 166,859,345	\$ 215,756,562	\$ 202,547,673	\$ 255,357,514	\$ 401,632,078	\$ 386,996,425
53,058,213	46,336,187	34,927,581	21,925,801	67,552,110	19,394,024
109,830,961	80,101,208	131,561,029	103,425,016	(53,497,147)	80,551,197
329,748,519	342,193,957	369,036,283	380,708,331	415,687,041	486,941,646
189,931,481	156,641,036	151,831,976	162,423,211	186,833,485	199,197,171
-	211,003	39,979	3,575,519	10,253,520	-
54,103,299	62,908,340	71,434,828	67,228,295	65,009,584	95,412,859
244,034,780	219,760,379	223,306,783	233,227,025	262,096,589	294,610,030
356,790,826	372,397,598	354,379,649	417,780,725	588,465,563	586,193,596
-	211,003	39,979	3,575,519	77,805,630	19,394,024
163,934,260	143,009,548	202,995,857	170,653,311	11,512,437	175,964,056
\$ 573,783,299	\$ 561,954,336	\$ 592,343,066	\$ 613,935,356	\$ 677,783,630	\$ 781,551,676

City of Cedar Rapids, Iowa

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

	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
Public safety	\$ 42,461,754	\$ 40,513,052	\$ 36,598,588	\$ 39,604,205	\$ 41,827,493
Public Works	22,539,198	24,546,647	23,476,595	24,486,391	25,633,415
Culture and recreation	11,984,656	15,340,165	14,448,265	14,403,753	14,150,160
Community and economic development	15,375,249	17,658,329	17,737,847	15,124,554	17,316,122
General government	7,800,987	7,837,144	9,620,708	8,470,505	10,671,203
Interest on long-term debt	5,253,908	5,523,401	4,736,327	5,051,146	4,965,549
<b>Total governmental activities expenses</b>	<b>105,415,752</b>	<b>111,418,738</b>	<b>106,618,330</b>	<b>107,140,554</b>	<b>114,563,942</b>
Business -type activities:					
Water	18,271,399	20,146,454	20,183,395	20,292,696	19,981,289
Water pollution control	20,786,914	21,474,470	21,155,005	23,457,134	25,013,567
Sanitary sewer	4,810,188	5,574,981	5,212,436	5,483,443	5,521,451
U.S. Cellular center	3,568,144	2,769,182	2,322,972	1,995,824	2,450,662
Ground transportation system	7,599,819	7,663,828	7,941,027	8,591,187	8,710,141
Parking system	5,100,289	3,565,956	4,028,604	3,542,614	3,614,899
Solid waste management	2,551,173	5,138,653	5,381,234	5,549,469	5,978,733
Golf	3,244,067	2,877,597	2,765,321	2,763,139	2,854,476
Paramount theatre	907,611	849,346	835,535	805,021	1,106,828
Ice arena	2,123,700	2,019,690	1,785,060	1,755,007	1,800,805
<b>Total business-type activities expenses</b>	<b>68,963,304</b>	<b>72,080,157</b>	<b>71,610,589</b>	<b>74,235,534</b>	<b>77,032,851</b>
<b>Total primary government expenses</b>	<b>174,379,056</b>	<b>183,498,895</b>	<b>178,228,919</b>	<b>181,376,088</b>	<b>191,596,793</b>
Program revenue:					
Governmental activities:					
Charges for services:					
Public safety	2,265,967	2,832,903	2,680,541	2,890,022	3,494,651
Public works	1,589,680	524,970	1,224,718	2,268,030	1,031,583
Culture and recreation	2,747,057	2,999,278	2,798,179	2,816,206	2,911,609
Community and economic development	617,896	815,056	905,983	922,365	1,934,766
General government	5,206,303	5,796,903	1,915,122	2,220,615	2,313,792
Operating grants and contributions:					
Public safety	203,508	392,858	809,715	1,061,761	669,139
Public works	329,782	180,961	10,417,038	10,030,359	11,296,337
Culture and recreation	1,082,402	699,075	796,327	767,141	813,981
Community development	8,686,198	10,964,745	10,606,097	5,759,726	9,402,242
General government	270,070	5,021	150,078	397,655	1,053,915
Capital grants and contributions					
Public safety	90,090	330,515	34,795	57,070	19,264
Public works	7,436,448	8,943,185	6,747,161	7,153,621	6,739,142
Culture and recreation	179,104	333,811	1,017,806	238,773	686,758
Community and economic development	-	32,500	10,987	303,597	106,404
General government	-	222,078	40,518	53,809	1,008,250
<b>Total governmental activities program revenue</b>	<b>30,704,505</b>	<b>35,073,859</b>	<b>40,155,065</b>	<b>36,940,750</b>	<b>43,481,833</b>
Business-type activities:					
Charges for services:					
Water	18,602,903	19,385,375	20,062,822	21,237,980	21,630,046
Water pollution control	15,901,594	16,221,332	17,614,839	20,692,758	22,131,342
Sanitary sewer	5,963,162	5,690,924	6,211,361	6,727,767	7,171,948
U.S. Cellular center	2,832,670	2,206,412	2,145,149	1,822,931	2,161,352
Ground transportation system	917,935	999,253	1,055,043	1,155,707	1,136,814
Parking system	6,125,152	2,913,465	2,989,577	2,935,889	2,992,440
Solid waste management	2,117,423	6,339,836	6,544,751	6,724,886	6,977,774
Golf	2,722,636	2,492,765	2,550,384	2,656,282	2,708,739
Paramount theatre	693,800	472,227	1,182,730	614,984	698,640
Ice arena	1,292,572	1,284,726	1,085,718	1,087,155	1,046,058

2008	2009	2010	2011	2012
\$ 45,079,704	\$ 52,957,555	\$ 59,391,790	\$ 73,568,130	\$ 67,668,522
26,490,183	31,597,955	50,639,010	46,638,652	45,309,184
14,947,142	18,600,493	17,245,024	20,070,392	17,472,656
16,743,324	69,037,194	59,446,440	116,005,506	58,864,942
26,964,118	62,868,795	33,347,735	31,734,760	21,780,113
6,090,164	5,499,749	6,026,574	5,957,388	6,438,172
136,314,635	240,561,741	226,096,573	293,974,828	217,533,589

20,928,498	22,260,320	23,839,346	25,401,153	25,282,580
40,419,439	24,761,524	27,472,489	27,676,541	27,132,586
6,221,906	6,844,499	7,198,507	7,785,423	7,499,398
1,920,761	2,075,918	3,152,069	3,078,305	1,429,022
14,411,599	8,477,644	8,077,409	8,652,380	8,285,590
5,477,383	3,736,096	4,107,165	2,701,165	3,624,409
6,783,763	7,497,821	9,984,132	8,854,718	10,313,496
3,087,089	3,045,868	3,158,393	3,119,178	3,230,817
4,521,021	469,615	439,704	483,718	363,978
1,748,772	1,765,892	1,493,771	1,588,030	1,982,137
105,520,231	80,935,197	88,922,985	89,340,611	89,144,013
241,834,866	321,496,938	315,019,558	383,315,439	306,677,602

3,196,635	3,457,851	835,599	11,318,305	13,136,896
917,932	3,153,404	2,326,266	3,396,104	4,626,331
2,721,975	2,202,798	14,861,450	2,480,024	3,057,587
583,379	1,236,449	4,639,257	1,625,977	217,349
5,240,941	12,418,618	6,836,575	16,130,840	15,476,313
606,657	2,481,375	4,967,874	3,003,469	3,696,732
20,396,467	15,519,134	16,241,210	29,474,263	19,318,970
868,402	3,374,928	3,230,934	6,999,625	6,104,311
8,771,933	21,909,102	39,842,167	64,449,258	51,031,154
1,820,576	52,367,301	31,797,943	12,945,768	9,564,494
39,170	20,576	92,884	116,644	155,485
10,676,970	9,595,543	6,119,048	64,927,982	43,519,392
135,476	596,528	203,041	625,020	1,676,722
58,634	44,114,704	1,271,224	884,461	3,429,185
433,984	152,098	62,977	5,127,725	4,185,250
56,469,131	172,600,409	133,328,449	223,505,465	179,196,171

22,048,658	23,902,932	26,955,880	29,919,795	32,337,249
22,267,080	25,191,014	30,659,963	31,444,246	31,737,883
8,046,981	9,190,139	9,789,441	10,327,611	10,470,855
1,767,484	2,105,960	2,675,075	2,574,438	968,051
1,126,602	542,621	778,911	961,549	990,746
3,083,142	1,953,982	3,116,673	2,320,222	3,279,137
7,033,832	6,832,953	7,344,847	7,725,667	8,373,693
2,544,561	2,536,505	2,586,913	2,567,468	3,006,215
782,525	2,386	-	861	-
960,531	954,920	952,433	914,011	1,279,162

City of Cedar Rapids, Iowa

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

	2003	2004	2005	2006	2007
Operating grants and contributions:					
Water	229,947	16,021	-	37,761	-
Water pollution control	8,033	-	-	-	-
Sanitary sewer	23,311	60	-	-	-
U.S. Cellular center	7,560	-	-	-	-
Ground transportation system	2,759,884	2,529,406	2,115,981	2,947,652	2,844,586
Parking system	43,747	3,021	-	-	-
Solid waste management	2,390	38,825	48,564	49,417	685
Golf	-	14,118	3,175	4,619	-
Paramount theatre	-	27,226	-	-	-
Ice arena	-	-	-	-	-
Capital grants and contributions					
Water	964,537	1,054,631	766,990	1,133,306	4,413,811
Water pollution control	402,939	-	2,628	7,011	5,202
Sanitary sewer	1,555,210	1,116,109	962,370	1,218,319	1,818,977
U.S. Cellular center	-	-	12,071	25	-
Ground transportation system	-	3,413	850,198	1,637,058	969,200
Parking system	-	4,142	12,613	457,750	676,759
Solid waste management	-	57,879	25,185	161,000	204,888
Golf	-	21,321	3,926	7,798	-
Paramount theatre	697,144	681,322	-	-	-
Ice arena	-	21,350	-	85	-
<b>Total business-type activities program revenues</b>	<b>63,864,549</b>	<b>63,595,159</b>	<b>66,246,075</b>	<b>73,318,140</b>	<b>79,589,261</b>
<b>Total primary government program revenues</b>	<b>94,569,054</b>	<b>98,669,018</b>	<b>106,401,140</b>	<b>110,258,890</b>	<b>123,071,094</b>
Net (expense) revenue					
Governmental activities	(74,711,247)	(76,344,879)	(66,463,265)	(70,199,804)	(71,082,109)
Business-type activities	(5,098,755)	(8,484,998)	(5,364,514)	(917,394)	2,556,410
<b>Total primary government net expense</b>	<b>(79,810,002)</b>	<b>(84,829,877)</b>	<b>(71,827,779)</b>	<b>(71,117,198)</b>	<b>(68,525,699)</b>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	61,937,376	62,981,585	67,750,613	72,572,215	77,333,284
Franchise taxes	1,139,903	1,107,784	1,190,521	1,248,496	1,298,253
Hotel-Motel taxes	13,754,156	2,023,758	2,044,472	2,466,054	2,662,816
Local option sales taxes	-	-	-	-	-
Gain on sale of capital assets	9,824,910	10,230,803	366,958	240,860	491,285
Investment Earnings	272,088	113,855	2,881,115	5,124,109	6,220,908
Loss on Investments	4,571,055	1,086,954	-	-	(1,144,096)
Transfers	477,955	(763,538)	1,750,165	1,871,983	230,414
<b>Total governmental activities</b>	<b>91,977,443</b>	<b>76,781,201</b>	<b>75,983,844</b>	<b>83,523,717</b>	<b>87,092,864</b>
Business-type activities					
Taxes:					
Property taxes	2,889,721	2,995,517	2,960,123	2,964,142	3,008,087
Gain on sale of capital assets	123,486	-	-	-	-
Investment earnings	2,868,785	781,719	1,817,105	3,256,111	3,850,562
Retirement employee payouts	13,745,119	(2,168,667)	(137,948)	-	(1,981,523)
Loss on Investments	(8,879,964)	-	-	-	(520,716)
Transfers	(477,955)	763,538	(1,750,165)	(1,871,983)	(230,414)
<b>Total business-type activities</b>	<b>10,269,192</b>	<b>2,372,107</b>	<b>2,889,115</b>	<b>4,348,270</b>	<b>4,125,996</b>
<b>Total primary government</b>	<b>102,246,635</b>	<b>79,153,308</b>	<b>78,872,959</b>	<b>87,871,987</b>	<b>91,218,860</b>
Changes in net assets:					
Governmental activities	19,530,866	458,138	9,520,579	13,323,913	16,010,755
Business-type activities	5,170,437	(6,112,891)	(2,475,399)	3,430,876	6,682,406
<b>Total primary government</b>	<b>\$ 24,701,303</b>	<b>\$ (5,654,753)</b>	<b>\$ 7,045,180</b>	<b>\$ 16,754,789</b>	<b>\$ 22,693,161</b>

2008	2009	2010	2011	2012
-	-	-	-	-
-	-	-	-	-
-	461	86,659	234,861	-
-	-	-	-	-
3,214,133	3,380,960	3,759,714	4,355,409	2,862,335
-	-	-	-	-
10,707	926	59,547	57,940	36,554
4,862	-	-	65,190	2,859
-	-	-	-	-
-	-	-	-	-
920,951	892,198	1,260,882	728,964	707,601
214	1,017	294,410	1,885,020	990,903
696,432	665,071	150,086	730,674	1,494,994
-	-	-	10,688,791	17,077,836
398,045	184,491	707,768	-	1,487,191
77,802	1,094,279	-	-	-
48,000	23,641	-	-	-
39,691	9,287	12,448	-	-
-	-	-	-	-
-	-	-	-	-
75,072,233	79,465,743	91,191,650	107,502,717	117,103,264
131,541,364	252,066,152	224,520,099	331,008,182	296,299,435
(79,845,504)	(67,961,332)	(92,768,124)	(70,469,363)	(38,337,418)
(30,447,998)	(1,469,454)	2,268,665	18,162,106	27,959,251
(110,293,502)	(69,430,786)	(90,499,459)	(52,307,257)	(10,378,167)
78,166,150	82,304,313	83,235,371	82,470,156	83,895,452
2,645,817	1,422,897	3,323,638	3,747,200	3,353,064
1,375,315	2,922,240	2,378,503	2,753,315	2,835,100
-	4,254,513	16,428,594	19,554,638	18,138,388
425,323	26,159	84,916	-	-
7,564,677	2,958,322	1,870,320	2,856,104	761,437
-	-	-	-	-
2,113,660	915,214	(2,881,170)	(2,616,912)	608,582
92,290,942	94,803,658	104,440,172	108,764,501	109,592,023
2,988,927	3,724,950	3,891,767	4,296,415	4,586,363
-	-	-	-	-
5,315,604	2,206,122	878,640	477,703	576,409
(17,274)	-	-	-	-
-	-	-	-	-
(2,113,660)	(915,214)	2,881,170	2,616,912	(608,582)
6,173,597	5,015,858	7,651,577	7,391,030	4,554,190
98,464,539	99,819,516	112,091,749	116,155,531	114,146,213
12,445,438	26,842,326	11,672,048	38,295,138	71,254,605
(24,274,401)	3,546,404	9,920,242	25,553,136	32,513,441
\$(11,828,963)	\$ 30,388,730	\$ 21,592,290	\$ 63,848,274	\$103,768,046

City of Cedar Rapids, Iowa

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

Function/Program	Fiscal Year			
	2003	2004	2005	2006
<b>Governmental activities:</b>				
Public safety	\$ 2,559,565	\$ 3,556,276	\$ 3,525,051	\$ 4,008,853
Public works	9,355,910	9,649,116	18,388,917	19,452,010
Culture and recreation	4,008,563	4,032,164	4,612,312	3,822,120
Community and economic development	9,304,094	11,812,301	11,523,067	6,985,688
General government	5,476,373	6,024,002	2,105,718	2,672,079
<b>Total governmental activities</b>	<b>30,704,505</b>	<b>35,073,859</b>	<b>40,155,065</b>	<b>36,940,750</b>
<b>Business-type activities:</b>				
Water	19,797,387	20,456,027	20,829,812	22,409,047
Water pollution control	16,312,566	16,221,332	17,617,467	20,699,769
Sanitary sewer	7,541,683	6,807,093	7,173,731	7,946,086
Ground transportation system	3,677,819	2,920,628	3,002,190	5,740,417
Parking system	2,840,230	3,532,072	4,021,222	3,393,639
Solid waste management	6,168,899	6,436,540	6,618,500	6,935,303
Golf	2,119,813	2,528,204	2,557,485	2,668,699
U.S. Cellular center	2,722,636	2,206,412	2,157,220	1,822,956
Paramount theatre	1,390,944	1,180,775	1,182,730	614,984
Ice arena	1,292,572	1,306,076	1,085,718	1,087,240
<b>Total business-type activities</b>	<b>63,864,549</b>	<b>63,595,159</b>	<b>66,246,075</b>	<b>73,318,140</b>
<b>Total primary government</b>	<b>\$ 94,569,054</b>	<b>\$ 98,669,018</b>	<b>\$ 106,401,140</b>	<b>\$ 110,258,890</b>

Fiscal Year					
2007	2008	2009	2010	2011	<b>2012</b>
\$ 4,183,054	\$ 3,842,462	\$ 5,959,802	\$ 5,896,357	\$ 14,438,418	\$ 16,989,113
19,067,062	31,991,369	28,268,081	24,686,524	97,798,349	67,464,693
4,412,348	3,725,853	6,174,254	18,295,425	10,104,669	10,838,620
11,443,412	9,413,946	67,260,255	45,752,648	66,959,696	54,677,688
4,375,957	7,495,501	64,938,017	38,697,495	34,204,333	29,226,057
43,481,833	56,469,131	172,600,409	133,328,449	223,505,465	179,196,171
26,043,857	22,969,609	24,795,130	28,216,762	30,648,759	33,044,850
22,136,544	22,267,294	25,192,031	30,954,373	33,329,266	32,728,786
8,990,925	8,743,413	9,855,671	10,026,186	11,293,146	11,965,849
4,950,600	4,738,780	4,108,072	5,246,393	5,316,958	5,340,272
3,669,199	3,160,944	3,048,261	3,116,673	2,320,222	3,279,137
7,183,347	7,092,539	6,857,520	7,404,394	7,783,607	8,410,247
2,708,739	2,589,114	2,545,792	2,599,361	2,632,658	3,009,074
2,161,352	1,767,484	2,105,960	2,675,075	13,263,229	18,045,887
698,640	782,525	2,386	-	861	-
1,046,058	960,531	954,920	952,433	914,011	1,279,162
79,589,261	75,072,233	79,465,743	91,191,650	107,502,717	117,103,264
\$ 123,071,094	\$ 131,541,364	\$ 252,066,152	\$ 224,520,099	\$ 331,008,182	\$ 296,299,435

**City of Cedar Rapids, Iowa**

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

	Fiscal Year			
	2003	2004	2005	2006
<b>General Fund:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,205,075	1,541,243	3,760,070	2,674,358
Unreserved	24,155,537	24,910,214	24,513,482	26,902,767
<b>Total General Fund</b>	<b>26,360,612</b>	<b>26,451,457</b>	<b>28,273,552</b>	<b>29,577,125</b>
<b>All Other Government Funds:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	76,762,071	26,321,516	26,949,343	22,998,514
Unreserved, reported in:				
Special revenue funds	12,642,715	13,346,265	14,021,295	15,712,776
Capital project funds	32,284,449	23,742,869	28,540,216	37,647,728
<b>Total all other government funds</b>	<b>\$ 121,689,235</b>	<b>\$ 63,410,650</b>	<b>\$ 69,510,854</b>	<b>\$ 76,359,018</b>

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

Fiscal Year					
2007	2008	2009	2010	2011	<b>2012</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,294,262	\$ 1,216,328
-	-	-	-	1,943,591	1,591,370
-	-	-	-	-	-
-	-	-	-	155,453	200,000
-	-	-	-	33,051,176	34,694,821
2,781,430	2,561,898	2,895,040	28,837,889	-	-
29,958,128	35,616,422	32,141,757	6,688,209	-	-
<b>32,739,558</b>	<b>38,178,320</b>	<b>35,036,797</b>	<b>35,526,098</b>	<b>36,444,482</b>	<b>37,702,519</b>
-	-	-	-	623,832	2,970,634
-	-	-	-	65,495,530	71,701,545
-	-	-	-	4,642,858	5,453,031
-	-	-	-	22,296,248	19,661,198
-	-	-	-	(53,320,138)	(61,332,252)
44,699,944	36,589,659	34,309,127	118,567,457	-	-
22,693,647	24,738,222	23,749,905	36,332,151	-	-
41,322,971	37,130,694	15,876,521	(87,352,533)	-	-
-	-	-	-	-	-
<b>\$ 108,716,562</b>	<b>\$ 98,458,575</b>	<b>\$ 73,935,553</b>	<b>\$ 67,547,075</b>	<b>\$ 39,738,330</b>	<b>\$ 38,454,156</b>

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes	\$ 76,789,145	\$ 66,049,790	\$ 70,985,606	\$ 76,122,186
License and permits	1,736,776	2,082,612	2,169,195	2,365,643
Intergovernmental	27,025,024	26,254,436	26,966,644	24,697,240
Charges for services	2,103,162	2,367,695	2,710,165	2,922,668
Fines and forfeitures	361,697	318,835	397,022	417,067
Use of money and property	3,507,728	904,832	2,269,737	4,206,254
Rents and royalties	608,421	744,593	834,707	808,291
Miscellaneous	5,465,462	3,650,211	3,353,405	3,298,838
<b>Total revenues</b>	<b>117,597,415</b>	<b>102,373,004</b>	<b>109,686,481</b>	<b>114,838,187</b>
<b>Expenditures:</b>				
Public safety	31,678,791	33,294,259	35,398,887	38,366,456
Public works	16,566,085	16,001,042	15,669,418	15,801,715
Culture and recreation	11,511,611	11,456,458	11,812,858	11,767,210
Community and economic development	15,454,478	16,913,202	17,617,700	15,019,244
General government	7,661,358	7,200,832	7,453,065	7,387,698
Capital outlay	26,306,908	21,112,653	18,232,349	18,239,807
Capital outlay not capitalized	-	-	-	-
<b>Debt service:</b>				
Principal	15,561,291	8,997,284	10,314,806	12,348,200
Bond issuance costs	50,741	25,217	36,019	37,096
Interest	4,933,212	4,759,713	4,870,749	5,028,580
<b>Total expenditures</b>	<b>129,724,475</b>	<b>119,760,660</b>	<b>121,405,851</b>	<b>123,996,006</b>
<b>Excess of revenues (under) expenditures</b>	<b>(12,127,060)</b>	<b>(17,387,656)</b>	<b>(11,719,370)</b>	<b>(9,157,819)</b>
<b>Other financing sources (uses):</b>				
Transfers in	45,476,325	31,775,714	36,651,734	42,680,001
Transfers out	(44,582,929)	(31,973,891)	(34,367,483)	(40,163,552)
Issuance of note payable	-	-	-	-
Issuance of long-term debt	28,465,850	9,914,474	17,055,000	14,665,000
Reimbursement of escrow	(16,101,147)	-	7,150	-
Investment earnings	-	-	-	-
Settlement reimbursement	-	-	246	4,046
Premium (discount) on long-term debt	159,293	(72,902)	(99,190)	(110,467)
Capital Contributions	-	-	-	-
Gain on impairment of capital assets	-	-	-	-
Proceeds from sale of capital assets	374,323	143,061	394,212	234,528
<b>Total other financing sources (uses)</b>	<b>13,791,715</b>	<b>9,786,456</b>	<b>19,641,669</b>	<b>17,309,556</b>
<b>Special item:</b>				
Loss on investments	-	-	-	-
<b>Net changes in fund balance</b>	<b>\$ 97,463,307</b>	<b>\$ 89,862,107</b>	<b>\$ 7,922,299</b>	<b>\$ 8,151,737</b>
Debt service as a percentage of noncapital expenditures	19.82%	13.95%	14.72%	16.43%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 81,285,286	\$ 82,174,571	\$ 90,959,554	\$ 105,295,233	\$ 108,496,764	\$ 108,142,990
2,052,323	2,323,474	2,222,569	2,322,014	2,475,750	2,940,138
26,540,359	30,511,179	116,555,474	88,902,120	191,609,346	141,680,249
3,056,939	3,406,968	12,626,117	16,523,469	16,583,058	18,556,308
351,677	324,418	288,825	1,220,897	7,858,937	8,353,497
6,228,971	6,378,084	2,524,692	869,756	2,681,387	612,140
960,772	918,647	477,758	559,952	677,766	834,700
3,556,045	3,427,594	2,283,553	1,594,674	3,101,884	2,488,959
124,032,372	129,464,935	227,938,542	217,288,115	333,484,892	283,608,981
40,572,027	40,864,289	51,910,586	39,428,051	72,727,328	66,860,604
16,460,295	16,731,938	21,257,996	15,523,557	34,997,847	32,528,760
12,198,173	11,167,542	16,566,695	59,402,503	16,164,472	15,982,554
17,225,206	16,168,651	68,962,927	36,932,894	115,512,160	57,089,927
8,289,145	19,999,186	62,210,093	58,468,119	28,212,872	27,451,417
17,075,013	18,047,072	41,892,960	21,732,340	97,363,010	90,859,939
4,493	-	-	-	2,213	-
9,358,600	18,319,213	21,654,817	23,230,021	24,348,447	22,480,084
77,004	30,750	96,321	120,370	600,533	885,447
4,951,750	6,046,541	5,383,144	6,119,089	5,893,963	6,269,820
126,211,706	147,375,182	289,935,539	260,956,944	395,822,845	320,408,552
(2,179,334)	(17,910,247)	(61,996,997)	(43,668,829)	(62,337,953)	(36,799,571)
40,951,729	44,836,345	50,882,684	54,472,194	48,878,815	52,242,771
(40,057,598)	(42,901,750)	(51,555,561)	(59,093,897)	(51,548,296)	(51,503,700)
650,000	-	-	5,000,000	-	-
35,742,000	9,679,655	34,612,492	33,250,000	37,901,296	32,510,923
-	-	-	-	-	-
-	-	-	412,012	-	-
21	1,580	465	3,503,923	-	363,450
578,632	36,280	27,414	76,404	1,320,812	1,674,956
136,769	-	-	-	-	-
-	1,000,000	-	-	-	-
608,280	438,912	364,958	149,016	2,211,393	1,485,034
38,609,833	13,091,022	34,332,452	37,769,652	38,764,020	36,773,434
(910,522)	-	-	-	-	-
\$ 35,519,977	\$ (4,819,225)	\$ (27,664,545)	\$ (5,899,177)	\$ (23,573,933)	\$ (26,137)

13.11%

18.84%

10.90%

12.27%

10.13%

12.52%



**CEDAR RAPIDS**

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City of Five Seasons®

City of Cedar Rapids, Iowa

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

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2003	60,373,351	11,675,380	3,600,511	1,139,903	76,789,145
2004	61,183,311	-	3,758,695	1,107,784	66,049,790
2005	64,514,591	-	3,236,022	3,234,993	70,985,606
2006	69,287,900	-	3,284,315	3,549,971	76,122,186
2007	73,821,833	-	3,502,383	3,961,070	81,285,286
2008	75,125,650	-	4,403,104	2,645,817	82,174,571
2009	77,738,578	4,254,513	4,565,736	2,977,830	89,536,657
2010	78,528,051	16,428,594	4,636,447	2,378,503	101,971,595
2011	78,171,178	19,554,638	4,298,978	2,724,770	104,749,564
<b>2012</b>	79,468,189	18,138,388	4,427,263	2,756,086	104,789,926
Change 2003-2012	\$ 19,094,838	\$ 6,463,008	\$ 826,752	\$ 1,616,183	\$ 28,000,781

City of Cedar Rapids, Iowa

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

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Fiscal Year	Residential Property	Commercial Property	Industrial Property	Utilities	Military Exemptions
2003	2,127,382,035	1,600,823,093	329,822,614	362,351,883	(15,956,832)
2004	2,146,087,222	1,733,645,880	364,594,542	370,701,611	(15,673,469)
2005	2,144,983,089	1,842,749,212	382,154,448	320,981,972	(15,361,691)
2006	2,180,463,141	1,848,668,075	376,992,223	309,661,130	(15,036,757)
2007	2,259,717,789	1,800,958,547	366,993,719	310,853,137	(14,698,025)
2008	2,298,223,104	1,839,730,231	291,308,103	364,350,089	(14,365,036)
2009	2,401,189,312	1,861,300,332	299,862,706	371,367,099	(14,054,086)
2010	2,562,190,937	1,849,166,324	308,831,292	372,569,883	(13,760,822)
2011	2,653,167,342	1,888,668,264	349,974,941	346,577,736	(13,435,611)
<b>2012</b>	2,906,858,541	1,938,181,514	358,896,829	352,988,808	(12,983,631)

Source: Linn County Auditor's Office

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

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Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
4,404,422,793	6.91%	12.83	6,500,731,601	67.75%
4,599,355,786	4.43%	13.07	6,645,938,634	69.21%
4,675,507,030	1.66%	13.12	7,067,763,823	66.15%
4,700,747,812	0.54%	13.83	7,522,231,914	62.49%
4,723,825,167	0.49%	14.39	7,939,413,524	59.50%
4,779,246,491	1.17%	14.62	8,145,012,910	58.68%
4,919,665,363	2.94%	15.07	8,505,937,610	57.84%
5,078,997,614	3.24%	15.22	8,688,530,667	58.46%
5,224,952,672	2.87%	15.22	8,694,897,052	60.09%
5,543,942,061	6.11%	15.22	9,070,712,901	61.12%

**City of Cedar Rapids, Iowa**

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

Tax Year Levied	City Direct Rates							
	General Levy	Tort	Band	Library Book Levy	Memorial Fund	FICA/ IPERS	Fire & Police Pension Fund	Other Benefits
2003	8.10000	0.00000	0.01615	0.04000	0.41432	0.70434	0.14237	1.03475
2004	8.10000	0.00000	0.01569	0.04000	0.45278	0.72388	0.24237	1.12145
2005	8.10000	0.00000	0.01459	0.03999	0.44422	0.72545	0.34237	1.07386
2006	8.10000	0.00000	0.01459	0.03999	0.17988	0.85847	0.49237	1.62927
2007	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.64237	2.20445
2008	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.79237	2.20445
2009	8.10000	0.18685	0.01667	0.04000	0.20082	0.75820	0.86000	2.20445
2010	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	2.08344
2011	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	1.85634
<b>2012</b>	8.10000	0.18530	0.01667	0.04000	0.20082	0.75997	0.76000	1.84928

Source: Linn County Auditor's Office

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

City Direct Rates			Overlapping rates			
Debt Levy	Bus	Total Direct	C.R. Community School	College Community Schools	Linn Mar Community Schools	Marion Independent Schools
1.73214	0.64563	12.82970	15.35946	14.39975	16.90663	17.93509
1.70746	0.66414	13.06777	15.36838	14.73088	16.89647	17.81127
1.74268	0.63481	13.11797	15.74784	15.11410	17.76825	16.82045
1.88100	0.63481	13.83038	15.25042	15.21947	17.99931	16.81459
1.81846	0.63481	14.38608	14.90212	17.33321	18.81657	16.80183
1.89848	0.63481	14.61610	14.37481	17.33382	19.39588	16.80516
1.95000	0.75377	15.07076	13.78107	16.84626	20.40133	15.31689
2.28224	0.78458	15.21621	13.91816	17.21168	20.22951	15.31673
2.46954	0.82438	15.21621	15.17046	17.20361	19.73839	16.30509
2.47979	0.82438	15.21621	15.16034	16.55788	18.54161	16.95941



**CEDAR RAPIDS**

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City of Five Seasons®

City of Cedar Rapids, Iowa

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	443,527,165	1	50.98%			
ADM Corn Processing	134,463,255	2	15.45%	94,304,823	1	20.94%
Aegon USA	69,104,815	3	7.94%	49,386,484	5	10.97%
International Paper	50,752,891	4	5.83%			
Rockwell International	37,390,881	5	4.30%	67,518,228	2	14.99%
SDG Macerich Properties (Lindale Mall)	35,412,858	6	4.07%	40,415,248	6	8.97%
Hy-Vee Food Stores	26,002,715	7	2.99%	20,609,664	8	4.58%
Nordstrom Oil Co.	25,221,884	8	2.90%			
Oat PEP	24,432,844	9	2.81%			
Midamerican Energy	23,744,737	10	2.73%			
HNW Associates (Westdale Mall)				50,385,542	3	11.19%
McLeodUSA Inc.				49,968,349	4	11.10%
PMX Industries, Inc.				36,620,674	7	8.13%
General Mills				20,585,257	9	4.57%
Iowa Land and Building Company				20,551,944	10	4.56%
<b>Total</b>	<u>\$ 870,054,045</u>		<u>100.00%</u>	<u>\$450,346,213</u>		<u>100.00%</u>

Source: Linn County Auditor's Office

**City of Cedar Rapids, Iowa**

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

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2003	2002	64,140,778	63,942,346	99.69%
2004	2003	66,627,836	64,146,360	96.28%
2005	2004	69,200,064	68,926,266	99.60%
2006	2005	76,325,964	74,595,380	97.73%
2007	2006	79,669,807	78,598,114	98.65%
2008	2007	82,125,293	80,915,930	98.53%
2009	2008	85,572,337	85,349,775	99.74%
2010	2009	89,523,688	86,730,554	96.88%
2011	2010	86,841,975	83,845,156	96.55%
<b>2012</b>	2011	88,256,530	85,851,562	97.28%

Source: Linn County Auditor's Office

**Note:** There is no personal property tax (on cars or jewelry). The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. Collections in Subsequent Years are reported in the year collected and not in the year levied. The County collects the taxes and does not report the year the tax was levied to the City.

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
917,240	64,859,586	101.12%
268,380	64,414,740	96.68%
591,134	69,517,400	100.46%
(81,784)	74,513,596	97.63%
107,286	78,705,400	98.79%
(199,793)	80,716,137	98.28%
781,696	86,131,471	100.65%
325,711	87,056,265	97.24%
231,454	84,076,610	96.82%
74,016	85,925,578	97.36%

**City of Cedar Rapids, Iowa**

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

Fiscal Year	Governmental Activities		Net General Bonded Debt	Percentage of Actual Property Value <sup>1</sup>	Debt Per Capita <sup>2</sup>
	General Obligation Bonds	Less Amount Available in Debt Service			
2003	96,778,390	3,296,032	93,482,358	1.44%	774
2004	97,605,580	3,017,892	94,587,688	1.42%	783
2005	104,255,774	2,674,063	101,581,711	1.44%	841
2006	106,482,574	2,864,262	103,618,312	1.47%	858
2007	132,865,974	29,354,194	103,511,780	1.38%	857
2008	124,047,916	20,418,788	103,629,128	1.31%	858
2009	138,605,532	13,028,667	125,576,865	1.54%	1,040
2010	148,625,511	4,782,670	143,842,841	1.69%	1,191
2011	162,178,361	5,187,825	156,990,536	1.81%	1,300
<b>2012</b>	<b>172,209,200</b>	<b>4,664,444</b>	<b>167,544,756</b>	<b>1.93%</b>	<b>1,326</b>

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

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

Business-type Activites				
General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capital	Per Capita
143,126,010	820,000	237,428,368	0.05%	120,758
143,195,420	-	237,783,108	0.05%	120,758
144,581,176	-	246,162,887	0.05%	120,758
140,910,776	-	244,529,088	0.05%	120,758
181,212,276	-	284,724,056	0.04%	120,758
165,816,081	-	269,445,209	0.04%	120,758
142,470,271	-	268,047,136	0.05%	120,758
118,619,423	38,015,000	300,477,264	0.04%	120,758
112,907,013	43,065,000	312,962,549	0.04%	120,758
160,207,731	47,260,000	375,012,487	0.03%	126,326



**CEDAR RAPIDS**

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City of Five Seasons®

**City of Cedar Rapids, Iowa**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended June 30, 2012  
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	25,995,000	68.83%	17,892,359
College Community School District	64,365,000	19.39%	12,480,374
Kirkwood Community College	19,985,000	29.49%	5,893,577
Linn Mar Community School District	45,365,000	11.36%	5,153,464
Linn County	21,240,000	61.67%	13,098,708
Marion Community School District	10,930,000	0.42%	45,906
<b>Subtotal, overlapping debt</b>	<b>187,880,000</b>		<b>54,564,388</b>
City Direct Debt	161,020,503	100.00%	161,020,503
<b>Total direct and overlapping debt</b>	<b>348,900,503</b>		<b>215,584,891</b>

Source: Linn County Auditor's Office

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

City of Cedar Rapids, Iowa

Legal Debt Margin Information (in millions)

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

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	2003	2004	2005	2006
Debt limit	338,393,048	343,152,268	367,235,948	375,359,758
Total net debt applicable to limit	249,510,000	250,985,000	257,235,000	252,140,000
Legal debt margin	88,883,048	92,167,268	110,000,948	123,219,758
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	73.73%	73.14%	70.05%	67.17%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	<u>9,064,670,318</u>
Debt limit (5% of assessed value)	<u>453,233,516</u>
Debt applicable to limit:	
General obligation bonds	<u>337,485,000</u>
Legal debt margin	<u>\$ 115,748,516</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<b>2012</b>
396,235,775	406,784,256	424,873,705	434,010,014	433,321,494	453,233,516
<u>320,010,000</u>	<u>255,595,000</u>	<u>264,425,000</u>	<u>274,705,000</u>	<u>282,045,000</u>	<u>337,485,000</u>
<u>76,225,775</u>	<u>151,189,256</u>	<u>160,448,705</u>	<u>159,305,014</u>	<u>151,276,494</u>	<u>115,748,516</u>
80.76%	62.83%	62.24%	63.29%	65.09%	74.46%

City of Cedar Rapids, Iowa

Pledged-Revenue Coverage  
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Revenue Bonds					
	Utility Charges	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	2,832,670	3,488,193	(655,523)	385,000	60,285	(1,100,808)
2004	2,913,465	3,510,880	(597,415)	820,000	20,711	(1,438,126)
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	67,405,284	51,460,279	15,945,005	38,015,000	19,733,802	(41,803,797)
2011	71,691,652	53,496,214	18,195,438	43,065,000	21,290,935	(46,160,497)
<b>2012</b>	<b>74,545,987</b>	<b>54,261,534</b>	<b>20,284,453</b>	<b>47,260,000</b>	<b>21,626,324</b>	<b>(48,601,871)</b>

City of Cedar Rapids, Iowa

Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Household Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)		Unemployment Rate (4)
					Public	Private	
2003	120,758	76,386	31,367	36.27	17,247	2,810	4.0
2004	120,758	79,305	32,706	36.38	17,125	2,757	4.2
2005	120,758	81,221	33,657	36.54	17,051	2,905	4.9
2006	120,758	85,112	35,422	36.73	17,237	2,956	3.6
2007	120,758	89,392	37,367	36.76	17,263	3,197	3.4
2008	120,758	92,435	38,811	36.83	16,838	3,399	3.9
2009	120,758	91,085	38,430	36.94	16,386	2,568	6.0
2010	120,758	90,962	38,100	36.92	16,392	2,778	6.5
2011	126,326	94,884	39,780	36.92	16,397	2,262	5.9
<b>2012</b>	126,326	98,964	41,530	36.92	15,761	2,906	4.9

**Note:** The demographic statistic is being added to the report

- Sources:
1. U.S. Department of Commerce, Bureau of Census
  2. 2011 Woods and Poole Economics (Cedar Rapids MSA) Took estimate-added 4.4% for per capita income)
  3. Iowa Department of Education
  4. Data presented to Cedar Rapids Metropolitan Statistical Area (Linn County, Iowa) which encompasses geographic boundaries of reporting entity as reported by Workforce Development Area.



**CEDAR RAPIDS**

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City of Five Seasons®

City of Cedar Rapids, Iowa

Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	2012			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	7300	1	4.15%	7162	1	4.48%
Cedar Rapids Community Schools	2800	2	1.59%	2726	2	1.70%
Aegon USA, Inc	2600	3	1.48%	2300	6	1.44%
St Luke's Hospital	2400	4	1.36%	2300	6	1.44%
Maytag Appliances	2200	5	1.25%			0.00%
Mercy Medical Center	2060	6	1.17%	1950	9	1.22%
Hy-Vee Food Stores	2044	7	1.16%	2406	4	
MCI, Inc	1528	8	0.87%	2000	8	
City of Cedar Rapids	1493	9	0.85%	1732	10	1.08%
Kirkwood Community College	1443	10	0.82%			
McLeod USA Inc.				2311	5	1.44%
Whirlpool Corporation				2630	3	1.64%

Source: Cedar Rapids Area Chamber of Commerce and Woods and Poole Economics

Source: Priority One Cedar Rapids Largest Employers List

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

City of Cedar Rapids, Iowa

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

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2012	2011	2010	2009	2008
<b>General Government:</b>					
Animal Control	9.00	9.00	9.00	9.00	9.00
Attorney	6.00	6.00	6.00	6.00	6.00
Aviation	-	-	-	-	-
Code Enforcement	33.00	41.17	45.17	38.00	23.00
City Manager	9.75	10.00	8.00	7.00	6.00
Civil Rights	5.00	5.00	5.00	6.00	5.00
Clerk	6.00	6.00	6.00	6.00	6.00
Community Development	11.00	13.00	13.00	12.00	21.75
Council and Mayor	4.33	4.33	4.33	3.33	3.33
Public Works	163.25	162.00	157.00	149.00	182.36
Facilities Management	-	-	-	-	1.00
Finance	41.00	42.00	37.00	35.00	13.00
Fire Department	149.54	149.29	142.29	142.29	154.29
Human Resource	15.63	15.63	15.63	14.00	13.75
Information Technology	31.00	31.00	30.00	15.00	14.00
Library	46.86	47.36	50.54	53.30	52.19
Memorial	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	113.05	113.04	113.61	120.41	123.59
Police Department	229.00	227.00	227.00	227.00	239.00
Purchasing Services	4.75	3.75	3.75	3.75	3.75
Riverfront	-	-	-	-	-
Treasurer	-	-	-	-	4.00
Ushers Ferry	-	-	-	-	4.19
Positions to Eliminate	-	-	-	-	(34.00)
<b>Total General Fund</b>	<b>887.57</b>	<b>894.98</b>	<b>882.73</b>	<b>856.49</b>	<b>860.61</b>
<b>Enterprise Funds</b>					
Eastern Iowa Airport	39.50	42.00	41.00	45.00	45.00
Golf	31.04	30.59	30.66	30.86	37.68
Five Seasons Parking	10.52	10.52	13.52	17.52	30.52
Sewer Maintenance	29.35	33.00	31.00	29.00	29.00
Solid Waste & Recycling	57.84	66.30	56.30	57.40	58.80
Transit	55.00	51.00	51.75	51.75	68.50
Water Department	105.50	105.50	106.50	104.50	115.50
Water Pollution Control	88.32	88.32	87.32	86.98	89.48
<b>Total Enterprise Funds</b>	<b>417.07</b>	<b>427.23</b>	<b>418.05</b>	<b>423.01</b>	<b>474.48</b>
<b>Special Revenue Fund</b>					
H.O.M.E./CD	6.00	6.00	6.00	6.00	6.00
Leased Housing	14.75	12.00	12.00	12.50	13.00
Library	5.12	5.12	5.12	5.12	5.12
SSMID	-	-	-	-	-
Real Estate Disposal	1.00	1.00	1.00	-	-
<b>Total Special Revenue Funds</b>	<b>26.87</b>	<b>24.12</b>	<b>24.12</b>	<b>23.62</b>	<b>24.12</b>
<b>Internal Service Funds</b>					
Joint Communications	27.00	27.00	27.00	22.00	23.00
Facilities Maintenance	29.00	29.00	29.00	29.00	10.25
Fleet Maintenance	38.00	42.00	42.00	42.00	-
<b>Total Internal Service Funds</b>	<b>94.00</b>	<b>98.00</b>	<b>98.00</b>	<b>93.00</b>	<b>33.25</b>
<b>Total FTE's</b>	<b>1,425.51</b>	<b>1,444.33</b>	<b>1,422.90</b>	<b>1,396.12</b>	<b>1,392.46</b>

Source: City's Finance Department P.68 Budget

Full-Time Equivalent Employees as of June 30

2007	2006	2005	2004	2003
10.00	10.00	10.00	10.00	10.00
6.00	6.00	6.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00
24.00	23.00	24.00	24.00	25.00
5.00	-	-	-	-
5.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
21.75	20.75	21.25	21.25	21.25
3.33	13.10	13.10	13.10	13.10
183.36	183.36	196.06	205.08	214.74
1.00	1.00	1.00	1.00	-
13.00	13.00	13.00	14.00	14.00
154.00	153.00	154.00	155.00	155.00
14.75	14.75	15.00	16.00	16.50
14.00	13.00	14.00	15.00	13.75
57.19	57.19	57.19	59.69	61.17
9.41	9.41	9.41	9.41	9.41
125.41	128.18	128.70	125.33	121.68
239.00	239.00	239.00	238.00	242.50
3.75	3.75	3.38	3.38	3.38
-	1.27	4.25	4.74	5.14
4.00	4.00	4.00	4.00	4.00
4.81	4.67	4.67	4.67	4.67
-	-	-	-	-
<b>907.76</b>	<b>912.43</b>	<b>932.01</b>	<b>943.65</b>	<b>955.29</b>
45.00	46.00	45.00	52.00	46.00
36.19	37.41	38.34	36.78	35.44
31.02	33.02	33.02	34.78	36.94
27.00	27.00	27.00	28.00	28.00
58.80	61.00	61.00	63.00	63.00
72.25	72.25	72.25	72.25	74.25
117.50	117.50	117.50	117.50	123.79
89.48	89.48	83.48	83.48	83.48
<b>477.24</b>	<b>483.66</b>	<b>477.59</b>	<b>487.79</b>	<b>490.90</b>
6.00	6.00	6.00	5.00	5.00
13.00	13.00	13.00	13.00	12.00
5.12	5.12	5.00	5.50	5.90
2.00	2.00	2.00	2.00	2.00
-	-	-	-	-
<b>26.12</b>	<b>26.12</b>	<b>26.00</b>	<b>25.50</b>	<b>24.90</b>
22.00	22.00	22.00	24.00	23.00
10.25	10.25	10.25	10.25	8.53
-	-	-	-	-
<b>32.25</b>	<b>32.25</b>	<b>32.25</b>	<b>34.25</b>	<b>31.53</b>
<b>1,443.37</b>	<b>1,454.46</b>	<b>1,467.85</b>	<b>1,491.19</b>	<b>1,502.62</b>

City of Cedar Rapids, Iowa

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

Function/Program	Calendar Year			
	2003	2004	2005	2006
<b>Police:</b>				
Calls for service	101,488	110,169	113,496	89,459
Adult arrest	7,838	8,919	8,932	6,662
Juvenile arrest	1,077	1,092	1,171	1,075
Speeding citations	7,069	7,570	7,922	7,763
Traffic citations	17,034	21,541	21,193	23,285
<b>Fire:</b>				
Total fire runs	3,852	3,720	3,691	3,572
Total rescue runs	3,769	3,923	4,410	4,858
Property loss	3,106,053	3,216,753	3,630,392	2,757,297
<b>Building Safety:</b>				
Total building permits	7,002	7,018	6,092	5,694
Total value all permits	130,535,821	153,813,966	173,012,680	191,227,753
Library, volumes in collection	301,545	292,951	304,212	290,524
<b>Public Service:</b>				
Garbage collected (ton)	19,898	19,957	19,870	19,920
Recycling collected (ton)	8,546	8,705	8,834	9,045
Yard Waste collected (ton)	13,287	13,316	12,993	12,864
<b>Parks and Recreation:</b>				
Recreation program attendance (2)	235,069	235,152	222,345	252,507
Aquatics program attendance (2)	221,716	273,749	230,504	302,291
Golf rounds played	154,550	155,654	162,542	138,171
Bever Park Zoo attendance	40,343	33,120	51,800	17,787
Street trees maintained	4,845	9,234	8,357	4,710

Source: Various City departments

Notes: (1) Jan - Sept 2007

		Fiscal Year					
		2007	2008	2009	2010	2011	2012
	86,973 (1)	128,802	124,090	118,547	124,416	125,525	
	6,583 (1)	8,142	8,548	8,379	8,786	7,585	
	1,205 (1)	1,454	1,303	1,124	1,175	1,161	
	3,233 (1)	3,917	3,296	3,268	1,679	1,913	
	17,539 (1)	16,464	15,420	12,163	11,809	12,644	
	3,192 (1)	4,035	3,377	4,128	4,386	4,526	
	3,988 (1)	5,068	5,024	5,166	5,376	5,722	
	2,862,367 (1)	1,274,613	2,828,217	6,523,396	3,602,446	4,994,408	
	4,275 (1)	5,092	12,690	5,887	6,372	6,471	
	238,236,142 (1)	295,815,305	289,212,117	197,580,294	243,569,602	267,908,682	
	297,680	294,291	88,407	105,676	103,182	102,078	
	20,050	20,144	19,416	19,701	19,201	18,529	
	9,174	9,405	8,534	8,669	8,059	8,302	
	13,876	15,674	14,380	14,709	14,326	13,027	
	237,954	115,147	88,950	100,181	109,050	142,358	
	264,749	232,984	245,990	241,955	247,856	264,246	
	113,732	101,337	107,120	107,725	107,264	123,225	
	40,082	36,547	44,517	36,656	35,027	41,465	
	4,845	8,679	9,925	4,500	4,316	4,644	

**City of Cedar Rapids, Iowa**

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

Function/Program	2003	2004	2005
Police:			
Stations	1	1	1
Fire, Fire Stations	9	9	9
Refuse Collections:			
Collection Trucks	48	48	48
Street (Miles)	700	631	631
Parks and Recreation:			
Acreage	4,040	4,040	4,040
Parks	95	95	95
Golf Courses	4	4	4
Swimming Pools	6	6	6
Baseball/Softball Diamonds	37	37	37
Soccer/Football Fields	32	32	32
Tennis Courts	22	22	22
Recreation Centers	2	2	2
Library:			
Facilities	2	2	2
Volumes	301,545	292,951	304,212
Water:			
Storage Capacity (MGPD)	25	25	25
Average Daily Consumption (MGPD)	34	37	37
Peak Consumption (MGPD)	50	50	49
Wastewater:			
Sanitary Sewers (miles)	623	632	649
Storm Sewers (miles)	278	280	296

Source: Various City departments

2006	2007	2008	2009	2010	2011	<b>2012</b>
1	1	1	1	1	1	1
9	9	9	9	9	9	9
49	42	43	51	55	59	54
631	650	650	618	622	626	626
4,040	4,040	4,042	4,042	4,042	4,042	4171
96	96	96	96	96	96	96
4	4	4	4	4	4	4
6	6	6	6	6	6	6
37	37	37	37	37	37	37
32	32	32	32	32	32	32
22	22	23	23	23	23	23
2	2	1	1	1	1	1
2	2	2	2	2	2	2
290,524	297,680	294,291	88,407	105,676	103,182	102,078
25	25	25	25	25	25	25
38	38	38	35	35	36	39
52	47	44	38	43	39	54
653	660	660	669	670	673	678
304	404	409	412	458	497	497



**CEDAR RAPIDS**

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City of Five Seasons®

CITY OF CEDAR RAPIDS, IOWA  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 FISCAL YEAR ENDED JUNE, 30, 2012

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Agriculture:				
Iowa Department of Public Health:				
WIC Grant	10.557	588-1P-101	37,500	33,640
FSNE Grant	10.561	588-1P-101	42,000	32,390
				66,030
Total U.S. Department of Agriculture				66,030
U.S. Department of Commerce:				
Direct:				
Economic Development Administration	11.307	05-79-04949	35,000,000	12,117,589
Economic Development Administration	11.307	05-79-04926	2,463,600	1,065,110
				13,182,699
Linn County, Iowa:				
Public Safety Interoperable Communication Grant	11.555	2007-GS-H7-0042-06	252,445	252,445
Total U.S. Department of Commerce				13,435,144
U.S. Department of Housing and Urban Development:				
Direct:				
Community Development Block Grant	14.218	B-10-MC-190001	1,401,853	1,132,383
ARRA - Community Development Block - Recovery	14.253	B-09-MY-19-0001	350,616	40,681
HOME	14.239	B-10/11-MC-19-0204	972,272	429,942
Economic Development Initiative Special Project	14.251	B-08-SP-IA-0085	147,000	147,000
CDG - Neighborhood Stabilization	14.256	08-NSP-020	1,193,337	246,781
ARRA - Homeless Prevention and Rapid Re-Housing	14.257	S09-MY-19-0004	536,843	127,314
Fair Housing Assistance Program	14.401	FF207K107012	30,633	30,633
	14.401	N/A	100,000	7,620
Leased Housing Authority Grant	14.871	IA024VO	6,036,817	6,036,817
Lead Based Paint Hazard Control/HUD	14.900	IALHB038808	2,431,876	318,301
				8,517,472
Iowa Department of Economic Development:				
Community Development Block Grant - Business Disaster Recovery	14.228	08-DRBSC-201	16,000,000	2,368,772
	14.228	08-DRB-001	15,300,000	51,362
	14.228	08-DRB-201	66,000,000	23,502,441
Community Development Block Grant - Housing Disaster Recovery	14.228	08-DRH-208	51,485,393	6,425,327
	14.228	08-DRH-008	35,427,770	2,568,397
Community Development Block Grant - Disaster Recovery Infrastructure	14.228	08-DRI-213CR	6,495,400	975,624
	14.228	08-DRI-216CR	8,922,700	350,088
	14.228	08-DRIEF-297	7,370,000	742,960
	14.228	08-DRIEF-200CR	9,085,000	105,604
	14.228	08-DRIEF-293	395,285	43,486
Community Development Block Grant - Property Acquisition	14.228	08-DRHB-229	166,865,594	30,049,229
	14.228	08-DRMH-263	1,727,879	2,562
				67,185,852
Total U.S. Department of Housing and Urban Development				75,703,324
U.S. Department of Justice:				
Direct:				
Bulletproof Vest Program	16.607	N/A	5,134	1,404
COPS Universal Hiring Award	16.710	2010UMWX0098	235,132	64,218
Equitable Sharing Program	16.922	N/A	N/A	77,110
				142,732
Governor's Office				
Interdiction	16.710	10-HotSpots/Interdiction-06	8,467	8,052
Linn County, Iowa:				
EUDL	16.727	JB-F09-06	16,000	4,250
	16.727	JB-F09-06	10,000	5,316
				9,566

(Continued)

CITY OF CEDAR RAPIDS, IOWA  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
FISCAL YEAR ENDED JUNE, 30, 2012

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
Iowa Department of Public Safety: ARRA - Internet Crimes Against Children	16.800	N/A	3,000	<u>3,000</u>
Total U.S. Department of Justice				<u>163,350</u>
U.S. Department of Transportation:				
Direct:				
Airport Improvement Program	20.106	3-19-0012-37	5,472,358	13
	20.106	3-19-0012-40	586,445	252,943
	20.106	3-19-0012-43	663,831	201,283
	20.106	3-19-0012-44	6,442,013	406,232
Bus Department Grants	20.507	IA-90-X379-00	2,410,327	2,410,327
	20.507	IA-90-X235-01	320,158	67,468
	20.507	IA-90-X304-00	2,547,282	107,026
	20.507	IA-95-X006-00	23,375	23,375
	20.507	IA-95-X010-00	105,709	105,709
				<u>3,574,376</u>
Iowa Department of Transportation:				
Highway Planning and Construction				
	20.205	STP-U-1187(703)--70-57	404,000	73,152
	20.205	STP-A-1187(750)--86-57	252,000	5,534
	20.205	STP-A-1187(713)--86-57	312,000	7,692
	20.205	STP-A-1187(754)--86-57	163,680	3,016
	20.205	BRM-1187(665)--8N-57	1,500,000	3,887
	20.205	HDP-1187(694)--71-57	2,093,961	23,557
	20.205	BRM-1187(681)--8N-57	1,000,000	418,610
	20.205	STP-ES-1187(698)--81-57	870,000	3,906
	20.205	SRTS-U-1187(745)-8U-57	145,791	61
	20.205	SRTS-U-1187(746)-8U-57	67,011	42,625
	20.205	SRTS-U-1187(755)-8U-57	132,353	8,662
	20.205	ER-1187(723)--8R-57	73,415	2,342
	20.205	ER-1187(726)--8R-57	48,500	715
	20.205	ER-1187(729)--8R-57	145,128	2,935
	20.205	ER-1187(730)--8R-57	73,558	3,368
	20.205	ER-1187(737)--8R-57	102,928	5,843
	20.205	STP-I-1187(705)--70-57	640,000	2,306
	20.205	NHSX-100-1(56)--8S-57	1,134,194	129,683
	20.205	NHSX-100-1(59)--3H-57	2,318,849	353,370
ARRA - Highway Planning and Construction	20.205	ESP-100-1(61)--2S-57	2,832,566	1,526,550
Bus Department Grants	20.500	IA-04-0113-118-10	832,878	312,010
	20.500	IA-04-0113-118-11	885,648	871,603
	20.513	IA-16-X002-118-12	81,504	81,504
	20.516	IA-37-X017-118-11	202,822	38,629
	20.516	IA-37-X022-118-12	205,458	162,549
	20.521	IA-57-X001-118-11	56,232	13,717
	20.521	IA-57-X001-118-12	68,749	37,288
				<u>4,135,114</u>
Iowa Department of Public Safety:				
Alcohol Incentive Grant				
	20.600	11-410, Task 12	46,250	16,925
	20.600	11-410, Task 14	33,100	27,785
				<u>44,710</u>
Total U.S. Department of Transportation				<u>7,754,200</u>
U.S. Environmental Protection Agency:				
Iowa Finance Authority				
Capitalization Grants for Clean Water State Revolving funds	66.458	C0086R/C0392R	537,443	<u>537,443</u>
Total U.S. Environmental Protection Agency				<u>537,443</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
FISCAL YEAR ENDED JUNE, 30, 2012

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Energy:				
Direct:				
ARRA - Energy Efficiency Conservative Block Grant	81.128	DE-SC0002598	1,290,900	<u>211,746</u>
Office of Energy Independence:				
ARRA - Energy Efficiency Conservative Block Grant	81.128	EECBG 10-3481	474,533	24,467
	81.128	SEP 10-9421	63,037	63,037
	81.128	SEP 11-33993	114,000	<u>80,157</u>
				<u>167,661</u>
Total U.S. Department of Energy				<u>379,407</u>
U.S. Department of Health and Human Services:				
Iowa Department of Public Health:				
Dental Grant	93.994	588-1P-101	8,000	6,646
STD Grant	93.977	588-1P-101	2,000	1,338
Disease Control & Prevention Grants	93.283	588-1P-101	11,600	9,486
Drug Abuse Information Grant	93.959	588-1P-101	282,395	<u>273,749</u>
				<u>291,219</u>
Division of Health Protection:				
Health Protection Grant/Immunization	93.268	588-1P-101	20,000	17,409
Health Protection Grant/Immunization	93.940	588-1P-101	4,250	<u>2,843</u>
				<u>20,252</u>
Total U.S. Department of Health and Human Services				<u>311,471</u>
U.S. Department of Homeland Security:				
Direct:				
FEMA Firefighter Assistance	97.044	EMW02010-FO-09727	357,125	224,606
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS0208HSLR053	37,404	<u>37,404</u>
				<u>262,010</u>
Iowa Homeland Security & Emergency Management:				
State Homeland Security Program	97.004	FY 2009	222,500	127,192
	97.004	FY 2010	167,510	102,934
	97.004	N/A	10,462	<u>10,462</u>
				<u>240,588</u>
Iowa Department of Economic Development:				
FEMA	97.036	FEMA-IA-DR1763	344,689,851	24,666,288
Hazard Mitigation Grant Program	97.039	HMGP-DR-1763-0063-01	7,438,879	7,685
	97.039	HMGP-DR-1763-0150-01	15,688,614	<u>292,363</u>
				<u>24,966,336</u>
Total U.S. Department of Homeland Security				<u>25,468,934</u>
Total Expenditures of Federal Awards				<u><u>123,819,303</u></u>

See Notes to Schedule of Expenditures of Federal Awards

City of Cedar Rapids, Iowa

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cedar Rapids, Iowa and the Eastern Iowa Airport discretely presented component unit for the year ended June 30, 2012. The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to the 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 for expenditures/expenses funded through federal awards.

**Note 3. Subrecipients**

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	\$ 357,728
Community Development Block Grant	14.228	29,643,013
HOME	14.239	39,900
ARRA - Homeless Prevention Program	14.257	126,650
Lead Based Paint Abatement Program	14.900	169,324
Hazard Mitigation Grant Program	97.039	7,366

**City of Cedar Rapids, Iowa**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2012**

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Comment Number	Comment	Status	Corrective Action or Other Explanation
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None reported



**CEDAR RAPIDS**

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City of Five Seasons®



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa (City) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 20, 2012. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of Cedar Rapids Public Library Foundation, a discretely presented component unit, as described in our report on the City's financial statements. The financial statements of Cedar Rapids Public Library Foundation were not audited in accordance *Government Auditing Standards*.

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

**Internal Control over Financial Reporting**

Management of the City 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 of Cedar Rapids, Iowa's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

## **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*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2012 are based exclusively on the knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based upon tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretation of those statutes.

We noted certain matters that we reported to management of the City in a separate letter dated December 20, 2012.

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

A handwritten signature in cursive script that reads "McGladrey LLP".

Davenport, Iowa  
December 20, 2012



**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 Cedar Rapids, Iowa  
Cedar Rapids, Iowa

**Compliance**

We have audited the compliance of City of Cedar Rapids, Iowa (City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control over Compliance**

Management of the City of Cedar Rapids, Iowa 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, as described in the accompanying schedule of findings and questioned costs as item 12-III-A. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the findings identified in our audit is 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, the Mayor and City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Davenport, Iowa  
December 20, 2012

**City of Cedar Rapids, Iowa**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012**

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**I. Summary of 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 programs:**

CFDA Number	Name of Federal Program or Cluster
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**Highway Planning and Construction:**

20.205	ARRA - Highway Planning and Construction
20.205	Highway Planning and Construction

**14.228 Community Development Block Grant**

**Community Development Block Grant/Entitlement Grants Cluster:**

14.218	Community Development Block Grant
14.253	ARRA - Community Development Block - Recovery

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?

- Yes  No

(Continued)

**City of Cedar Rapids, Iowa**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2012**

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**II. Findings Related to the Basic Financial Statements**

**Internal Controls**

None reported.

**Instances of Noncompliance**

None reported.

**III. Findings and Questioned Costs for Federal Awards**

**Significant Deficiency**

**12-III-A**

**U.S. Department of Housing and Urban Development  
Passed Through the Iowa Department of Economic Development  
Community Development Block Grant Property Acquisition Grant (CFDA 14.228)  
Federal Award Year 2011**

Finding: The City did not have an adequate system in place to accurately capture all the federal grant expenditures on the schedule of expenditures of federal awards that were recorded in the fiscal year ended June 30, 2011 general ledger.

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

Condition: The City excluded approximately \$1,800,000 of expenditures to the Community Development Block Grant Property Acquisition Grant as a result of expenditures being coded to the incorrect project accounts in the schedule of federal awards as of June 30, 2011.

Context: Pervasive to the CDBG Program.

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

Cause: All project codes including federal expenditures were not included on the fiscal year ended June 30, 2011 schedule of expenditures of federal awards.

Recommendation: We recommend the City implement additional steps to ensure all projects and expenditures for federal programs are reported on the schedule of expenditures of federal awards.

City's Response and Corrective Action Plan: The City discovered the omission of expenditures on the June 30, 2011 schedule of federal awards through a grant reconciliation process. The City has implemented procedures to improve timeliness of this grant reconciliation so that it is done at minimum on a monthly basis. The City has also revised the June 30, 2011 data collection form to adjust for these excluded expenditures.

**Instances of Noncompliance**

None reported.

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2012**

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

**12-IV-A: Certified Budget:** Expenditures for the year ended June 30, 2012 did not exceed the amount budgeted in any of the City's functions.

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

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

**12-IV-D: Business Transactions:** No business transactions between the City and City officials or employees were noted.

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

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

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

**12-IV-H: Revenue Notes:** No instances of noncompliance with the outstanding revenue bonds provisions were noted.

**City of Cedar Rapids, Iowa**

**Corrective Action Plan  
Year Ended June 30, 2012**

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Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
12-III-A	The City did not have an adequate system in place to accurately capture all the federal grant expenditures on the schedule of expenditures of federal awards as of June 30, 2011.	See corrective action plan at 12-III-A.	Casey Drew, Finance Director	June 30, 2013