



# **CITY OF BETTENDORF, IOWA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2012**

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





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**Fiscal year 2012/2013 Budget**

**ROBERT S. GALLAGHER, MAYOR**

Lisa M. Brown  
ALDERMAN AT LARGE

Dean Mayne  
FIRST WARD ALDERMAN

Debe L. LaMar  
THIRD WARD ALDERMAN



Gregory P. Adamson  
FOURTH WARD  
ALDERMAN

Timothy A. Stecker  
ALDERMAN AT LARGE

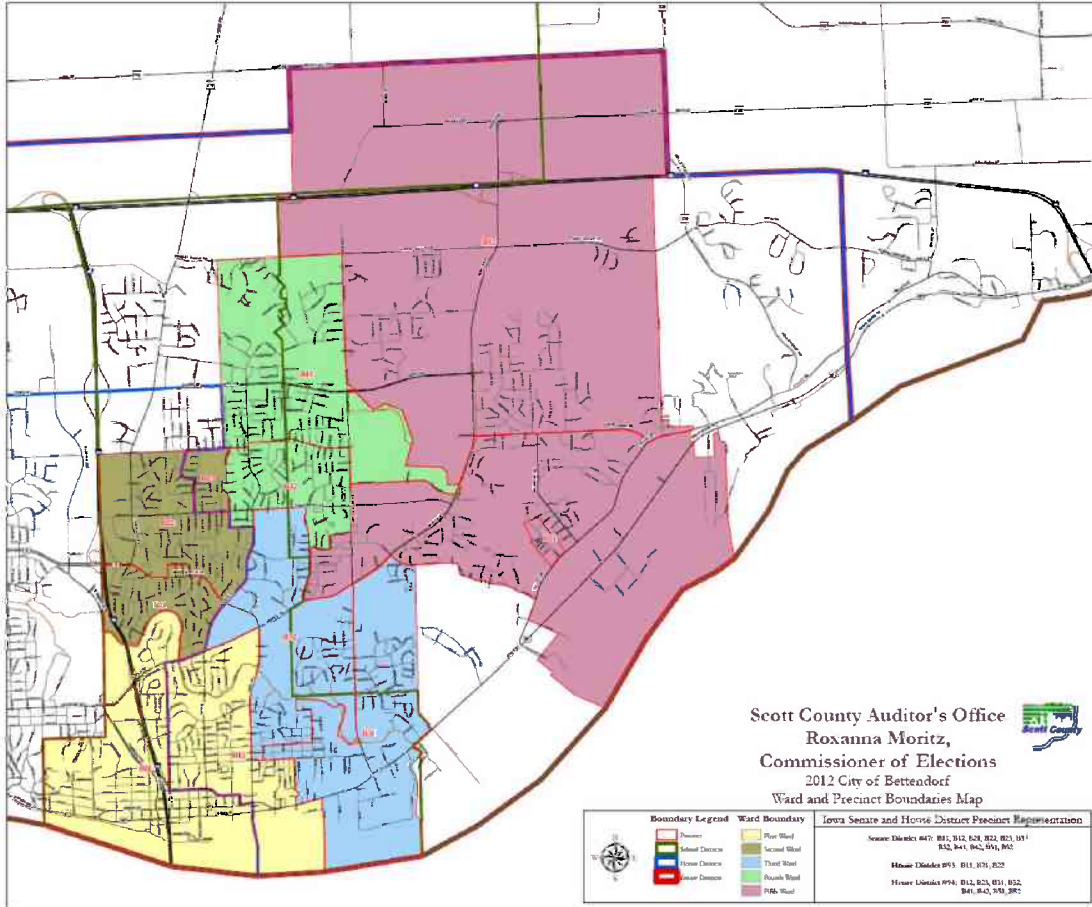
Scott R. Naumann  
SECOND WARD  
ALDERMAN

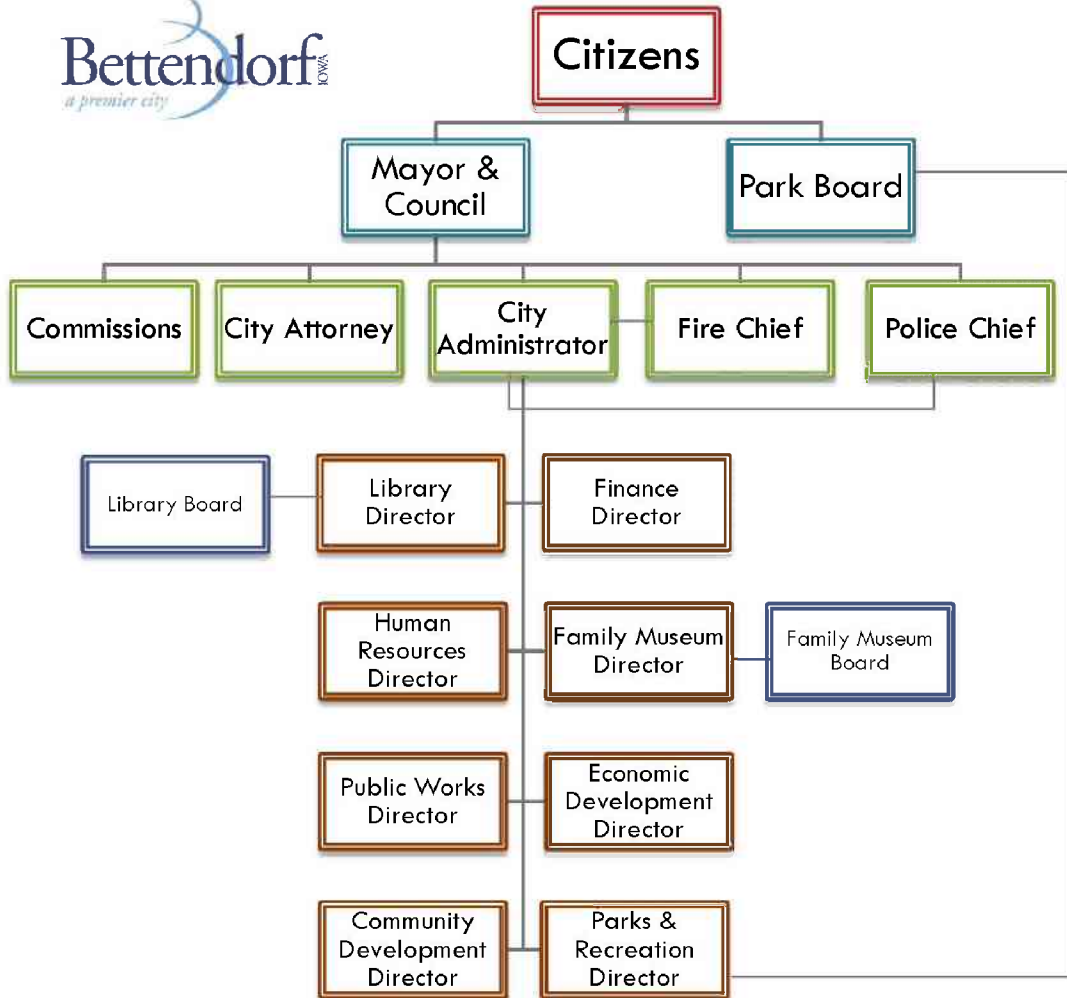
James A. Stewart  
FIFTH WARD ALDERMAN

DECKER P. PLOEHN, CITY ADMINISTRATOR

**DEPARTMENT HEADS**

- Carol A. Barnes ..... Finance Director
- William M. Connors..... Community Development Director
- Steven M. Grimes ..... Parks & Recreation Director
- Gregory S. Jager ..... City Attorney
- Margaret L. Kuhl..... Family Museum Director
- Philip J. Redington ..... Police Chief
- Kathleen M. Richlen..... Human Resources Director
- Brian R. Schmidt..... Public Works Director
- Elisa F. Topper..... Library Director
- Steven J. Van Dyke ..... Economic Development Director
- Gerald A. Voelliger, Jr. .... Fire Chief







Bettendorf IOWA

*a premier city*





November 26, 2012

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for fiscal year ended June 30, 2012.

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 of Bettendorf'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.

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

**Profile of the Government**

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

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

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

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

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

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

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

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

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

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

## **Local Economy**

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

**Employment Data:** The Quad-Cities has been historically known as an industrial, retail/service and transportation center. During the 1980's and 1990's the economy shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. By 1990 manufacturing had declined to 18% and remains about 18% today. As of June, 2012 service providing occupations have grown to make up 81.5% of the Quad Cities workforce. The portion of government sector jobs has remained fairly even at 16.2% in 1980, to 16% in 1990 and 15% in 2012.

The labor force in the Quad Cities MSA was 205,200 as of June, 2012, which was a 4% increase from the 2002 annual average figure of 197,159. The labor force for Scott County was 88,510 in June, 2012, which was a 1.5% increase over the 2002 annual average labor force of 87,160 for the County. Unemployment figures for the Quad Cities MSA hit a high of 14.8% in 1983. Unemployment has steadily declined in Bettendorf since that spike in the mid-eighties. As of June, 2012 at 5.3% of the Bettendorf workforce was unemployed. This is the lowest in the Quad Cities MSA which remained at 6.9%, and is well below the national average of 8.4% for the same period. Unemployment rates in Bettendorf remain lower than in surrounding cities and the nation due in part to the creation of jobs in the service sectors and the manufacturing of non-durable goods. The total number of jobs in Bettendorf increased significantly between 1980 and 2000 and continues to see steady increases today. Of the 17,980 in the current labor force, 17,030 were employed in June, 2012. During the state fiscal year ending June 30, 2012, Bettendorf's retail market generated \$315,660,424 in annual sales.

**New Housing Starts:** Construction of new homes in Bettendorf has remained strong over the last decade despite the recent downturn of the national economy and the Quad Cities remains one of the most affordable housing markets in the country. Bettendorf was recently voted as the "10<sup>th</sup> Best Places for Affordable Homes" in the nation by CNNMoney.com. During fiscal year 2012, 1,236 building permits were issued for investment in new construction and renovation totaling \$67,240,197. In 2012 the average selling price for a new or existing home in Bettendorf averaged \$272,000 through June 30th, while in Davenport it averaged \$128,700 for the same period. Over the last decade, 1,480 dwelling units have been constructed within Bettendorf city limits.

**Education:** There are two public school systems serving the City of Bettendorf. The Bettendorf Community School District has six elementary schools, one middle school and one high school with a total enrollment of 4,602 in the 2011/2012 school year. The Pleasant Valley Community School District has four elementary schools, a junior high and one high school with enrollment totaling 4,192 in the 2011/2012 school year. There are also two private schools in Bettendorf. Lourdes Catholic elementary serves pre-kindergarten students and about 300 kindergarten through eighth grade students. Rivermont Collegiate, an independent college preparatory day school provides a preschool through 12<sup>th</sup> grade with enrollment of approximately 260. The City's school districts consistently rank in the top ten school districts in the state. 95.9% of Bettendorf's population over age 25 have graduated from high school or have attained higher education degrees compared to the national average of 89.6%.

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

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

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

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

**Economic Development:** In support of existing businesses, and to attract businesses from outside the region, the City’s Economic Development Department administers a Tax Increment Financing (TIF) program. Over the last sixteen years 24 projects totaling just under \$153 million have taken place. Roughly \$2.4 million in annual property taxes will be paid to the city once the TIF incentives have ended, while the region will receive another \$3.9 million. With the number of jobs created or retained numbering over 2,000, annual payroll is estimated at just under \$53 million.

With the assistance of the Mayor, City Council and the Bettendorf Development Corporation, the City is undertaking the large effort of developing the I-80 & Middle Road Corridor. This long range plan is expected to create 10,000 new dwelling units, 5.75 million square feet of commercial and 4 million square feet of retail space, 10,500 new office jobs, 6,000 retail jobs, nearly double the current assessed value of the community and add annual payroll of \$550 million. The City recently sold an option to a regional developer, Raufeisen Development, Inc., for the northeast quadrant which includes 117 acres.

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

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

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

Total fund equity in the General Fund totals \$5.61 million and equates to 25.04% of total General Fund expenditures and transfers. This current percentage of fund balance slightly exceeds the City Council’s policy guidelines of a range of 20-25% for budgetary and planning purposes. The Council has budgeted to maintain that fund balance for FY 12/13. During these challenging economic times, retaining the current level of fund balance is important.

Recent years’ budget processes have faced the many challenges presented by the current local, state and national economies, including: state-shared revenue reductions; loss of investment income due to lower returns in the current markets; state-mandated increases in public safety pension costs; increasing costs of health care; and increasing costs of liability and property insurance. Future budgets will challenge the City to continue current services within the current revenue and expenditure structure.

As part of the City’s Capital Improvement plan for FY 2012/13, the City plans to issue \$9 million in General Obligation bonds for various street and infrastructure projects throughout the City. Maintenance and expansion of the City’s infrastructure (such as streets, sidewalks, sewers, storm water projects, bridges, and traffic signals) remain a major priority of the City. The City annually adopts a five-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs. The major source of funds for the program is general obligation bonds, which are primarily financed from an unlimited debt service property tax levy and local option sales tax receipts. The

City leverages its program commitment with available grants from the federal and state governments and private sector partnerships.

### **Relevant Financial Policies**

The City of Bettendorf has a formal cash reserve and fund balance policy that establishes minimum year end balances to ensure sufficient cash flow throughout the upcoming fiscal year. Planned draw downs of cash reserves below the minimum level is acceptable for one-time occurrences if the intent is made to return to the minimum cash reserve level as quickly as possible. During FY 2008/09 there was a significant shortage of road salt in the Midwest, and as a result, the cost of road salt nearly doubled. In an effort to minimize the affects of such price fluctuations during the FY 2009/10 season, the council participated in an early "off-season" joint salt bid with other surrounding municipalities and authorized an advance purchase of salt for FY 09/10 during the spring of 2009. As a result, cash reserves in the Road Use Fund were significantly reduced to \$212,000 during FY 08/09, and the ending fund balance dropped to less than 7% of annual operating expenses. The Council is now focusing on building those reserves back up to a minimum level of 20-25% of annual operating expenses, and at 6/30/12 the ending fund equity increased to \$575,172 or 17.7% of annual operating expenses.

### **Major Initiatives**

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

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

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

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

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

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

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

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

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

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

Riverside Development Park. Over the last 10 years nearly \$16 million of development has occurred in this corridor. Olympic Steel, Grafc0 (now Berry Plastics), LeClaire Manufacturing and John M. Frey have expanded. Only 29 acres of the original 100+ acre site remains in the ownership of Kansas City Life Insurance Company. A second private industrial park is now under construction providing for another eleven smaller businesses to grow and prosper.

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

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

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

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

Centre Pointe. Four commercial buildings valued at \$8 million were constructed several years ago and are over 75% leased. The renovation of the original section of Cumberland Square Shopping Center is expected to be completed the spring of 2013.

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

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

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

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

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

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

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

#### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bettendorf, Iowa for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the twenty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Bettendorf also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2012. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. This was the seventeenth consecutive year that the City has received this award.

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

Respectfully submitted,



Decker P. Ploehn  
City Administrator



Carol A. Barnes  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bettendorf  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 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. Danson*

President

*Jeffrey R. Enos*

Executive Director





## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bettendorf, Iowa (City) 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14, other postemployment benefit information on page 63 and budgetary comparison information on pages 64 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Bettendorf, Iowa's basic financial statements. The accompanying combining nonmajor fund financial statements and other statements, listed in the table of contents as supplementary information, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 financial statements as a whole.

Our audits were conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*McGladrey LLP*

Davenport, Iowa  
November 26, 2012

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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

#### Financial Highlights

- The assets of the City of Bettendorf exceeded its liabilities as of June 30, 2012 and 2011 by \$115,798,578 and \$111,726,137 (net assets), respectively. Of this amount, \$11,353,714 and \$15,913,810 (unrestricted net assets), respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,072,441 and \$1,506,126 during the years ended June 30, 2012 and 2011, respectively.
- As of June 30, 2012, the City of Bettendorf's governmental funds reported combined ending fund balances of \$23,235,837, an increase of \$7,411,569 in comparison with 2011. Approximately 21 percent of this total amount, \$4,922,774, is available for spending at the government's discretion (unassigned fund balance). As of June 30, 2011, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,824,268, a decrease of \$6,949,996 in comparison with 2010. Approximately 31 percent of this total amount, \$4,846,782, is available for spending at the government's discretion (unassigned fund balance).
- As of June 30, 2012, fund balance for the General Fund was \$5,612,496 or 30 percent of total General Fund expenditures and transfers out and \$5,444,323 or 25 percent for 2011.
- The City of Bettendorf's total long-term debt, excluding compensated absences, increased by \$13,035,000 (12 percent) during the fiscal year ended June 30, 2012. This increase, which is net of scheduled debt payments on outstanding debt in the current year, is primarily due to the City issuing \$20,825,000 of general obligation debt during the current year, including \$6,835,000 in crossover refunding bonds.

#### Overview of the Financial Statements

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

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

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

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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

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

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

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

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

The City of Bettendorf maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Tax Increment Financing Fund, Debt Service Fund and Capital Projects Reserve Fund, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Bettendorf's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency funds. The total assets held in the fiduciary fund as of June 30, 2012 were \$50,695.

**Notes to basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have increased from a year ago from \$111,726,137 to \$115,798,578.

By far the largest portion of the City of Bettendorf's net assets (82 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Bettendorf uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bettendorf's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012**

	<b>City of Bettendorf's Net Assets</b>					
	<b>Governmental Activities 2012</b>	<b>Governmental Activities 2011</b>	<b>Business-Type Activities 2012</b>	<b>Business-Type Activities 2011</b>	<b>Total 2012</b>	<b>Total 2011</b>
Current and other assets	\$ 55,715,312	\$ 47,768,712	\$ 12,506,666	\$ 11,264,887	\$ 68,221,978	\$ 59,033,599
Capital assets	140,614,748	132,504,423	61,398,206	59,664,869	202,012,954	192,169,292
<b>Total assets</b>	<b>196,330,060</b>	<b>180,273,135</b>	<b>73,904,872</b>	<b>70,929,756</b>	<b>270,234,932</b>	<b>251,202,891</b>
Noncurrent liabilities	84,715,968	74,941,811	24,397,658	25,782,617	109,113,626	100,724,428
Other liabilities	38,849,124	34,149,020	6,473,604	4,603,306	45,322,728	38,752,326
<b>Total liabilities</b>	<b>123,565,092</b>	<b>109,090,831</b>	<b>30,871,262</b>	<b>30,385,923</b>	<b>154,436,354</b>	<b>139,476,754</b>
Net assets:						
Invested in capital assets, net of related debt	58,511,165	59,344,680	36,793,296	32,364,445	95,304,461	91,709,125
Restricted	9,140,403	4,103,202	-	-	9,140,403	4,103,202
Unrestricted	5,113,400	7,734,422	6,240,314	8,179,388	11,353,714	15,913,810
<b>Total net assets</b>	<b>\$ 72,764,968</b>	<b>\$ 71,182,304</b>	<b>\$ 43,033,610</b>	<b>\$ 40,543,833</b>	<b>\$ 115,798,578</b>	<b>\$ 111,726,137</b>

The City of Bettendorf's total assets increased by \$19,032,041 or 8 percent from 2011 to \$270,234,932. The largest portion of this increase is related to the continued investment in capital assets and infrastructure within the City. Current and other assets increased from fiscal year 2011 due to the use of U.S. Government securities on deposit with an escrow agent to pay long-term debt of the City. Total liabilities of the City of Bettendorf increased by \$14,959,600 or 11 percent from 2011 to \$154,436,354. Noncurrent liabilities increased by \$8,389,198 with the issuance of new general obligation debt for various public improvements and crossover refunding. Other liabilities increased by \$6,570,402 with the planned payment of long-term debt due within fiscal year 2013.

An additional portion of the City of Bettendorf's net assets (9 percent for 2012 and 4 percent for 2011) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$11,353,714 for 2012 and \$15,913,810 for 2011, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Bettendorf is able to report positive balances in all three categories of net assets for the government as a whole.

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

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

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012**

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

	City of Bettendorf's Changes in Net Assets					
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	2012	2011
	2012	2011	2012	2011		
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,138,475	\$ 1,072,157	\$ 9,811,545	\$ 9,653,054	\$ 10,950,020	\$ 10,725,211
Operating grants and contributions	3,846,570	4,091,197	1,718,908	1,385,105	5,565,478	5,476,302
Capital grants and contributions	2,591,192	2,347,583	1,442,622	1,164,821	4,033,814	3,512,404
General revenues:						
Property taxes	20,783,927	19,813,742	-	-	20,783,927	19,813,742
Tax increment financing	2,318,400	3,097,551	-	-	2,318,400	3,097,551
Other taxes	8,224,138	7,861,992	-	-	8,224,138	7,861,992
State shared revenues	55,985	56,641	-	-	55,985	56,641
Investment earnings	487,267	472,319	117,586	111,539	604,853	583,858
Miscellaneous and gain on sale of capital asset	575,421	776,158	514,174	532,720	1,089,595	1,308,878
<b>Total revenues</b>	<b>40,021,375</b>	<b>39,589,340</b>	<b>13,604,835</b>	<b>12,847,239</b>	<b>53,626,210</b>	<b>52,436,579</b>
<b>Expenses:</b>						
Public safety	10,097,643	10,119,472	-	-	10,097,643	10,119,472
Public works	8,118,410	9,722,377	-	-	8,118,410	9,722,377
Culture and recreation	5,050,752	4,857,215	-	-	5,050,752	4,857,215
Community and economic development	2,663,665	2,973,813	-	-	2,663,665	2,973,813
General government	4,004,959	3,699,119	-	-	4,004,959	3,699,119
Interest on long-term debt	3,018,316	3,041,880	-	-	3,018,316	3,041,880
Sewer utility	-	-	3,421,107	3,331,375	3,421,107	3,331,375
Family Museum of Arts & Science	-	-	1,910,145	2,016,226	1,910,145	2,016,226
Aquatic Center	-	-	573,613	499,827	573,613	499,827
Recycling/solid waste management	-	-	1,886,757	1,897,813	1,886,757	1,897,813
Palmer Hills Golf Course	-	-	1,151,787	1,177,573	1,151,787	1,177,573
Life Fitness Center	-	-	862,185	873,930	862,185	873,930
Stormwater utility	-	-	858,967	737,989	858,967	737,989
Transit	-	-	1,702,699	1,532,212	1,702,699	1,532,212
QC Waterfront Convention Center	-	-	3,789,859	4,025,930	3,789,859	4,025,930
Riverfront Circulator	-	-	442,905	423,702	442,905	423,702
<b>Total expenses</b>	<b>32,953,745</b>	<b>34,413,876</b>	<b>16,600,024</b>	<b>16,516,577</b>	<b>49,553,769</b>	<b>50,930,453</b>
<b>Increase (decrease) in net assets before transfers</b>						
	<b>7,067,630</b>	<b>5,175,464</b>	<b>(2,995,189)</b>	<b>(3,669,338)</b>	<b>4,072,441</b>	<b>1,506,126</b>
Transfers	(5,484,966)	(3,870,571)	5,484,966	3,870,571	-	-
<b>Increase in net assets</b>	<b>1,582,664</b>	<b>1,304,893</b>	<b>2,489,777</b>	<b>201,233</b>	<b>4,072,441</b>	<b>1,506,126</b>
Net assets, beginning	71,182,304	69,877,411	40,543,833	40,342,600	111,726,137	110,220,011
<b>Net assets, ending</b>	<b>\$ 72,764,968</b>	<b>\$ 71,182,304</b>	<b>\$ 43,033,610</b>	<b>\$ 40,543,833</b>	<b>\$ 115,798,578</b>	<b>\$ 111,726,137</b>

**City of Bettendorf, Iowa**

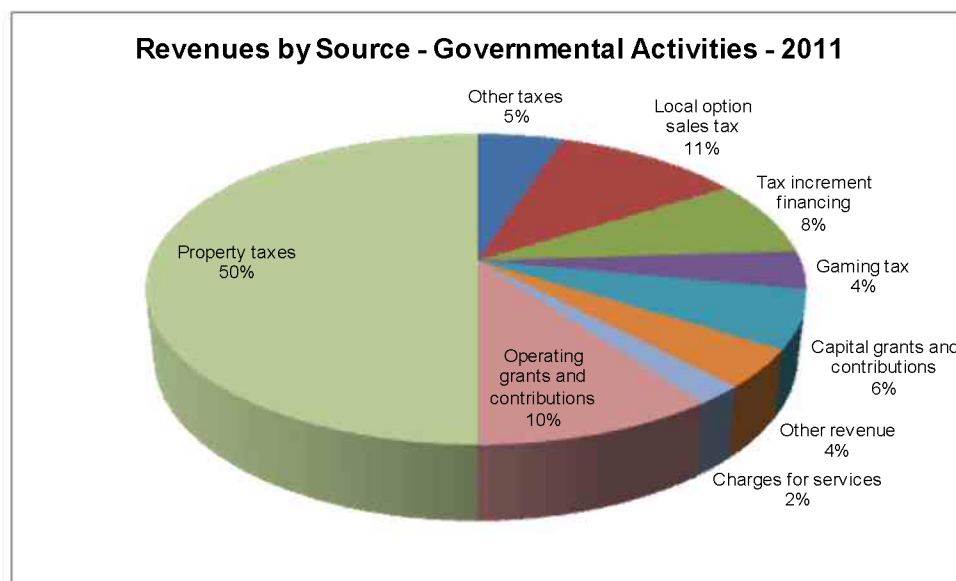
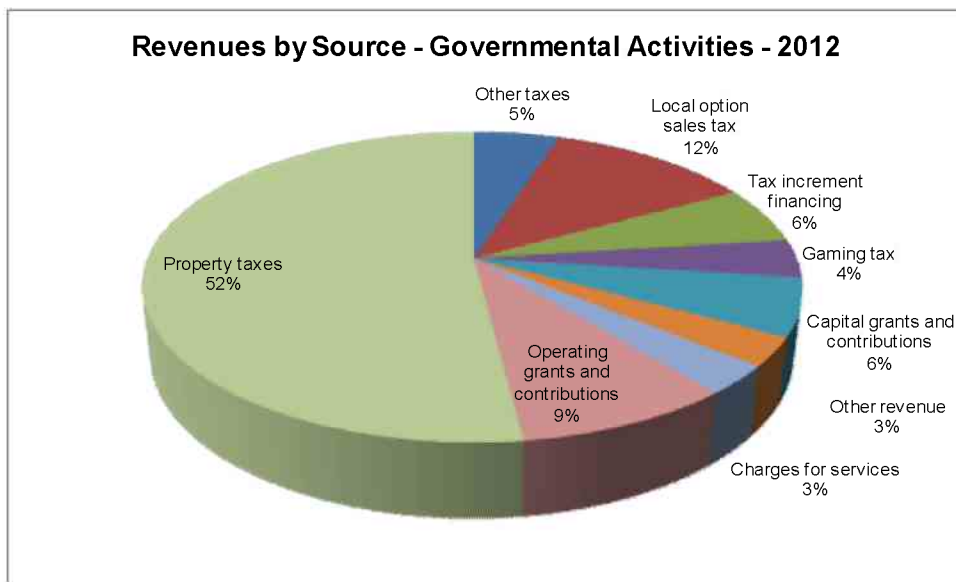
**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012**

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Total governmental activities' revenue for fiscal year 2012 was \$40,021,375 and for 2011 was \$39,589,340. The largest single revenue source for the City was property and TIF taxes of \$23,102,327 for 2012 and \$22,911,293 for 2011. Property and TIF taxes increased by \$191,034 from 2011 (0.8 percent) and \$112,259 from 2010 (0.5 percent). Most of the increase for 2012 and 2011 is a result of increased property tax values and increases in tax increment financing.

Certain revenues are generated that are specific to governmental program activities. These totaled \$7,576,237 for 2012 and \$7,510,937 for 2011.

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



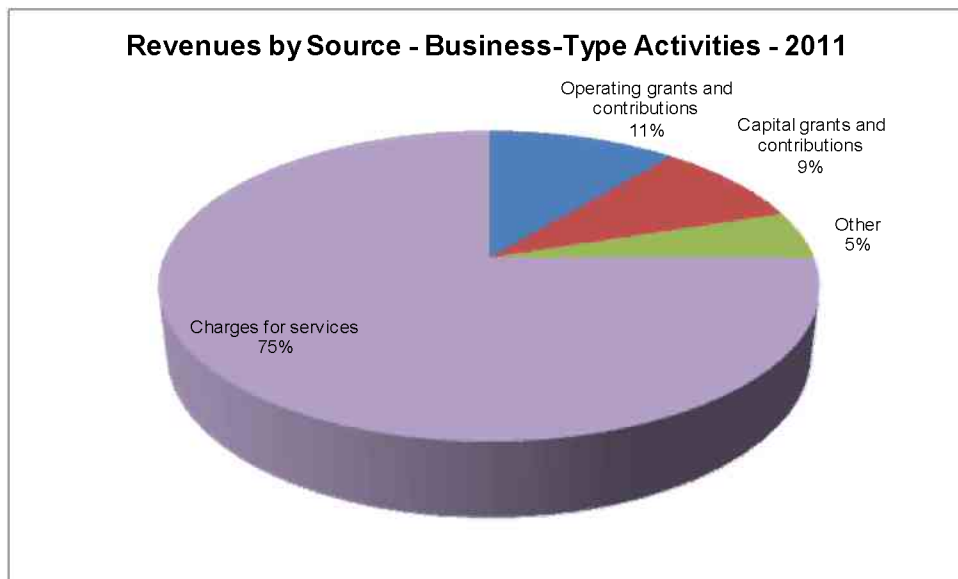
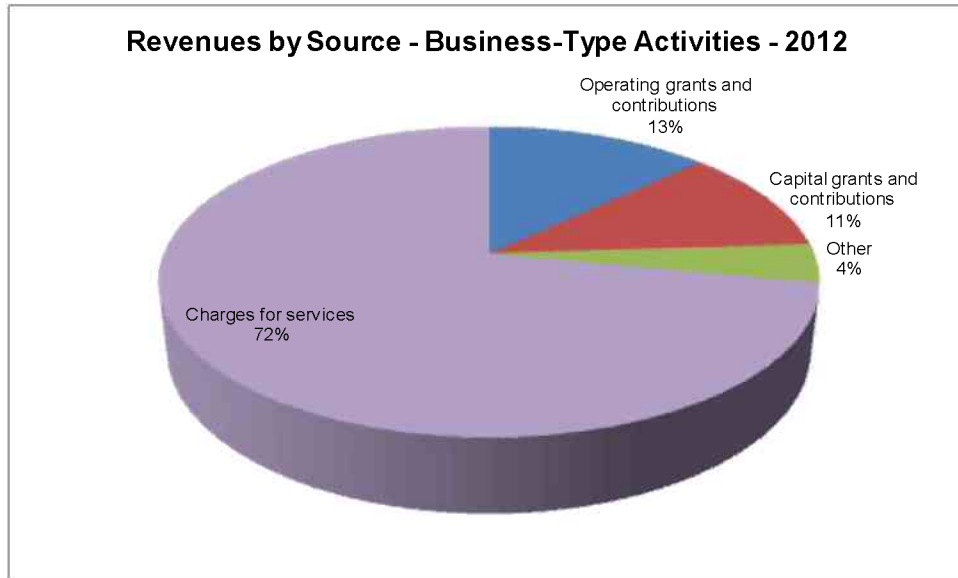
Total business-type activities' revenue for fiscal year 2012 was \$13,604,835 and for 2011 was \$12,847,239. All but \$631,760 for 2012 and \$644,259 for 2011 of this revenue was generated for specific business-type activity expenses.



Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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



**Business-type activities.** Business-type activities increased the City of Bettendorf's net assets by \$2,489,777 in 2012. Key elements of this increase are as follows:

- Stormwater Utility increased \$483,030 mainly due to increased capital contributions of stormwater areas in new subdivisions built by developers.
- Family Museum of Arts & Science increased \$567,472 due to capital project grants and fundraising and transfers in from the Capital Projects Fund for a major renovation of the exhibit hall.
- Palmer Hills Golf Course increased \$1,468,206 due to transfers in from the Local Option Sales Tax Fund to install a new irrigation system at the golf course.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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For the fiscal year ended 2011, business-type activities increased the City of Bettendorf's net assets by \$201,233. Key elements of this increase are as follows:

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

### Financial Analysis of the Government's Funds

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

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

As of June 30, 2012, the City of Bettendorf's governmental funds reported combined ending fund balances of \$23,235,837, an increase of \$7,411,569 in comparison with 2011. Approximately 21 percent of this total amount \$4,922,774, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

As of June 30, 2011, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,824,268, a decrease of \$6,949,996 in comparison with 2010. Approximately 31 percent of this total amount \$4,846,782, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

The General Fund is the chief operating fund of the City of Bettendorf. The unassigned fund balance of the General Fund was \$5,064,398 for 2012 while total fund balance was \$5,612,496. The unassigned fund balance of the General Fund was \$5,157,680 for 2011 while total fund balance was \$5,444,323. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2012, unassigned fund balance represents 27 percent of total General Fund expenditures, while total fund balance represents 30 percent of that same amount. For 2011, unassigned fund balance represents 29 percent of total General Fund expenditures, while total fund balance represents 30 percent of that same amount.

The fund balance of the City of Bettendorf's General Fund increased by \$168,173 for 2012 and decreased by \$657,380 for 2011. The net increase in fund balance during the current year was due to operating expenditures being less than revenues.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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The Tax Increment Financing Fund (TIF) has a total fund balance deficit of \$141,624 for 2012 and fund balance deficit of \$310,898 for 2011. The net increase in fund balance during the current year in the Tax Increment Fund was \$169,274 due to several projects with TIF advances being paid down.

The Debt Service Fund has a total fund balance of \$7,306,137 for 2012 and \$607,182 for 2011. The net increase in fund balance during the current year in the Debt Service Fund was \$6,698,955 due to the 2012A and 2012B refunding issues due to be paid out in fiscal year 12/13, fiscal year 13/14 and fiscal year 14/15.

The Capital Projects Reserve Fund has a total fund balance of \$5,931,515 for 2012 and \$4,869,416 for 2011. The Capital Projects Reserve Fund had a net increase in fund balance in the current year of \$1,062,099. The net increase in fund balance is primarily a net result of issuing bonds in the amount of \$11.845 million, federal grants of \$1.2 million and other revenues offset by capital project expenditures of \$12.3 million.

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

Unrestricted net assets of the Sewer Utility were \$2,937,656 as of June 30, 2012 and \$609,075 as of June 30, 2011; those for the QC Waterfront Convention Center were \$1,331,885 for 2012 and \$962,660 for 2011; and those for the Stormwater Utility were \$1,237,014 and \$22,056 for 2012 and 2011, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bettendorf's business-type activities.

### Budgetary Highlights

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These 10 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. Function expenditures/expenses required to be budgeted include expenditures for the General Fund, special revenue funds, Debt Service Fund, capital projects funds and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. The budget amendments are reflected in the final budgeted amounts.

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

- The total original revenue budget of \$58,236,754 was decreased to \$58,055,770 (a decrease of \$180,984).
- The total original expenditure budget of \$70,949,116 was increased to \$76,197,619 (an increase of \$5,248,503).
- The total original budget for other financing sources, net of \$10,801,500 was increased to \$19,844,259.

The budget amendment was primarily due to increased bond proceeds for additional projects and refinancing of bonds, reduced charges for services, reduced interest earnings and increased miscellaneous revenue offset by refinancing of bonds and increased capital projects.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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During the year, however, revenues, excluding transfers, were less than budgetary revenues by \$916,704. This was primarily attributable to miscellaneous revenues (mainly in the Capital Projects Fund and the QC Waterfront Convention Fund) being less than budgeted amounts.

Expenditures were less than budgetary expenditures by \$7,371,059 primarily due to capital projects that were budgeted but not completed during the year and debt service payments on refunded debt that was budgeted but paid after the year-end.

See the Budgetary Comparison Schedule – All Governmental Funds and Proprietary Funds on pages 64 and 65.

### Capital Asset and Debt Administration

**Capital assets.** The City of Bettendorf's investment in capital assets for its governmental and business-type activities as of June 30, 2012 and 2011 amounts to \$202,012,954 and \$192,169,292 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements and equipment and vehicles.

Major capital asset events during fiscal year ended June 30, 2012, included the following:

- \$1,350,612 for paving Tanglefoot Road from Devils Glen Road to the Bus Barn.
- \$855,739 for paving Tanglefoot Road from the Bus Barn to Greenbrier Dr.
- \$1,321,387 for the installation of the Recreational Trail from I-74 to Duck Creek.
- \$795,361 for Alley repair and paving at various sites throughout the City.
- \$600,713 for street patching.
- \$522,160 for paving TenPlus Street from Central Avenue to 28<sup>th</sup> Street.
- \$434,677 for various vehicle replacements throughout the City.

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

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

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012**

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

	City of Bettendorf's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 8,736,414	\$ 8,736,414	\$ 2,692,465	\$ 2,692,465	\$ 11,428,879	\$ 11,428,879
Construction-in-progress	11,939,141	9,022,717	2,337,729	4,879,167	14,276,870	13,901,884
Buildings	21,643,656	21,340,640	35,245,574	35,193,284	56,889,230	56,533,924
Equipment and vehicles	19,510,740	18,925,736	14,997,784	14,695,378	34,508,524	33,621,114
Improvements other than buildings	149,828,810	140,720,572	47,476,003	41,523,738	197,304,813	182,244,310
Accumulated depreciation	(71,044,013)	(66,241,656)	(41,351,349)	(39,319,163)	(112,395,362)	(105,560,819)
<b>Total</b>	<b>\$ 140,614,748</b>	<b>\$ 132,504,423</b>	<b>\$ 61,398,206</b>	<b>\$ 59,664,869</b>	<b>\$ 202,012,954</b>	<b>\$ 192,169,292</b>

**Long-term debt.** As of June 30, 2012, the City of Bettendorf had total bonded debt outstanding of \$119,045,000. Of this amount, \$107,120,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Bettendorf's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	City of Bettendorf's Outstanding Debt General Obligation and Revenue Bonds					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 91,440,000	\$ 78,845,900	\$ 15,680,000	\$ 14,654,100	\$ 107,120,000	\$ 93,500,000
Revenue bonds	-	-	11,925,000	12,510,000	11,925,000	12,510,000
<b>Total</b>	<b>\$ 91,440,000</b>	<b>\$ 78,845,900</b>	<b>\$ 27,605,000</b>	<b>\$ 27,164,100</b>	<b>\$ 119,045,000</b>	<b>\$ 106,010,000</b>

The City of Bettendorf's total debt increased by \$13,035,000 (12 percent) during the current fiscal year. The key factor in this increase was due to the City issuing \$20,825,000 of general obligation debt during the current year, including \$6,835,000 in crossover refunding bonds in May and June 2012. This increase is net of other scheduled debt payments on outstanding debt in the current year.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The debt limitation for the City of Bettendorf for 2012 was \$148,329,037 and for 2011 was \$146,185,893, which is significantly in excess of the City of Bettendorf's outstanding general obligation debt of \$107,120,000 and \$93,500,000 for 2012 and 2011, respectively, and other debt subject to the debt limitation of \$11,925,000 and \$12,510,000, respectively.

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

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

- Property taxes continue to be the major revenue source for the City of Bettendorf. In fiscal year 12/13 property taxes will represent 31.40 percent of total City operating revenues, net of transfers. The City has seen increased reliance on property tax revenue over the last five years as a result of other revenue streams either decreasing or remaining relatively flat due to the current economy. The City has aggressively been establishing user fees in eight enterprise funds to help offset the cost of the City providing services to citizens when feasible.
- The City Council was very pleased to be able to decrease the levy rate \$.05 from \$12.60 per \$1,000/assessed valuation in fiscal year 11/12 to \$12.55 for fiscal year 12/13 in an effort to continue to keep property taxes low in the current state of the economy. The state mandated rollback on residential property increased from 46.9094 percent in fiscal year 10/11 to 48.5299 percent in fiscal year 11/12 and as a result, total taxable valuations increased \$84.34 million in fiscal year 11/12. However it should be noted that \$48.3 million or 57.2 percent of that increased taxable valuation came from new construction within the City and expired TIF values coming back on the regular tax rolls.
- The fiscal year 12/13 levy rate of \$12.55 per \$1,000/assessed valuation will generate \$22.1 million in property taxes. Effective with fiscal year 12/13, the City's General Fund Levy rate of \$7.55000 per \$1,000 assessed valuation reflects the consolidation of the City's separate levies for employee insurance benefits and pension costs into the general levy. The consolidation of levies was made in an effort to minimize the impact on the City of proposed legislation on a Property Tax Limitation bill. Favorably, this consolidation of levies allows management to retain the flexibility to reinstate the separate benefits levies at a future date. The combination of the remaining cushion under the \$8.10 cap and the ability to shift the levies results in total flexibility to raise an additional \$5.1 million in property tax revenue based on current taxable values. Bettendorf is one of only a handful of Cities in the State of Iowa to be below the State maximum \$8.10 General Fund levy cap.
- The City expects its tax base to continue to exhibit moderate growth given the ample availability of developable land and strong regional employment opportunities. Bettendorf, one of the Quad Cities of Iowa and Illinois, has experienced steady growth as evidenced by an increase both in population (6.2 percent since 2000) and full valuation. The City's full valuation, currently valued at \$3 billion, has grown steadily at an average annual rate of 3.9 percent over the past five years, though growth has slowed in the last couple years during the recession. The City expects continued growth in residential development, as approximately 35 percent of the City's land remains available and primarily zoned for housing construction.
- For fiscal year 12/13, the City's taxable valuation base (including TIF increment values) totals \$1.808 billion and the residential class of property represents 67.09 percent of that tax base.
- The City continues to benefit from a diverse regional employment base, which includes the Rock Island Arsenal, Deere & Company and Genesis Medical Center. Socioeconomic indicators are higher than national medians, with median family income levels at 136 percent (as a percent of the State) and 134 percent (as a percent of the U.S.), respectively, in the 2010 census. Unemployment levels, at 5.1 percent in February 2012, remain favorably below the national (at 8.7 percent) average for the same time period.

All of these factors were considered in preparing the City of Bettendorf's budget for fiscal year 12/13.

#### Requests for Information

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



Bettendorf IOWA

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City of Bettendorf, Iowa

Statement of Net Assets  
June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 12,173,851	\$ 4,599,326	\$ 16,773,177
Restricted cash and investments	-	1,349,019	1,349,019
Receivables:			
Property taxes	24,548,449	-	24,548,449
Accounts and unbilled usage	425,783	2,151,342	2,577,125
Accrued interest	40,933	2,454	43,387
Special assessments	22,476	196,110	218,586
Loans receivable	25,062	-	25,062
Due from other governments	1,969,293	1,047,834	3,017,127
Internal balances	888,349	(888,349)	-
Prepaid items	52,645	112,490	165,135
Inventories	7,437	-	7,437
<b>Total current assets</b>	<b>40,154,278</b>	<b>8,570,226</b>	<b>48,724,504</b>
Noncurrent assets:			
Restricted cash and investments	14,388,810	3,478,951	17,867,761
Bond issuance costs	1,172,224	457,489	1,629,713
Capital assets:			
Nondepreciable:			
Land	8,736,414	2,692,465	11,428,879
Construction-in-progress	11,939,141	2,337,729	14,276,870
Depreciable:			
Buildings and structures	21,643,656	35,245,574	56,889,230
Equipment and vehicles	19,510,740	14,997,784	34,508,524
Improvements other than buildings	149,828,810	47,476,003	197,304,813
Accumulated depreciation	(71,044,013)	(41,351,349)	(112,395,362)
<b>Net capital assets</b>	<b>140,614,748</b>	<b>61,398,206</b>	<b>202,012,954</b>
<b>Total noncurrent assets</b>	<b>156,175,782</b>	<b>65,334,646</b>	<b>221,510,428</b>
<b>Total assets</b>	<b>\$ 196,330,060</b>	<b>\$ 73,904,872</b>	<b>\$ 270,234,932</b>

See Notes to Basic Financial Statements.



	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current:			
Accounts payable	\$ 1,030,430	\$ 1,412,746	\$ 2,443,176
Claims payable	295,120	-	295,120
Compensated absences	262,356	71,269	333,625
Accrued liabilities	419,187	56,092	475,279
Refundable deposits	84,420	-	84,420
Due to other governments	72,381	322,589	394,970
Interest payable	284,098	123,291	407,389
Contracts payable	1,536,169	544,699	2,080,868
Unearned revenues	24,494,963	102,918	24,597,881
Current maturities, revenue bonds	-	625,000	625,000
Current maturities, general obligation bonds	10,370,000	3,215,000	13,585,000
<b>Total current liabilities</b>	<b>38,849,124</b>	<b>6,473,604</b>	<b>45,322,728</b>
Noncurrent:			
Compensated absences	707,036	192,065	899,101
Other post employment benefits obligation	552,682	129,780	682,462
Revenue bonds	-	11,300,000	11,300,000
General obligation bonds, net bond discounts and premiums	83,456,250	12,775,813	96,232,063
<b>Total noncurrent liabilities</b>	<b>84,715,968</b>	<b>24,397,658</b>	<b>109,113,626</b>
<b>Total liabilities</b>	<b>123,565,092</b>	<b>30,871,262</b>	<b>154,436,354</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	58,511,165	36,793,296	95,304,461
Restricted for:			
Road use	282,913	-	282,913
Debt service	7,055,371	-	7,055,371
Federal programs	149,283	-	149,283
Economic development	36,006	-	36,006
Police department	100,085	-	100,085
Fire department	235,628	-	235,628
Parks department	131,525	-	131,525
Library department	837,976	-	837,976
Capital improvements and equipment	311,616	-	311,616
Unrestricted	5,113,400	6,240,314	11,353,714
<b>Total net assets</b>	<b>72,764,968</b>	<b>43,033,610</b>	<b>115,798,578</b>
<b>Total liabilities and net assets</b>	<b>\$ 196,330,060</b>	<b>\$ 73,904,872</b>	<b>\$ 270,234,932</b>

**City of Bettendorf, Iowa**

**Statement of Activities  
Year Ended June 30, 2012**

Programs/Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Public safety	\$ 10,097,643	\$ 14,620	\$ 332,609	\$ 125,000
Public works	8,118,410	18,041	3,174,925	2,466,192
Culture and recreation	5,050,752	307,544	41,941	-
Community and economic development	2,663,665	659,703	297,095	-
General government	4,004,959	138,567	-	-
Interest on long-term debt	3,018,316	-	-	-
<b>Total governmental activities</b>	<b>32,953,745</b>	<b>1,138,475</b>	<b>3,846,570</b>	<b>2,591,192</b>
<b>Business-type activities:</b>				
Sewer utility	3,421,107	2,826,626	-	627,175
Family Museum of Arts & Science	1,910,145	757,003	85,335	172,422
Aquatic Center	573,613	285,448	-	-
Recycling/solid waste management	1,886,757	1,851,851	-	-
Palmer Hills Golf Course	1,151,787	583,287	-	-
Life Fitness Center	862,185	624,097	-	-
Stormwater utility	858,967	841,178	-	442,117
Transit	1,702,699	109,321	754,807	-
QC Waterfront Convention Center	3,789,859	1,903,511	736,036	200,908
Riverfront Circulator	442,905	29,223	142,730	-
<b>Total business-type activities</b>	<b>16,600,024</b>	<b>9,811,545</b>	<b>1,718,908</b>	<b>1,442,622</b>
<b>Total primary government</b>	<b>\$ 49,553,769</b>	<b>\$ 10,950,020</b>	<b>\$ 5,565,478</b>	<b>\$ 4,033,814</b>

**General Revenues**

Taxes:

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

**Transfers**

**Total general revenues and transfers**

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

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (9,625,414)	\$ -	\$ (9,625,414)
(2,459,252)	-	(2,459,252)
(4,701,267)	-	(4,701,267)
(1,706,867)	-	(1,706,867)
(3,866,392)	-	(3,866,392)
(3,018,316)	-	(3,018,316)
(25,377,508)	-	(25,377,508)
-	32,694	32,694
-	(895,385)	(895,385)
-	(288,165)	(288,165)
-	(34,906)	(34,906)
-	(568,500)	(568,500)
-	(238,088)	(238,088)
-	424,328	424,328
-	(838,571)	(838,571)
-	(949,404)	(949,404)
-	(270,952)	(270,952)
-	(3,626,949)	(3,626,949)
(25,377,508)	(3,626,949)	(29,004,457)
20,783,927	-	20,783,927
2,318,400	-	2,318,400
4,723,721	-	4,723,721
1,494,993	-	1,494,993
1,608,845	-	1,608,845
374,108	-	374,108
22,471	-	22,471
55,985	-	55,985
487,267	117,586	604,853
539,840	514,174	1,054,014
35,581	-	35,581
(5,484,966)	5,484,966	-
26,960,172	6,116,726	33,076,898
1,582,664	2,489,777	4,072,441
71,182,304	40,543,833	111,726,137
\$ 72,764,968	\$ 43,033,610	\$ 115,798,578

**City of Bettendorf, Iowa**

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

<b>Assets</b>	Tax Increment		
	General	Financing	Debt Service
Cash and investments	\$ 5,259,380	\$ 86,426	\$ 33,641
Restricted cash and investments	-	-	7,246,143
Receivables:			
Property taxes	13,191,938	2,186,488	9,133,345
Accounts	353,572	-	-
Special assessments	22,476	-	-
Loans	25,062	-	-
Accrued interest	12,295	-	1,306
Due from other funds	494,236	-	-
Due from other governments	1,207,969	-	169
Prepaid items	4,422	-	-
Inventories	7,437	-	-
Advances to other funds	158,677	-	-
<b>Total assets</b>	<b>\$ 20,737,464</b>	<b>\$ 2,272,914</b>	<b>\$ 16,414,604</b>
<b>Liabilities and Fund Equity (Deficit)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 560,800	\$ -	\$ -
Accrued liabilities	376,065	-	-
Refundable deposits	84,420	-	-
Due to other governments	52,100	-	-
Due to other funds	442,183	87,076	-
Contracts payable	-	-	-
Deferred revenue	13,609,400	2,164,345	9,076,719
Matured interest payable	-	207	31,748
Advances from other funds	-	162,910	-
<b>Total liabilities</b>	<b>15,124,968</b>	<b>2,414,538</b>	<b>9,108,467</b>
<b>Fund Equity:</b>			
Fund balances:			
Nonspendable	195,598	-	-
Restricted	254,286	-	7,306,137
Assigned	98,214	-	-
Unassigned	5,064,398	(141,624)	-
<b>Total fund equity (deficit)</b>	<b>5,612,496</b>	<b>(141,624)</b>	<b>7,306,137</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$ 20,737,464</b>	<b>\$ 2,272,914</b>	<b>\$ 16,414,604</b>

See Notes to Basic Financial Statements.

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Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ 121,300	\$ 3,946,849	\$ 9,447,596
7,142,667	-	14,388,810
-	36,678	24,548,449
25,472	5,790	384,834
-	-	22,476
-	-	25,062
13,835	8,397	35,833
-	442,183	936,419
508,476	252,679	1,969,293
-	-	4,422
-	-	7,437
4,233	-	162,910
<u>\$ 7,815,983</u>	<u>\$ 4,692,576</u>	<u>\$ 51,933,541</u>

\$ 133,737	\$ 105,649	\$ 800,186
13,482	17,366	406,913
-	-	84,420
12,516	5,511	70,127
-	18,864	548,123
1,536,169	-	1,536,169
188,564	17,873	25,056,901
-	-	31,955
-	-	162,910
<u>1,884,468</u>	<u>165,263</u>	<u>28,697,704</u>

4,233	-	199,831
5,927,282	2,956,131	16,443,836
-	1,571,182	1,669,396
-	-	4,922,774
<u>5,931,515</u>	<u>4,527,313</u>	<u>23,235,837</u>
<u>\$ 7,815,983</u>	<u>\$ 4,692,576</u>	<u>\$ 51,933,541</u>

**City of Bettendorf, Iowa**

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

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Total governmental fund balances \$ 23,235,837

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 8,692,805	
Construction-in-progress	11,939,141	
Buildings and structures	21,220,195	
Equipment and vehicles	18,955,324	
Improvements other than buildings	149,828,810	
Accumulated depreciation	<u>(70,300,879)</u>	140,335,396

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds 561,938

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:

Capital assets	1,022,486	
Accumulated depreciation	(743,134)	
Other current assets	2,820,527	
Other current liabilities	(555,461)	
Noncurrent liabilities	<u>(71,002)</u>	2,473,416

Internal service funds allocated to business-type activities 500,053

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences, current	(246,787)	
Compensated absences, noncurrent	(665,080)	
Other post employment benefits obligation	(523,636)	
Accrued interest payable	(252,143)	
General obligation bonds payable, current	(10,370,000)	
General obligation bonds payable, noncurrent	(81,070,000)	
Bond issuance costs	1,172,224	
Bond discounts	51,365	
Bond premiums	<u>(2,437,615)</u>	<u>(94,341,672)</u>
<b>Net assets of governmental activities</b>		<b><u>\$ 72,764,968</u></b>

See Notes to Basic Financial Statements.



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**City of Bettendorf, Iowa**

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Governmental Funds  
Year Ended June 30, 2012**

	Tax Increment		
	General	Financing	Debt Service
<b>Revenues:</b>			
Property taxes	\$ 9,410,210	\$ -	\$ 8,492,677
Tax increment financing taxes	-	2,318,400	-
Other taxes	7,655,218	-	300,246
Special assessments	17,128	-	-
Licenses and permits	585,562	-	-
Intergovernmental	383,393	-	4,322
Charges for services	397,219	-	-
Use of money and property	260,361	-	50,015
Miscellaneous	411,542	11,250	-
<b>Total revenues</b>	<b>19,120,633</b>	<b>2,329,650</b>	<b>8,847,260</b>
<b>Expenditures:</b>			
<b>Current operating:</b>			
Public safety	9,514,624	-	-
Public works	22,648	-	-
Culture and recreation	3,956,395	-	-
Community and economic development	905,402	827,626	-
General government	3,503,278	-	-
<b>Debt service:</b>			
Principal	-	105,000	5,870,900
Interest and other charges	-	20,177	2,986,630
Bond issuance costs	98,735	-	68,963
Capital outlay	833,388	-	-
<b>Total expenditures</b>	<b>18,834,470</b>	<b>952,803</b>	<b>8,926,493</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>286,163</b>	<b>1,376,847</b>	<b>(79,233)</b>
<b>Other financing sources (uses):</b>			
Issuance of long-term capital debt	-	-	6,725,000
Premiums on long-term capital debt	-	-	650,383
Proceeds from the sale of capital assets	-	-	-
Transfers in	3,465,617	-	-
Transfers out	(3,583,607)	(1,207,573)	(597,195)
<b>Total other financing sources (uses)</b>	<b>(117,990)</b>	<b>(1,207,573)</b>	<b>6,778,188</b>
<b>Net changes in fund balance</b>	<b>168,173</b>	<b>169,274</b>	<b>6,698,955</b>
Fund balances (deficit), beginning of year	5,444,323	(310,898)	607,182
Fund balances (deficit), end of year	<b>\$ 5,612,496</b>	<b>\$ (141,624)</b>	<b>\$ 7,306,137</b>

See Notes to Basic Financial Statements.



Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ -	\$ 2,883,845	\$ 20,786,732
-	-	2,318,400
-	107,167	8,062,631
-	-	17,128
-	-	585,562
1,403,686	3,402,409	5,193,810
-	-	397,219
31,263	94,655	436,294
34,280	217,664	674,736
<u>1,469,229</u>	<u>6,705,740</u>	<u>38,472,512</u>
-	41,164	9,555,788
-	3,113,463	3,136,111
-	79,051	4,035,446
-	540,339	2,273,367
-	-	3,503,278
-	-	5,975,900
-	-	3,006,807
167,725	-	335,423
<u>12,304,576</u>	<u>716,720</u>	<u>13,854,684</u>
<u>12,472,301</u>	<u>4,490,737</u>	<u>45,676,804</u>
(11,003,072)	2,215,003	(7,204,292)
11,845,000	-	18,570,000
876,863	-	1,527,246
-	35,581	35,581
401,590	2,443,460	6,310,667
(1,058,282)	(5,380,976)	(11,827,633)
<u>12,065,171</u>	<u>(2,901,935)</u>	<u>14,615,861</u>
1,062,099	(686,932)	7,411,569
4,869,416	5,214,245	15,824,268
<u>\$ 5,931,515</u>	<u>\$ 4,527,313</u>	<u>\$ 23,235,837</u>

**City of Bettendorf, Iowa**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2012**

---

Net change in fund balances - governmental funds \$ 7,411,569

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

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

Capital outlay	\$ 11,820,698	
Depreciation	(5,078,248)	6,742,450

Proceeds from the sale of capital assets		(35,581)
Gain on the sale of capital assets		35,581
Capital assets contributed		1,392,017

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

Local option sales tax	139,036	
Grant revenues	(204,511)	
Property taxes	(2,805)	(68,280)

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

Change in compensated absences		18,310
Change in other post employment benefits obligation		(123,568)
Change in voluntary separation program liability		22,530

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due.

The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal	5,975,900	
Interest	(8,453)	
Bond issuance costs	335,423	
Issuance of long-term debt	(18,570,000)	
Premiums	(1,527,246)	
Amortization of bond discounts, premiums and bond issuance costs	(3,056)	(13,797,432)

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

		10,201
Change in internal service fund allocation to business-type activities		(25,133)

<b>Changes in net assets of governmental activities</b>		<b>\$ 1,582,664</b>

See Notes to Basic Financial Statements.



Bettendorf IOWA

*a premier city*

**City of Bettendorf, Iowa**

**Statement of Net Assets  
Proprietary Funds  
June 30, 2012**

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,691,309	\$ 76,943	\$ 997,619
Restricted cash and investments	-	1,349,019	-
Receivables:			
Accounts and unbilled usage	877,112	378,564	251,738
Accrued interest	-	-	-
Special assessments	102,986	-	20,558
Due from other funds	-	-	-
Due from other governments	653,697	-	-
Prepaid items	-	107,306	-
<b>Total current assets</b>	<b>3,325,104</b>	<b>1,911,832</b>	<b>1,269,915</b>
Noncurrent assets:			
Restricted cash and investments	2,165,824	-	1,313,127
Bond issuance costs	82,114	313,601	57,612
Capital assets:			
Nondepreciable:			
Land	3,575	715,241	406,209
Construction-in-progress	516,055	-	1,454,620
Depreciable:			
Buildings and structures	2,483,582	18,199,263	-
Equipment and vehicles	4,955,692	1,254,845	489,824
Improvements other than buildings	39,545,320	152,499	5,940,027
Accumulated depreciation	(27,754,597)	(2,053,009)	(740,962)
<b>Net capital assets</b>	<b>19,749,627</b>	<b>18,268,839</b>	<b>7,549,718</b>
<b>Total noncurrent assets</b>	<b>21,997,565</b>	<b>18,582,440</b>	<b>8,920,457</b>
<b>Total assets</b>	<b>\$ 25,322,669</b>	<b>\$ 20,494,272</b>	<b>\$ 10,190,372</b>

(Continued)

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 1,833,455	\$ 4,599,326	\$ 2,726,255
-	1,349,019	-
643,928	2,151,342	40,949
2,454	2,454	5,100
72,566	196,110	-
1,698	1,698	-
394,137	1,047,834	-
5,184	112,490	48,223
<u>2,953,422</u>	<u>9,460,273</u>	<u>2,820,527</u>
-	3,478,951	-
4,162	457,489	-
1,567,440	2,692,465	43,609
367,054	2,337,729	-
14,562,729	35,245,574	423,461
8,297,423	14,997,784	555,416
1,838,157	47,476,003	-
(10,802,781)	(41,351,349)	(743,134)
<u>15,830,022</u>	<u>61,398,206</u>	<u>279,352</u>
<u>15,834,184</u>	<u>65,334,646</u>	<u>279,352</u>
<u>\$ 18,787,606</u>	<u>\$ 74,794,919</u>	<u>\$ 3,099,879</u>

City of Bettendorf, Iowa

Statement of Net Assets (Continued)  
 Proprietary Funds  
 June 30, 2012

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Liabilities and Net Assets</b>			
Liabilities:			
Current:			
Accounts payable	\$ 77,503	\$ 816,358	\$ 64,774
Claims payable	-	-	-
Compensated absences	9,691	554	6,123
Accrued liabilities	8,159	410	4,630
Due to other governments	288,554	5,163	4,582
Due to other funds	-	-	-
Interest payable	29,713	69,568	23,043
Contracts payable	94,600	-	42,646
Unearned revenue	-	-	-
Current maturities, revenue bonds	-	625,000	-
Current maturities, general obligation bonds	1,595,000	-	1,495,000
<b>Total current liabilities</b>	<b>2,103,220</b>	<b>1,517,053</b>	<b>1,640,798</b>
Noncurrent:			
Compensated absences	26,116	1,495	16,501
Other post employment benefits obligation	19,498	-	11,990
Revenue bonds	-	11,300,000	-
General obligation bonds, net bond discounts and premiums	6,924,085	-	5,451,824
<b>Total noncurrent liabilities</b>	<b>6,969,699</b>	<b>11,301,495</b>	<b>5,480,315</b>
<b>Total liabilities</b>	<b>9,072,919</b>	<b>12,818,548</b>	<b>7,121,113</b>
Net assets:			
Invested in capital assets, net of related debt	13,312,094	6,343,839	1,832,245
Unrestricted	2,937,656	1,331,885	1,237,014
<b>Total net assets</b>	<b>16,249,750</b>	<b>7,675,724</b>	<b>3,069,259</b>
<b>Total liabilities and net assets</b>	<b>\$ 25,322,669</b>	<b>\$ 20,494,272</b>	<b>\$ 10,190,372</b>

Total enterprise funds net assets

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

Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net assets of business-type activities

See Notes to Basic Financial Statements.

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 454,111	\$ 1,412,746	\$ 230,244
-	-	295,120
54,901	71,269	15,569
42,893	56,092	12,274
24,290	322,589	2,254
389,994	389,994	-
967	123,291	-
407,453	544,699	-
102,918	102,918	-
-	625,000	-
125,000	3,215,000	-
<u>1,602,527</u>	<u>6,863,598</u>	<u>555,461</u>
147,953	192,065	41,956
98,292	129,780	29,046
-	11,300,000	-
399,904	12,775,813	-
<u>646,149</u>	<u>24,397,658</u>	<u>71,002</u>
<u>2,248,676</u>	<u>31,261,256</u>	<u>626,463</u>
15,305,118	36,793,296	279,352
<u>1,233,812</u>	<u>6,740,367</u>	<u>2,194,064</u>
<u>16,538,930</u>	<u>43,533,663</u>	<u>2,473,416</u>
<u>\$ 18,787,606</u>	<u>\$ 74,794,919</u>	<u>\$ 3,099,879</u>
	\$ 43,533,663	
	<u>(500,053)</u>	
	<u>\$ 43,033,610</u>	

City of Bettendorf, Iowa

Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Proprietary Funds  
 Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	QC Waterfront		
	Sewer Utility	Convention Center	Stormwater Utility
Operating revenues:			
Charges for services	\$ 2,760,404	\$ 1,903,511	\$ 833,878
Licenses and permits	66,222	-	7,300
Other	3,159	736,036	2,726
<b>Total operating revenues</b>	<b>2,829,785</b>	<b>2,639,547</b>	<b>843,904</b>
Operating expenses:			
Salaries and benefits	586,892	704,836	333,778
Supplies and services	1,440,309	1,607,496	183,716
Depreciation	1,228,373	593,244	173,545
Amortization	(2,476)	22,144	830
<b>Total operating expenses</b>	<b>3,253,098</b>	<b>2,927,720</b>	<b>691,869</b>
<b>Operating income (loss)</b>	<b>(423,313)</b>	<b>(288,173)</b>	<b>152,035</b>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	-
Investment earnings	28,982	9,380	10,909
Interest expense	(172,567)	(862,435)	(169,762)
Loss on disposal of capital assets	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(143,585)</b>	<b>(853,055)</b>	<b>(158,853)</b>
<b>(Loss) before capital grants and contributions and transfers</b>	<b>(566,898)</b>	<b>(1,141,228)</b>	<b>(6,818)</b>
Capital grants and contributions	627,175	200,908	442,117
Transfers in	-	1,318,442	197,731
Transfers out	-	-	(150,000)
<b>Changes in net assets</b>	<b>60,277</b>	<b>378,122</b>	<b>483,030</b>
Net assets, beginning of year	16,189,473	7,297,602	2,586,229
Net assets, end of year	<b>\$ 16,249,750</b>	<b>\$ 7,675,724</b>	<b>\$ 3,069,259</b>

See Notes to Basic Financial Statements.



Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,240,230	\$ 9,738,023	\$ 6,390,871
-	73,522	-
593,624	1,335,545	62,497
4,833,854	11,147,090	6,453,368
4,208,478	5,833,984	3,746,137
3,147,204	6,378,725	2,755,861
1,161,974	3,157,136	24,142
532	21,030	-
8,518,188	15,390,875	6,526,140
(3,684,334)	(4,243,785)	(72,772)
897,537	897,537	-
68,315	117,586	50,973
(27,977)	(1,232,741)	-
(1,541)	(1,541)	-
936,334	(219,159)	50,973
(2,748,000)	(4,462,944)	(21,799)
172,422	1,442,622	-
4,118,793	5,634,966	32,000
-	(150,000)	-
4,291,215	6,927,588	32,000
1,543,215	2,464,644	10,201
14,995,715	41,069,019	2,463,215
\$ 16,538,930	\$ 43,533,663	\$ 2,473,416

**City of Bettendorf, Iowa**

**Reconciliation of the Changes in Net Assets of Enterprise Funds to the Statement of Activities  
Year Ended June 30, 2012**

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Net changes in net assets in enterprise funds	\$ 2,464,644
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.	<u>25,133</u>
Changes in net assets of business-type activities	<u>\$ 2,489,777</u>

See Notes to Basic Financial Statements.



Bettendorf IOWA

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City of Bettendorf, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,573,487	\$ 1,936,130	\$ 805,802
Receipts from other operating revenue	3,159	656,714	2,726
Payments to suppliers	(1,361,431)	(1,986,986)	(301,944)
Payments to claimants	-	-	-
Payments to employees	(605,101)	(703,491)	(351,494)
<b>Net cash provided by (used in) operating activities</b>	<b>610,114</b>	<b>(97,633)</b>	<b>155,090</b>
Cash flows from noncapital financing activities:			
Intergovernmental	-	-	-
Proceeds from interfund accounts	-	-	-
(Payments of) interfund accounts	(376,877)	-	-
Transfers in	-	1,318,442	197,731
Transfers (out)	-	-	(150,000)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(376,877)</b>	<b>1,318,442</b>	<b>47,731</b>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(597,199)	(17,141)	(965,324)
Capital grants	-	225,048	-
Proceeds from bonds, net of bond issue costs and premiums of \$148,693	1,204,573	-	1,199,120
Payment on debt	(400,000)	(585,000)	(320,000)
Interest paid on debt	(327,237)	(866,258)	(236,702)
<b>Net cash (used in) capital and related financing activities</b>	<b>(119,863)</b>	<b>(1,243,351)</b>	<b>(322,906)</b>
Cash flows from investing activities, interest received	28,982	9,380	10,909
<b>Increase (decrease) in cash and cash equivalents</b>	<b>142,356</b>	<b>(13,162)</b>	<b>(109,176)</b>
Cash and cash equivalents, beginning of year	3,714,777	1,439,124	2,419,922
Cash and cash equivalents, end of year	<u>\$ 3,857,133</u>	<u>\$ 1,425,962</u>	<u>\$ 2,310,746</u>

(Continued)

<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
<u>Other Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 4,242,713	\$ 9,558,132	\$ 6,355,603
640,950	1,303,549	62,497
(3,133,757)	(6,784,118)	(2,723,278)
-	-	(2,682,641)
(4,342,172)	(6,002,258)	(852,685)
(2,592,266)	(1,924,695)	159,496
754,127	754,127	-
193,039	193,039	4,190
(143,762)	(520,639)	-
4,118,793	5,634,966	32,000
-	(150,000)	-
4,922,197	5,911,493	36,190
(1,619,913)	(3,199,577)	-
100,000	325,048	-
-	2,403,693	-
(509,100)	(1,814,100)	-
(29,465)	(1,459,662)	-
(2,058,478)	(3,744,598)	-
69,805	119,076	56,497
341,258	361,276	252,183
1,492,197	9,066,020	2,474,072
<u>\$ 1,833,455</u>	<u>\$ 9,427,296</u>	<u>\$ 2,726,255</u>

City of Bettendorf, Iowa

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (423,313)	\$ (288,173)	\$ 152,035
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,228,373	593,244	173,545
Amortization	(2,476)	22,144	830
Change in assets and liabilities:			
Receivables and due from other governments	(253,139)	(46,703)	(35,376)
Prepaid items	-	(52,931)	-
Accounts and contracts payable and due to other governments	78,878	(326,559)	(118,228)
Claims payable	-	-	-
Compensated absences and accrued liabilities	(23,495)	1,345	(20,501)
Other post employment benefits obligation	5,286	-	2,785
Unearned revenue	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 610,114</b>	<b>\$ (97,633)</b>	<b>\$ 155,090</b>
Schedule of noncash items:			
Capital and related financing activities:			
Acquisition of capital assets through contracts or accounts payable	\$ 30,264	\$ -	\$ 42,646
Capital contributions	627,175	-	442,117
Capitalized interest	156,123	-	70,149

See Notes to Basic Financial Statements.

<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
<u>Other Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ (3,684,334)	\$ (4,243,785)	\$ (72,772)
1,161,974	3,157,136	24,142
532	21,030	-
60,531	(274,687)	(35,268)
(5,184)	(58,115)	66,094
18,631	(347,278)	32,583
-	-	157,491
(159,369)	(202,020)	(21,186)
25,675	33,746	8,412
(10,722)	(10,722)	-
<u>\$ (2,592,266)</u>	<u>\$ (1,924,695)</u>	<u>\$ 159,496</u>

\$ 366,609	\$ 439,519	\$ -
-	1,069,292	-
-	226,272	-

**City of Bettendorf, Iowa**

**Statement of Assets and Liabilities**

**Agency Funds**

**June 30, 2012**

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**Assets:**

Cash and investments	\$	49,869
Accounts receivable		819
Accrued interest receivable		7
	\$	<u>50,695</u>

<b>Liabilities</b> , accounts payable	\$	<u>50,695</u>
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See Notes to Basic Financial Statements.



## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

Risk Management Fund: To account for the general liability, worker's compensation and property insurance for the City.

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

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

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

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

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

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

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

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

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

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

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

##### Summary of significant accounting policies:

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

**Accounts receivable:** Results primarily from services provided to citizens and are presented net of an allowance for uncollectibles.

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 2 percent per month penalty for delinquent payments; is based on January 1, 2010 assessed property valuations; is for the tax accrual period July 1, 2011 through June 30, 2012; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2011.

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest was \$156,123 in the Sewer Utility Fund and \$70,148 in the Stormwater Utility Fund.

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

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

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

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

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

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

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



City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

**Unassigned:** All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

Notes to Basic Financial Statements

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

**Net assets:** Represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Sewer Utility and Stormwater Utility enterprise funds were \$951,552 and \$104,351, respectively. Unspent proceeds for the Capital Projects Reserve Fund was \$7,142,667. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets include unspent bond proceeds, net of related debt.

Net assets restricted through enabling legislation consists of \$479,816 for capital improvements and equipment (local option sales tax); \$282,913 for road use and \$7,055,371 for debt service.

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

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

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

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

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

**Legal compliance and accountability:** The Tax Increment Financing has a fund balance deficit as of June 30, 2012 of \$141,624. The deficit is a result of various TIF projects throughout the City that have been cash flowed by City funds and will be repaid through TIF taxes over the next several years.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 2. Cash and Investments**

*Interest rate risk:* In accordance with the City's investment policy, portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity. Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be greater than coupon interest and investment income received from the balance of the portfolio. Operating funds may only be invested in instruments that mature within 397 days. Operating funds for the City are defined as those funds which are reasonably expected to be expended during a current budget year or within 15 months of receipt.

*Credit risk:* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City is authorized by statute to invest in U.S. government, its agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances and repurchase agreements. The City's investment policy does limit them from investing in reverse repurchase agreements, futures and options contracts and zero-coupon bonds.

As of June 30, 2012, the City's debt securities had specific maturities and credit ratings as follows:

Investment name	Maturity	Fair value	Standard & Poor's	Moody's
FNMA	03/01/2013	\$ 12,255	Not Rated	Not Rated
FNMA	11/21/2023	1,002,100	AA+	WR
FNMA	12/21/2023	1,003,400	AA+	Aaa
FHLB	07/26/2018	2,000,800	AA+	Aaa
FHLB	09/30/2019	998,130	Not Rated	WR
FHLB	02/18/2021	409,640	AA+	Aaa
FHLB	03/28/2022	1,001,600	AA+	Aaa
FHLB	05/18/2022	1,000,200	AA+	Aaa
FHLB	05/03/2024	2,007,400	AA+	Aaa
FHLB	10/27/2026	996,700	AA+	WR
FHLMC	01/25/2027	989,400	AA+	Aaa
<b>Total</b>		<u>\$ 11,421,625</u>		

*Concentration of credit risk:* The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the City's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer. In addition, no more than 5 percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. More than 5 percent of the City's investments are in FNMA, FHLB and FHLMC securities. These securities represent 18 percent, 74 percent and 9 percent of the City's total investments, respectively.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

*Custodial credit risk:* For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all purchased investments shall be held pursuant to a written third-party custodial agreement. The City's deposits as of June 30, 2012 were entirely insured by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. In addition, the City's investments were not insured but were held by a custodian in the name of the City and not exposed to custodial credit risk.

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2012:

	Beginning Balance June 30, 2011	Additions	Deletions	Ending Balance June 30, 2012
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 8,736,414	\$ -	\$ -	\$ 8,736,414
Construction-in-progress	9,022,717	11,255,439	8,339,015	11,939,141
<b>Total capital assets, not being depreciated</b>	<b>17,759,131</b>	<b>11,255,439</b>	<b>8,339,015</b>	<b>20,675,555</b>
Capital assets, being depreciated:				
Buildings and structures	21,340,640	303,016	-	21,643,656
Equipment and vehicles	18,925,736	885,037	300,033	19,510,740
Improvements other than buildings	140,720,572	9,108,238	-	149,828,810
<b>Total capital assets, being depreciated</b>	<b>180,986,948</b>	<b>10,296,291</b>	<b>300,033</b>	<b>190,983,206</b>
Less accumulated depreciation for:				
Buildings and structures	8,465,192	564,850	-	9,030,042
Equipment and vehicles	13,117,374	1,126,352	300,033	13,943,693
Improvements other than buildings	44,659,090	3,411,188	-	48,070,278
<b>Total accumulated depreciation</b>	<b>66,241,656</b>	<b>5,102,390</b>	<b>300,033</b>	<b>71,044,013</b>
<b>Total capital assets, being depreciated, net</b>	<b>114,745,292</b>	<b>5,193,901</b>	<b>-</b>	<b>119,939,193</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 132,504,423</b>	<b>\$ 16,449,340</b>	<b>\$ 8,339,015</b>	<b>\$ 140,614,748</b>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	Beginning Balance June 30, 2011	Additions	Deletions	Ending Balance June 30, 2012
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,692,465	\$ -	\$ -	\$ 2,692,465
Construction-in-progress	4,879,167	3,520,930	6,062,368	2,337,729
<b>Total capital assets, not being depreciated</b>	<b>7,571,632</b>	<b>3,520,930</b>	<b>6,062,368</b>	<b>5,030,194</b>
Capital assets, being depreciated:				
Buildings and structures	35,193,284	52,290	-	35,245,574
Equipment and vehicles	14,695,378	1,428,897	1,126,491	14,997,784
Improvements other than buildings	41,523,738	5,952,265	-	47,476,003
<b>Total capital assets, being depreciated</b>	<b>91,412,400</b>	<b>7,433,452</b>	<b>1,126,491</b>	<b>97,719,361</b>
Less accumulated depreciation for:				
Buildings and structures	7,591,526	935,375	-	8,526,901
Equipment and vehicles	8,202,233	1,103,569	1,124,950	8,180,852
Improvements other than buildings	23,525,404	1,118,192	-	24,643,596
<b>Total accumulated depreciation</b>	<b>39,319,163</b>	<b>3,157,136</b>	<b>1,124,950</b>	<b>41,351,349</b>
<b>Total capital assets, being depreciated, net</b>	<b>52,093,237</b>	<b>4,276,316</b>	<b>1,541</b>	<b>56,368,012</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 59,664,869</b>	<b>\$ 7,797,246</b>	<b>\$ 6,063,909</b>	<b>\$ 61,398,206</b>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

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

**Governmental Activities**

Public safety	\$ 507,184
Public works	3,523,711
Culture and recreation	655,856
Community and economic development	266,385
General government	125,112
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	24,142
	<u>\$ 5,102,390</u>

**Business-Type Activities**

Sewer utility	\$ 1,228,373
Family Museum of Arts & Science	183,265
Stormwater utility	173,545
Aquatic Center	155,324
Recycling/solid waste management	258,064
Palmer Hills Golf Course	148,568
Life Fitness Center	102,665
Transit	193,710
QC Waterfront Convention Center	593,244
Riverfront Circulator	120,378
	<u>\$ 3,157,136</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 4. Bonded and Other Debt**

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2012:

	June 30, 2011	Increases and Issues	Decreases and Retirements	June 30, 2012	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 78,845,900	\$ 18,570,000	\$ 5,975,900	\$ 91,440,000	\$ 10,370,000
Compensated absences	985,516	1,010,847	1,026,971	969,392	262,356
	79,831,416	19,580,847	7,002,871	92,409,392	10,632,356
Less discounts	56,705	-	5,340	51,365	-
Add premiums	988,421	1,527,246	78,053	2,437,614	-
	80,763,132	21,108,093	7,075,584	94,795,641	10,632,356
<b>Business-type activities:</b>					
Revenue bonds	12,510,000	-	585,000	11,925,000	625,000
General obligation bonds	14,654,100	2,255,000	1,229,100	15,680,000	3,215,000
Compensated absences	270,698	336,950	344,314	263,334	71,269
	27,434,798	2,591,950	2,158,414	27,868,334	3,911,269
Less discounts	21,666	-	1,970	19,696	-
Add premiums	157,990	183,477	10,958	330,509	-
	27,571,122	2,775,427	2,167,402	28,179,147	3,911,269
<b>Total long-term debt</b>	<b>\$ 108,334,254</b>	<b>\$ 23,883,520</b>	<b>\$ 9,242,986</b>	<b>\$ 122,974,788</b>	<b>\$ 14,543,625</b>

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

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

**Summary of bond issues:**

General obligation and revenue bonds outstanding as of June 30, 2012, consist of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2012
General obligation bonds:				
Various public improvements	June 2003	\$ 4,080,000	1.25-3.85%	\$ 2,355,000
Various public improvements and sewer and stormwater improvements	June 2004	7,650,000	2.25-5.00	4,780,000
Refunding	June 2004	6,943,250	3.00-4.00	-
Various public improvements	June 2005	4,590,000	3.00-4.50	3,145,000
Various public improvements and sewer improvements	June 2006	7,125,000	4.13-4.50	5,275,000
Various public improvements	July 2006	6,300,000	4.00-4.05	2,360,000
Refunding	February 2007	3,760,000	3.80-3.90	1,735,000
Various public improvements	June 2007	5,095,000	3.50-4.38	4,090,000
Various public improvements	June 2008	15,555,000	3.50-5.00	12,070,000
Various public improvements	March 2009	13,700,000	2.50-4.50	10,570,000
Various public improvements	June 2010	17,705,000	2.00-4.10	16,035,000
Refunding	June 2010	7,180,000	2.00-3.50	6,565,000
Various public improvements	May 2011	18,065,000	2.00-5.00	17,315,000
Various public improvements and refunding (2)	June 2012	13,990,000	2.00-4.00	13,990,000
Refunding (3)	June 2012	6,835,000	2.00-3.00	6,835,000
<b>Total general obligation bonds</b>				<b>107,120,000</b>
Revenue bonds:				
QCWCC TIF Note (1)	August 2008	13,815,000	7.255-14.746	11,925,000
<b>Total revenue bond</b>				<b>11,925,000</b>
<b>Total bonds</b>				<b>\$ 119,045,000</b>

(1) The City has pledged a portion of future property tax revenues to repay \$2,675,000 and \$11,140,000 in TIF urban renewal tax increment notes issued in August 2008. The notes were issued to finance construction on the Quad Cities Waterfront Convention Center. Incremental TIF property tax revenues were projected to produce \$13,815,000 of the debt service requirements over the life of the notes. Total principal and interest remaining on the notes is \$23,196,317, payable through 2026. For the current year, principal and interest paid and total incremental TIF property tax revenues for the notes were \$1,451,259 and \$1,102,324, respectively.

(2) In June 2012, the City of Bettendorf issued \$13,990,000 in General Obligation Bonds, Series 2012A with interest rates ranging from 2.00 percent to 4.00 percent to finance future capital projects and to current refund \$4,080,000 of the General Obligation Bonds, Series 2003A with interest rates from 2.00 percent to 3.00 percent and an effective interest rate of 2.52 percent. The net proceeds related to the current refunding of \$4,080,000 were immediately applied to the redemption of the General Obligation Bonds, Series 2003A. The net change was a decrease in cash flows related to the current refunding of \$225,651. The economic gain resulting from the current refunding was \$209,486.



City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

(3) In May 2012, the City of Bettendorf issued \$6,835,000 in General Obligation Bonds, Series 2012B with interest rates ranging from 2.00 percent to 3.00 percent to crossover refund (i) \$4,215,000 in General Obligation Bonds, Series 2004A with interest rates from 2.00 percent to 5.00 percent and (ii) \$2,620,000 in General Obligation Bonds, Series 2005A with interest rates from 4.00 percent to 4.50 percent. The net proceeds related to the crossover refunding of \$7,363,446 (after payment of \$54,680 in underwriting fees, insurance and other costs) were used to purchase U.S. government securities in an irrevocable trust with an escrow agent. These proceeds are for the future debt service payments of the Series 2012B Bonds until the crossover dates of June 1, 2013 for the Series 2004A Bonds and June 1, 2014 for the Series 2005A Bonds. The transactions, balances and liabilities of the escrow account are recorded by the City since the refunded debt Series 2004A and 2005A are not considered extinguished as of June 30, 2012. The net change was a decrease in cash flows related to the crossover refunding of \$962,408. The economic gain resulting from the current refunding was \$224,068.

**Summary of principal and interest maturities:**

Annual debt service requirements to service all outstanding indebtedness as of June 30, 2012, are as follows:

	Debt Service		Enterprise	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending June 30:</u>				
2013	\$ 10,370,000	\$ 3,326,647	\$ 3,215,000	\$ 613,348
2014	8,615,000	3,020,042	930,000	470,473
2015	5,580,000	2,738,839	960,000	445,719
2016	5,040,000	2,566,461	970,000	418,268
2017	5,025,000	2,415,769	850,000	386,797
2018 - 2022	26,065,000	9,357,258	4,740,000	1,457,483
2023 - 2027	21,370,000	4,609,948	3,230,000	576,951
2028 - 2031	9,375,000	747,165	785,000	65,645
	<u>\$ 91,440,000</u>	<u>\$ 28,782,129</u>	<u>\$ 15,680,000</u>	<u>\$ 4,434,684</u>

	Enterprise	
	Revenue Bonds	
	Principal	Interest
<u>Year ending June 30:</u>		
2013	\$ 625,000	\$ 834,814
2014	270,000	1,178,335
2015	990,000	1,131,284
2016	1,100,000	1,021,625
2017	1,215,000	900,050
2018 - 2022	2,310,000	4,409,134
2023 - 2027	5,415,000	1,796,075
	<u>\$ 11,925,000</u>	<u>\$ 11,271,317</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

**Legal debt margin:**

As of June 30, 2012, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

January 2010 100% assessed valuation			\$ 2,802,773,226
Plus: Public gas and electric utilities			85,204,466
Plus: Captured tax increment value			82,751,531
Less: Military exemption			(4,148,478)
Total assessed valuation of the property of the City of Bettendorf			<u>\$ 2,966,580,745</u>
Debt limit, 5% of total actual valuation			\$ 148,329,037
Debt applicable to debt limit:			
Debt service general obligation bonds	\$ 91,440,000		
Debt service TIF revenue bonds	11,925,000		
Enterprise general obligation bonds	15,680,000	119,045,000	
<b>Legal debt margin</b>			<u>\$ 29,284,037</u>

**Note 5. Interfund Receivables and Payables**

Individual interfund receivables and payables balances as of June 30, 2012, were:

	Total	
	Interfund Receivables	Interfund Payables
Major governmental funds:		
General	\$ 494,236	\$ 442,183
Special revenue fund, tax increment financing	-	87,076
Nonmajor governmental funds	442,183	18,864
Nonmajor enterprise funds	1,698	389,994
<b>Total</b>	<u>\$ 938,117</u>	<u>\$ 938,117</u>

Advances to and from other funds as of June 30, 2012, were as follows:

	Advances to Other Funds	Advances from Other Funds
Major governmental funds:		
General Fund	\$ 158,677	\$ -
Special revenue funds, tax increment financing	-	162,910
Capital projects funds, capital projects reserve	4,233	-
<b>Total</b>	<u>\$ 162,910</u>	<u>\$ 162,910</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. The interfund receivable and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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**Note 6. Interfund Transfers**

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

	Transfers In	Transfers Out
Major governmental funds:		
General	\$ 3,465,617	\$ 3,583,607
Special revenue fund, tax increment financing	-	1,207,573
Debt service fund, debt service	-	597,195
Capital projects fund, capital projects reserve	401,590	1,058,282
Nonmajor governmental funds	2,443,460	5,380,976
Internal service funds	32,000	-
Major enterprise funds:		
QC Waterfront Convention Center	1,318,442	-
Stormwater Utility	197,731	150,000
Other nonmajor enterprise funds	4,118,793	-
<b>Total</b>	<b>\$ 11,977,633</b>	<b>\$ 11,977,633</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other governmental and proprietary funds in accordance with budgetary authorizations.

**Note 7. Pension and Retirement Systems**

**Iowa Public Retirement System:**

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

Plan members are required to contribute 5.38 percent of their annual covered salary and the City is required to contribute 8.07 percent of annual covered payroll. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$771,588, \$671,003 and \$654,162, respectively, equal to the required contributions for each year.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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#### Note 7. Pension and Retirement Systems (Continued)

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

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

Plan members are required to contribute 9.40 percent of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, cannot be less than 17 percent of earnable compensation. Contribution requirements are established by state statute. The City's contributions to the Plan for the years ended June 30, 2012, 2011 and 2010 were \$1,108,398, \$889,544 and \$746,604, respectively, which met the required minimum contribution for each year.

#### Note 8. Deferred Compensation Plan

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

#### Note 9. Risk Management and Insurance

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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**Note 9. Risk Management and Insurance (Continued)**

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each City depending on the City's own loss experience. Cities with a consistent record of costly claims will pay more than cities with a consistent record of lesser claims activity. The City has a \$50,000 deductible under the plan. Per occurrence coverage limits provided by the Association are: bodily injury by accident, \$5,000,000 each accident, bodily injury by disease, \$5,000,000 memorandum limit and bodily injury by disease, \$5,000,000 each employee. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Any money not used to pay claims and expenses remains with the Association as surplus to fund future catastrophic claims. At such time that surplus substantially exceeds an actuarially sound figure, a distribution may be made to current members according to a formula that contemplates members' premium and claims experience of past years. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of June 30, 2012. The City's contribution to the pool for the year ended June 30, 2012 was \$398,506, which is recorded in the risk financing internal service fund.

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

For medical and dental claims, self-insurance is in effect up to an aggregate stop loss of approximately \$3,000,000 with a \$70,000 per claim stop loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount. All claim handling procedures are performed by an independent claims administrator.

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. All outstanding claims are expected to be paid within fiscal year 2013.

The changes in the aggregate liabilities for claims for the years ended June 30, 2012 and 2011 are as follows:

	Employee Health Insurance	
	2012	2011
Claims payable, beginning of year	\$ 137,629	\$ 231,225
Claims recognized	2,840,132	2,244,322
Claim payments	(2,682,641)	(2,337,918)
Claims payable, end of year	<u>\$ 295,120</u>	<u>\$ 137,629</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 10. Other Postemployment Benefits**

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2012, the City contributed \$47,322. Retiree and active members receiving benefits have required contributions of \$672.84 per month for single health coverage and \$1,441.64 per month for retiree and spouse coverage.

Other postemployment obligations attributable to governmental activities are generally liquidated by the Employee Health Insurance Internal Service Fund.

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

Annual required contribution	\$	212,915
Interest on net OPEB obligation		20,669
Adjustment to annual required contribution		(20,536)
Annual OPEB cost (expense)		<u>213,048</u>
Contributions and payments made		<u>47,322</u>
Increase in net OPEB obligation		165,726
Net OPEB obligation - July 1, 2011		<u>516,736</u>
Net OPEB obligation - June 30, 2012	\$	<u><u>682,462</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2012 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 194,316	4.57%	\$ 360,193
June 30, 2011	199,563	21.56	516,736
<b>June 30, 2012</b>	<b>213,048</b>	<b>22.21</b>	<b>682,462</b>

Notes to Basic Financial Statements

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**Note 10. Other Postemployment Benefits (Continued)**

Funded status and funding progress: The results of the July 1, 2010 valuation, the most recent valuation date, were rolled forward to June 30, 2012. As of July 1, 2010, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,527,277 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$1,527,277. The covered payroll (annual payroll of active employees covered by the plan) was \$13,164,891 and the ratio of the UAAL to the covered payroll was 11.6 percent.

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

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

In the July 1, 2010 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, 3 percent per year payroll growth and an annual health care cost trend rate of 10 percent initially, grading down to 5 percent in 10 years. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open group. The remaining amortization period at July 1, 2010 was 30 years.

**Note 11. Commitments and Contingencies**

Regular City employees accumulate sick leave hours for subsequent use. The City's approximate maximum contingent liability for nonvested sick leave benefits as of June 30, 2012, is \$3,611,000.

The City has financial commitments relating to various construction projects that are estimated to be approximately \$4,613,000.

The City had encumbrances in the General Fund, Capital Projects fund and nonmajor governmental funds of \$254,286, \$3,729,455 and \$218,585, respectively.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 11. Commitments and Contingencies (Continued)**

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

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

**Note 12. Fund Balances**

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

Fund Balances:	General	Tax Increment Financing	Debt Service	Capital Projects Reserve	Nonmajor Governmental	Total
Nonspendable:						
Advances	\$ 158,677	\$ -	\$ -	\$ 4,233	\$ -	\$ 162,910
Inventories	7,437	-	-	-	-	7,437
Prepaid items	4,422	-	-	-	-	4,422
Loans	25,062	-	-	-	-	25,062
<b>Total nonspendable</b>	<b>195,598</b>	<b>-</b>	<b>-</b>	<b>4,233</b>	<b>-</b>	<b>199,831</b>
Restricted:						
Road use	-	-	-	-	282,913	282,913
Debt service	-	-	7,306,137	-	-	7,306,137
Federal programs	-	-	-	-	149,283	149,283
Economic development	-	-	-	-	36,006	36,006
Police department	2,400	-	-	-	97,685	100,085
Fire department	235,628	-	-	-	-	235,628
Parks department	16,258	-	-	-	115,267	131,525
Library department	-	-	-	-	837,976	837,976
Capital improvements and equipment	-	-	-	5,927,282	1,437,001	7,364,283
<b>Total restricted</b>	<b>254,286</b>	<b>-</b>	<b>7,306,137</b>	<b>5,927,282</b>	<b>2,956,131</b>	<b>16,443,836</b>
Assigned:						
Special purpose	98,214	-	-	-	-	98,214
Capital improvements and equipment	-	-	-	-	1,234,394	1,234,394
Road use	-	-	-	-	292,259	292,259
Section 8	-	-	-	-	3,423	3,423
Library department	-	-	-	-	32,199	32,199
Parks department	-	-	-	-	4,559	4,559
Police department	-	-	-	-	4,348	4,348
<b>Total assigned</b>	<b>98,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,571,182</b>	<b>1,669,396</b>
Unassigned	5,064,398	(141,624)	-	-	-	4,922,774
<b>Total fund balances</b>	<b>\$ 5,612,496</b>	<b>\$ (141,624)</b>	<b>\$ 7,306,137</b>	<b>\$ 5,931,515</b>	<b>\$ 4,527,313</b>	<b>\$ 23,235,837</b>



Notes to Basic Financial Statements

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**Note 13. Pending Governmental Accounting Standards Board (GASB) Statements**

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.
- 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.

Notes to Basic Financial Statements

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**Note 13. Pending Governmental Accounting Standards Board (GASB) Statements (Continued)**

- 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.
- 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 Bettendorf, Iowa**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

**SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	7/1/08	\$ -	\$ 1,358,186	\$ 1,358,186	- %	\$ 13,570,922	10.0%
2011	7/1/10	-	1,371,325	1,371,325	-	12,781,448	10.7
<b>2012</b>	<b>7/1/10</b>	<b>-</b>	<b>1,527,277</b>	<b>1,527,277</b>	<b>-</b>	<b>13,164,891</b>	<b>11.6</b>

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

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

City of Bettendorf, Iowa

**Budgetary Comparison Schedule  
Budget and Actual - All Governmental Funds and Proprietary Funds  
Required Supplementary Information  
Year Ended June 30, 2012**

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual
Revenues:			
Property tax	\$ 20,786,732	\$ -	\$ 20,786,732
Tax increment financing	2,318,400	-	2,318,400
Other City taxes	8,062,631	-	8,062,631
Special assessments	17,128	-	17,128
Licenses and permits	585,562	73,522	659,084
Intergovernmental	5,193,810	897,537	6,091,347
Charges for services	397,219	16,128,894	16,526,113
Use of money and property	436,294	168,559	604,853
Miscellaneous	674,736	1,398,042	2,072,778
<b>Total revenues</b>	<b>38,472,512</b>	<b>18,666,554</b>	<b>57,139,066</b>
Expenditures/Expenses:			
Public safety	9,555,788	-	9,555,788
Public works	3,136,111	-	3,136,111
Culture and recreation	4,035,446	-	4,035,446
Community and economic development	2,273,367	-	2,273,367
General government	3,503,278	-	3,503,278
Debt service	9,318,130	-	9,318,130
Capital outlay	13,854,684	-	13,854,684
Business-type	-	23,151,297	23,151,297
<b>Total expenditures/expenses</b>	<b>45,676,804</b>	<b>23,151,297</b>	<b>68,828,101</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>(7,204,292)</b>	<b>(4,484,743)</b>	<b>(11,689,035)</b>
Other financing sources, net	14,615,861	6,959,588	21,575,449
<b>Excess (deficiency) of revenues and other financing sources over expenditures/expenses and other financing uses</b>	<b>7,411,569</b>	<b>2,474,845</b>	<b>9,886,414</b>
Balances, beginning of year	15,824,268	43,532,234	59,356,502
Balances, end of year	<b>\$ 23,235,837</b>	<b>\$ 46,007,079</b>	<b>\$ 69,242,916</b>

See Note to Required Supplementary Information.

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Budgeted Amounts		Final to Actual
Original	Final	Variance -
\$ 20,800,360	\$ 20,802,329	\$ (15,597)
2,330,787	2,327,340	(8,940)
8,129,562	8,171,877	(109,246)
32,000	27,109	(9,981)
645,060	726,710	(67,626)
6,121,120	6,236,602	(145,255)
17,398,942	16,525,181	932
1,086,626	724,226	(119,373)
1,692,297	2,514,396	(441,618)
<u>58,236,754</u>	<u>58,055,770</u>	<u>(916,704)</u>
9,384,925	9,659,261	103,473
3,445,951	3,136,385	274
4,106,908	4,146,064	110,618
2,410,452	2,309,920	36,553
3,533,979	3,579,983	76,705
9,179,948	11,792,707	2,474,577
14,718,815	17,830,175	3,975,491
24,168,138	23,743,124	591,827
<u>70,949,116</u>	<u>76,197,619</u>	<u>7,369,518</u>
(12,712,362)	(18,141,849)	6,452,814
<u>10,801,500</u>	<u>19,844,259</u>	<u>1,731,190</u>
<u>\$ (1,910,862)</u>	<u>\$ 1,702,410</u>	<u>\$ 8,184,004</u>



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**City of Bettendorf, Iowa**

**Note to Required Supplementary Information – Budgetary Reporting  
Year Ended June 30, 2012**

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, a budget amendment increased budgeted expenditures by \$5,248,503. The budget amendment was primarily due to increased bond proceeds for additional projects and refinancing of bonds, reduced charges for services, reduced interest earnings and increased miscellaneous revenue offset by refinancing of bonds and increased capital projects.

City of Bettendorf, Iowa

**Balance Sheet - General Fund - By Account**  
**June 30, 2012**

	General Account	Riverboat Gaming Account	Total
<b>Assets</b>			
Cash and investments	\$ 5,221,850	\$ 37,530	\$ 5,259,380
Property taxes	13,191,938	-	13,191,938
Accounts	293,032	60,540	353,572
Special assessments	22,476	-	22,476
Loans	25,062	-	25,062
Accrued interest	12,151	144	12,295
Due from other funds	494,236	-	494,236
Due from other governments	1,207,969	-	1,207,969
Prepaid items	4,422	-	4,422
Inventories	7,437	-	7,437
Advances to other funds	158,677	-	158,677
<b>Total assets</b>	<b>\$ 20,639,250</b>	<b>\$ 98,214</b>	<b>\$ 20,737,464</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 560,800	\$ -	\$ 560,800
Accrued liabilities	376,065	-	376,065
Refundable deposits	84,420	-	84,420
Due to other governments	52,100	-	52,100
Due to other funds	442,183	-	442,183
Deferred revenue	13,609,400	-	13,609,400
<b>Total liabilities</b>	<b>15,124,968</b>	<b>-</b>	<b>15,124,968</b>
<b>Fund Equity:</b>			
Fund balances:			
Nonspendable	195,598	-	195,598
Restricted	254,286	-	254,286
Assigned	-	98,214	98,214
Unassigned	5,064,398	-	5,064,398
<b>Total fund equity</b>	<b>5,514,282</b>	<b>98,214</b>	<b>5,612,496</b>
<b>Total liabilities and fund equity</b>	<b>\$ 20,639,250</b>	<b>\$ 98,214</b>	<b>\$ 20,737,464</b>





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City of Bettendorf, Iowa

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
General Fund - By Account  
Year Ended June 30, 2012**

	General Account	Riverboat Gaming Account	Downtown Improvements
<b>Revenues:</b>			
Property taxes	\$ 9,410,210	\$ -	\$ -
Other taxes	6,046,373	1,608,845	-
Special assessments	17,128	-	-
Licenses and permits	585,562	-	-
Intergovernmental	383,393	-	-
Charges for services	397,219	-	-
Use of money and property	259,672	689	-
Miscellaneous	411,542	-	-
<b>Total revenues</b>	<b>17,511,099</b>	<b>1,609,534</b>	<b>-</b>
<b>Expenditures:</b>			
Current operating:			
Public safety	9,514,624	-	-
Public works	22,648	-	-
Culture and recreation	3,956,395	-	-
Community and economic development	905,402	-	-
General government	3,503,278	-	-
Debt service, bond issuance costs	98,735	-	-
Capital outlay	339,830	-	493,558
<b>Total expenditures</b>	<b>18,340,912</b>	<b>-</b>	<b>493,558</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(829,813)</b>	<b>1,609,534</b>	<b>(493,558)</b>
<b>Other financing sources (uses):</b>			
Transfers in	3,284,338	-	493,558
Transfers out	(2,298,874)	(1,597,012)	-
<b>Total other financing sources (uses)</b>	<b>985,464</b>	<b>(1,597,012)</b>	<b>493,558</b>
<b>Net changes in fund balance</b>	<b>155,651</b>	<b>12,522</b>	<b>-</b>
Fund balances, beginning of year	5,358,631	85,692	-
Fund balances, end of year	<b>\$ 5,514,282</b>	<b>\$ 98,214</b>	<b>\$ -</b>

Eliminations		Total	
\$	-	\$	9,410,210
	-		7,655,218
	-		17,128
	-		585,562
	-		383,393
	-		397,219
	-		260,361
	-		411,542
	-		19,120,633
	-		9,514,624
	-		22,648
	-		3,956,395
	-		905,402
	-		3,503,278
	-		98,735
	-		833,388
	-		18,834,470
	-		286,163
	(312,279)		3,465,617
	312,279		(3,583,607)
	-		(117,990)
	-		168,173
	-		5,444,323
\$	-	\$	5,612,496

City of Bettendorf, Iowa

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Special Revenue		
	Road Use Tax	Housing and Urban Development Section 8	Economic Development
<b>Assets</b>			
Cash and investments	\$ 425,016	\$ 104,190	\$ 35,932
Receivables:			
Property taxes	-	-	-
Accounts	-	5,790	-
Accrued interest	876	-	74
Due from other funds	-	-	-
Due from other governments	232,383	-	-
<b>Total assets</b>	<b>\$ 658,275</b>	<b>\$ 109,980</b>	<b>\$ 36,006</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 60,423	\$ 1,055	\$ -
Accrued liabilities	17,209	157	-
Due to other governments	5,471	29	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>83,103</b>	<b>1,241</b>	<b>-</b>
Fund Balances:			
Restricted	282,913	105,316	36,006
Assigned	292,259	3,423	-
<b>Total fund balances</b>	<b>575,172</b>	<b>108,739</b>	<b>36,006</b>
<b>Total liabilities and fund balances</b>	<b>\$ 658,275</b>	<b>\$ 109,980</b>	<b>\$ 36,006</b>

(Continued)

Special Revenue				Capital Projects		
Police	Library	Park	Employee Benefits	Vehicle Replacement	Electronic Equipment Replacement	
\$ 145,998	\$ 883,169	\$ 119,579	\$ -	\$ 730,093	\$ 510,503	
-	-	-	36,678	-	-	
-	-	-	-	-	-	
252	1,829	247	-	1,511	1,213	
-	-	-	-	-	-	
-	-	-	59	-	20,237	
<u>\$ 146,250</u>	<u>\$ 884,998</u>	<u>\$ 119,826</u>	<u>\$ 36,737</u>	<u>\$ 731,604</u>	<u>\$ 531,953</u>	
\$ 250	\$ 14,812	\$ -	\$ -	\$ -	\$ 29,109	
-	-	-	-	-	-	
-	11	-	-	-	-	
-	-	-	18,864	-	-	
-	-	-	17,873	-	-	
<u>250</u>	<u>14,823</u>	<u>-</u>	<u>36,737</u>	<u>-</u>	<u>29,109</u>	
141,652	837,976	115,267	-	-	50,719	
4,348	32,199	4,559	-	731,604	452,125	
<u>146,000</u>	<u>870,175</u>	<u>119,826</u>	<u>-</u>	<u>731,604</u>	<u>502,844</u>	
\$ 146,250	\$ 884,998	\$ 119,826	\$ 36,737	\$ 731,604	\$ 531,953	

City Of Bettendorf, Iowa

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2012

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
<b>Assets</b>				
Cash and investments	\$ 63,373	\$ 653,678	\$ 275,318	\$ 3,946,849
Receivables:				
Property taxes	-	-	-	36,678
Accounts	-	-	-	5,790
Accrued interest	1,042	1,353	-	8,397
Due from other funds	442,183	-	-	442,183
Due from other governments	-	-	-	252,679
<b>Total assets</b>	<b>\$ 506,598</b>	<b>\$ 655,031</b>	<b>\$ 275,318</b>	<b>\$ 4,692,576</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 105,649
Accrued liabilities	-	-	-	17,366
Due to other governments	-	-	-	5,511
Due to other funds	-	-	-	18,864
Deferred revenue	-	-	-	17,873
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,263</b>
Fund Balances:				
Restricted	479,816	631,148	275,318	2,956,131
Assigned	26,782	23,883	-	1,571,182
<b>Total fund balances</b>	<b>506,598</b>	<b>655,031</b>	<b>275,318</b>	<b>4,527,313</b>
<b>Total liabilities and fund balances</b>	<b>\$ 506,598</b>	<b>\$ 655,031</b>	<b>\$ 275,318</b>	<b>\$ 4,692,576</b>



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City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2012**

	Special Revenue			
	Road Use Tax	Housing and Urban Development Section 8	Economic Development	Police
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	3,142,544	258,324	-	-
Use of money and property	6,877	536	446	2,785
Miscellaneous	18,022	4,885	35,000	43,866
<b>Total revenues</b>	<b>3,167,443</b>	<b>263,745</b>	<b>35,446</b>	<b>46,651</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	41,164
Public works	3,113,463	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	53,667	485,108	1,564	-
Capital outlay	88,630	-	-	-
<b>Total expenditures</b>	<b>3,255,760</b>	<b>485,108</b>	<b>1,564</b>	<b>41,164</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(88,317)</b>	<b>(221,363)</b>	<b>33,882</b>	<b>5,487</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	280,936	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>280,936</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>192,619</b>	<b>(221,363)</b>	<b>33,882</b>	<b>5,487</b>
Fund balances, beginning of year	382,553	330,102	2,124	140,513
Fund balances, end of year	<b>\$ 575,172</b>	<b>\$ 108,739</b>	<b>\$ 36,006</b>	<b>\$ 146,000</b>

(Continued)



Special Revenue			Capital Projects		
Library	Park	Employee Benefits	Vehicle Replacement	Electronic Equipment Replacement	
\$ -	\$ -	\$ 2,883,845	\$ -	\$ -	
-	-	107,167	-	-	
-	-	1,541	-	-	
19,799	2,589	-	20,283	14,304	
60,118	-	-	21	5,752	
79,917	2,589	2,992,553	20,304	20,056	
-	-	-	-	-	
-	-	-	-	-	
79,051	-	-	-	-	
-	-	-	-	-	
21,073	-	-	434,677	170,811	
100,124	-	-	434,677	170,811	
(20,207)	2,589	2,992,553	(414,373)	(150,755)	
-	-	-	35,581	-	
3,650	-	-	225,000	100,000	
-	(2,780)	(2,992,553)	-	(121,752)	
3,650	(2,780)	(2,992,553)	260,581	(21,752)	
(16,557)	(191)	-	(153,792)	(172,507)	
886,732	120,017	-	885,396	675,351	
\$ 870,175	\$ 119,826	\$ -	\$ 731,604	\$ 502,844	

City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2012

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 2,883,845
Other taxes	-	-	-	107,167
Intergovernmental	-	-	-	3,402,409
Use of money and property	13,501	13,535	-	94,655
Miscellaneous	-	50,000	-	217,664
<b>Total revenues</b>	<b>13,501</b>	<b>63,535</b>	<b>-</b>	<b>6,705,740</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	41,164
Public works	-	-	-	3,113,463
Culture and recreation	-	-	-	79,051
Community and economic development	-	-	-	540,339
Capital outlay	-	1,529	-	716,720
<b>Total expenditures</b>	<b>-</b>	<b>1,529</b>	<b>-</b>	<b>4,490,737</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,501</b>	<b>62,006</b>	<b>-</b>	<b>2,215,003</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	35,581
Transfers in	1,833,874	-	-	2,443,460
Transfers out	(2,263,891)	-	-	(5,380,976)
<b>Total other financing sources (uses)</b>	<b>(430,017)</b>	<b>-</b>	<b>-</b>	<b>(2,901,935)</b>
<b>Net changes in fund balance</b>	<b>(416,516)</b>	<b>62,006</b>	<b>-</b>	<b>(686,932)</b>
Fund balances, beginning of year	923,114	593,025	275,318	5,214,245
Fund balances, end of year	\$ 506,598	\$ 655,031	\$ 275,318	\$ 4,527,313



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City of Bettendorf, Iowa

Combining Statement of Net Assets  
 Nonmajor Enterprise Funds  
 June 30, 2012

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 1,145,893	\$ 367,342
Receivables:		
Accounts and unbilled usage	559,250	16,615
Accrued interest	1,315	1,139
Special assessments	72,566	-
Due from other funds	-	-
Due from other governments	-	395
Prepaid items	-	-
<b>Total current assets</b>	<u>1,779,024</u>	<u>385,491</u>
Noncurrent assets:		
Bond issuance costs	4,162	-
Capital assets:		
Nondepreciable:		
Land	-	579,370
Construction-in-progress	-	37,746
Depreciable:		
Buildings and structures	-	1,490,637
Equipment and vehicles	2,550,265	1,729,026
Improvements other than buildings	-	1,514,408
Accumulated depreciation	(1,673,875)	(1,335,853)
<b>Net capital assets</b>	<u>876,390</u>	<u>4,015,334</u>
<b>Total noncurrent assets</b>	<u>880,552</u>	<u>4,015,334</u>
<b>Total assets</b>	<u>\$ 2,659,576</u>	<u>\$ 4,400,825</u>

(Continued)

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 172,498	\$ 76,076	\$ 5,874	\$ 61,506	\$ 4,266	\$ 1,833,455
6,415	4,249	2,394	21,338	33,667	643,928
-	-	-	-	-	2,454
-	-	-	-	-	72,566
-	-	755	943	-	1,698
-	-	278,612	72,422	42,708	394,137
2,592	-	-	2,592	-	5,184
181,505	80,325	287,635	158,801	80,641	2,953,422
-	-	-	-	-	4,162
840,000	-	-	148,070	-	1,567,440
-	-	-	329,308	-	367,054
3,511,022	4,180,433	-	5,380,637	-	14,562,729
330,702	89,894	1,947,351	801,157	849,028	8,297,423
85,885	8,120	-	229,744	-	1,838,157
(2,189,084)	(1,745,454)	(819,673)	(2,738,491)	(300,351)	(10,802,781)
2,578,525	2,532,993	1,127,678	4,150,425	548,677	15,830,022
2,578,525	2,532,993	1,127,678	4,150,425	548,677	15,834,184
\$ 2,760,030	\$ 2,613,318	\$ 1,415,313	\$ 4,309,226	\$ 629,318	\$ 18,787,606

City of Bettendorf, Iowa

Combining Statement of Net Assets (Continued)

Nonmajor Enterprise Funds

June 30, 2012

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current:		
Accounts payable	\$ 32,045	\$ 206,483
Compensated absences	11,122	4,534
Accrued liabilities	8,059	4,820
Due to other governments	5,352	4,623
Due to other funds	-	50,000
Interest payable	967	-
Contracts payable	-	255,055
Unearned revenue	-	-
Current maturities, general obligation bonds	125,000	-
<b>Total current liabilities</b>	<u>182,545</u>	<u>525,515</u>
Noncurrent:		
Compensated absences	29,973	12,217
Other post employment benefits obligation	23,504	8,797
General obligation bonds, net of bond discounts and premiums	399,904	-
<b>Total noncurrent liabilities</b>	<u>453,381</u>	<u>21,014</u>
<b>Total liabilities</b>	<u>635,926</u>	<u>546,529</u>
Net assets:		
Invested in capital assets, net of related debt	351,486	4,015,334
Unrestricted	1,672,164	(161,038)
<b>Total net assets</b>	<u>2,023,650</u>	<u>3,854,296</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,659,576</u>	<u>\$ 4,400,825</u>

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 31,671	\$ 96,563	\$ 28,563	\$ 47,535	\$ 11,251	\$ 454,111
5,277	494	11,647	18,958	2,869	54,901
4,068	548	8,753	14,818	1,827	42,893
3,214	6,723	1,487	2,605	286	24,290
-	-	298,266	-	41,728	389,994
-	-	-	-	-	967
-	-	-	152,398	-	407,453
102,918	-	-	-	-	102,918
-	-	-	-	-	125,000
147,148	104,328	348,716	236,314	57,961	1,602,527
14,220	1,332	31,387	51,091	7,733	147,953
1,769	-	33,116	31,106	-	98,292
-	-	-	-	-	399,904
15,989	1,332	64,503	82,197	7,733	646,149
163,137	105,660	413,219	318,511	65,694	2,248,676
2,578,525	2,532,993	1,127,678	4,150,425	548,677	15,305,118
18,368	(25,335)	(125,584)	(159,710)	14,947	1,233,812
2,596,893	2,507,658	1,002,094	3,990,715	563,624	16,538,930
\$ 2,760,030	\$ 2,613,318	\$ 1,415,313	\$ 4,309,226	\$ 629,318	\$ 18,787,606

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Nonmajor Enterprise Funds  
Year Ended June 30, 2012**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Operating revenues:		
Charges for services	\$ 1,851,851	\$ 583,287
Other, primarily concessions	2,001	326,019
<b>Total operating revenues</b>	<b>1,853,852</b>	<b>909,306</b>
Operating expenses:		
Salaries and benefits	785,715	603,186
Supplies and services	828,788	402,348
Depreciation	258,064	148,568
Amortization	(1,436)	-
<b>Total operating expenses</b>	<b>1,871,131</b>	<b>1,154,102</b>
<b>Operating (loss)</b>	<b>(17,279)</b>	<b>(244,796)</b>
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Investment earnings	26,437	4,302
Interest expense	(13,892)	-
Loss on disposal of capital assets	(1,541)	-
<b>Total nonoperating revenues (expenses)</b>	<b>11,004</b>	<b>4,302</b>
<b>(Loss) before capital grants and contributions and transfers</b>	<b>(6,275)</b>	<b>(240,494)</b>
Capital grants and contributions	-	-
Transfers in	-	1,708,700
	-	1,708,700
<b>Changes in net assets</b>	<b>(6,275)</b>	<b>1,468,206</b>
Net assets, beginning	2,029,925	2,386,090
Net assets, ending	<b>\$ 2,023,650</b>	<b>\$ 3,854,296</b>



Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 624,097	\$ 285,448	\$ 109,321	\$ 757,003	\$ 29,223	\$ 4,240,230
10,584	6,986	4,090	88,833	155,111	593,624
634,681	292,434	113,411	845,836	184,334	4,833,854
479,800	222,755	757,380	1,175,381	184,261	4,208,478
281,801	194,634	752,394	547,061	140,178	3,147,204
102,665	155,324	193,710	183,265	120,378	1,161,974
-	-	-	1,968	-	532
864,266	572,713	1,703,484	1,907,675	444,817	8,518,188
(229,585)	(280,279)	(1,590,073)	(1,061,839)	(260,483)	(3,684,334)
-	-	754,807	-	142,730	897,537
29,360	-	-	8,216	-	68,315
-	-	-	(14,085)	-	(27,977)
-	-	-	-	-	(1,541)
29,360	-	754,807	(5,869)	142,730	936,334
(200,225)	(280,279)	(835,266)	(1,067,708)	(117,753)	(2,748,000)
-	-	-	172,422	-	172,422
151,959	133,496	641,975	1,462,758	19,905	4,118,793
151,959	133,496	641,975	1,635,180	19,905	4,291,215
(48,266)	(146,783)	(193,291)	567,472	(97,848)	1,543,215
2,645,159	2,654,441	1,195,385	3,423,243	661,472	14,995,715
\$ 2,596,893	\$ 2,507,658	\$ 1,002,094	\$ 3,990,715	\$ 563,624	\$ 16,538,930

City of Bettendorf, Iowa

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2012**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,835,012	\$ 585,477
Receipts from other operating revenue	2,001	326,019
Payments to suppliers	(858,834)	(364,279)
Payments to employees	(799,792)	(611,081)
<b>Net cash provided by (used in) operating activities</b>	<b>178,387</b>	<b>(63,864)</b>
Cash flows from noncapital financing activities:		
Intergovernmental	-	-
Proceeds from interfund accounts	-	-
(Payments of) interfund accounts	-	(50,000)
Transfers in	-	1,708,700
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>1,658,700</b>
Cash flows from capital and related financing activities:		
Purchase of capital assets	-	(1,364,119)
Capital grants	-	-
Payment on debt	(125,000)	-
Interest (paid) on debt	(14,100)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(139,100)</b>	<b>(1,364,119)</b>
Cash flows from investing activities, interest received	29,053	3,163
<b>Net increase in cash and cash equivalents</b>	<b>68,340</b>	<b>233,880</b>
Cash and cash equivalents:		
Beginning	1,077,553	133,462
Ending	<b>\$ 1,145,893</b>	<b>\$ 367,342</b>
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:		
Operating (loss)	\$ (17,279)	\$ (244,796)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Depreciation	258,064	148,568
Amortization	(1,436)	-
Change in assets and liabilities:		
Receivables and due from other governments	(16,839)	2,190
Prepaid items	-	-
Accounts payable and due to other governments	(30,046)	38,069
Compensated absences and accrued liabilities	(21,112)	(7,287)
Other post employment benefits obligation	7,035	(608)
Unearned revenue	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 178,387</b>	<b>\$ (63,864)</b>
Schedule of noncash items:		
Capital and related financing activities:		
Acquisition of capital assets through contracts or accounts payable	\$ -	\$ 214,211

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 612,892	\$ 287,029	\$ 113,797	\$ 779,283	\$ 29,223	\$ 4,242,713
10,584	6,986	4,090	88,833	202,437	640,950
(290,798)	(180,172)	(762,527)	(546,386)	(130,761)	(3,133,757)
(487,958)	(224,178)	(769,535)	(1,260,874)	(188,754)	(4,342,172)
(155,280)	(110,335)	(1,414,175)	(939,144)	(87,855)	(2,592,266)
-	-	579,920	-	174,207	754,127
-	-	192,545	494	-	193,039
-	-	-	-	(93,762)	(143,762)
151,959	133,496	641,975	1,462,758	19,905	4,118,793
151,959	133,496	1,414,440	1,463,252	100,350	4,922,197
(25,667)	(22,989)	-	(198,909)	(8,229)	(1,619,913)
-	-	-	100,000	-	100,000
-	-	-	(384,100)	-	(509,100)
-	-	-	(15,365)	-	(29,465)
(25,667)	(22,989)	-	(498,374)	(8,229)	(2,058,478)
29,360	-	13	8,216	-	69,805
372	172	278	33,950	4,266	341,258
172,126	75,904	5,596	27,556	-	1,492,197
\$ 172,498	\$ 76,076	\$ 5,874	\$ 61,506	\$ 4,266	\$ 1,833,455
\$ (229,585)	\$ (280,279)	\$ (1,590,073)	\$ (1,061,839)	\$ (260,483)	\$ (3,684,334)
102,665	155,324	193,710	183,265	120,378	1,161,974
-	-	-	1,968	-	532
(483)	1,581	4,476	22,280	47,326	60,531
(2,592)	-	-	(2,592)	-	(5,184)
(6,405)	14,462	(10,133)	3,267	9,417	18,631
(8,355)	(1,423)	(22,857)	(93,842)	(4,493)	(159,369)
197	-	10,702	8,349	-	25,675
(10,722)	-	-	-	-	(10,722)
\$ (155,280)	\$ (110,335)	\$ (1,414,175)	\$ (939,144)	\$ (87,855)	\$ (2,592,266)
\$ -	\$ -	\$ -	\$ 152,398	\$ -	\$ 366,609

City of Bettendorf, Iowa

Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2012

<b>Assets</b>	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
<b>Current assets:</b>					
Cash and investments	\$ 1,278,000	\$ 674,443	\$ 442,349	\$ 331,463	\$ 2,726,255
<b>Receivables:</b>					
Accounts	-	40,743	-	206	40,949
Accrued interest	2,091	1,377	920	712	5,100
Prepaid items	-	-	-	48,223	48,223
<b>Total current assets</b>	<b>1,280,091</b>	<b>716,563</b>	<b>443,269</b>	<b>380,604</b>	<b>2,820,527</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Nondepreciable, land	-	-	43,609	-	43,609
<b>Depreciable:</b>					
Buildings and structures	-	-	423,461	-	423,461
Equipment and vehicles	-	-	555,416	-	555,416
Accumulated depreciation	-	-	(743,134)	-	(743,134)
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>279,352</b>	<b>-</b>	<b>279,352</b>
<b>Total assets</b>	<b>\$ 1,280,091</b>	<b>\$ 716,563</b>	<b>\$ 722,621</b>	<b>\$ 380,604</b>	<b>\$ 3,099,879</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities:</b>					
<b>Current:</b>					
Accounts payable	\$ -	\$ 69,358	\$ 150,146	\$ 10,740	\$ 230,244
Claims payable	295,120	-	-	-	295,120
Compensated absences	-	-	7,821	7,748	15,569
Accrued liabilities	-	-	5,873	6,401	12,274
Due to other governments	-	-	1,083	1,171	2,254
<b>Total current liabilities</b>	<b>295,120</b>	<b>69,358</b>	<b>164,923</b>	<b>26,060</b>	<b>555,461</b>
<b>Noncurrent:</b>					
Compensated absences	-	-	21,076	20,880	41,956
Other postemployment benefits obligation	-	-	16,659	12,387	29,046
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>37,735</b>	<b>33,267</b>	<b>71,002</b>
<b>Total liabilities</b>	<b>295,120</b>	<b>69,358</b>	<b>202,658</b>	<b>59,327</b>	<b>626,463</b>
<b>Net assets:</b>					
Invested in capital assets	-	-	279,352	-	279,352
Unrestricted	984,971	647,205	240,611	321,277	2,194,064
<b>Total net assets</b>	<b>984,971</b>	<b>647,205</b>	<b>519,963</b>	<b>321,277</b>	<b>2,473,416</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,280,091</b>	<b>\$ 716,563</b>	<b>\$ 722,621</b>	<b>\$ 380,604</b>	<b>\$ 3,099,879</b>

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds  
Year Ended June 30, 2012**

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Operating revenues:					
Charges for services	\$ 3,350,312	\$ 766,919	\$ 1,632,576	\$ 641,064	\$ 6,390,871
Other	1,222	52,213	-	9,062	62,497
<b>Total operating revenues</b>	<b>3,351,534</b>	<b>819,132</b>	<b>1,632,576</b>	<b>650,126</b>	<b>6,453,368</b>
Operating expenses:					
Salaries and benefits, primarily claims expense	2,840,132	-	463,389	442,616	3,746,137
Supplies and services	498,338	815,288	1,193,588	248,647	2,755,861
Depreciation	-	-	24,142	-	24,142
<b>Total operating expenses</b>	<b>3,338,470</b>	<b>815,288</b>	<b>1,681,119</b>	<b>691,263</b>	<b>6,526,140</b>
<b>Operating income (loss)</b>	<b>13,064</b>	<b>3,844</b>	<b>(48,543)</b>	<b>(41,137)</b>	<b>(72,772)</b>
Nonoperating revenues, investment earnings	23,115	12,623	9,274	5,961	50,973
<b>Income (loss) before transfers</b>	<b>36,179</b>	<b>16,467</b>	<b>(39,269)</b>	<b>(35,176)</b>	<b>(21,799)</b>
Transfers in	-	-	-	32,000	32,000
<b>Changes in net assets</b>	<b>36,179</b>	<b>16,467</b>	<b>(39,269)</b>	<b>(3,176)</b>	<b>10,201</b>
Total net assets, beginning	948,792	630,738	559,232	324,453	2,463,215
Total net assets, ending	\$ 984,971	\$ 647,205	\$ 519,963	\$ 321,277	\$ 2,473,416

City of Bettendorf, Iowa

**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2012**

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 3,354,632	\$ 727,537	\$ 1,632,576	\$ 640,858	\$ 6,355,603
Receipts from other operating revenue	1,222	52,213	-	9,062	62,497
Payments to suppliers	(498,338)	(778,397)	(1,195,690)	(250,853)	(2,723,278)
Payments to claimants	(2,682,641)	-	-	-	(2,682,641)
Payments to employees	-	-	(470,203)	(382,482)	(852,685)
<b>Net cash provided by (used in) operating activities</b>	<b>174,875</b>	<b>1,353</b>	<b>(33,317)</b>	<b>16,585</b>	<b>159,496</b>
Cash flows from noncapital financing activities:					
Proceeds of interfund accounts	-	4,190	-	-	4,190
Transfers in	-	-	-	32,000	32,000
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>4,190</b>	<b>-</b>	<b>32,000</b>	<b>36,190</b>
Cash flows from investing activities,					
interest received	25,923	13,685	10,414	6,475	56,497
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>200,798</b>	<b>19,228</b>	<b>(22,903)</b>	<b>55,060</b>	<b>252,183</b>
Cash and cash equivalents:					
Beginning	1,077,202	655,215	465,252	276,403	2,474,072
Ending	\$ 1,278,000	\$ 674,443	\$ 442,349	\$ 331,463	\$ 2,726,255
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 13,064	\$ 3,844	\$ (48,543)	\$ (41,137)	\$ (72,772)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	24,142	-	24,142
Change in assets and liabilities:					
Receivables and due from other governments	4,320	(39,382)	-	(206)	(35,268)
Prepaid items	-	-	-	66,094	66,094
Accounts payable and due to other governments	-	36,891	(2,102)	(2,206)	32,583
Claims payable	157,491	-	-	-	157,491
Compensated absences and accrued liabilities	-	-	(11,095)	(10,091)	(21,186)
Other postemployment benefits obligation	-	-	4,281	4,131	8,412
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 174,875</b>	<b>\$ 1,353</b>	<b>\$ (33,317)</b>	<b>\$ 16,585</b>	<b>\$ 159,496</b>

City of Bettendorf, Iowa

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2012

	Explorers	Section 125 Plan	Police Property Account	Charity Fundraising	Explorers Special Events	Total
<b>Assets:</b>						
Cash and investments	\$ 1,575	\$ 29,343	\$ 16,653	\$ 400	\$ 1,898	\$ 49,869
Accounts receivable	819	-	-	-	-	819
Accrued interest receivable	3	-	-	-	4	7
	<u>\$ 2,397</u>	<u>\$ 29,343</u>	<u>\$ 16,653</u>	<u>\$ 400</u>	<u>\$ 1,902</u>	<u>\$ 50,695</u>
<b>Liabilities, accounts payable</b>	<u>\$ 2,397</u>	<u>\$ 29,343</u>	<u>\$ 16,653</u>	<u>\$ 400</u>	<u>\$ 1,902</u>	<u>\$ 50,695</u>

City of Bettendorf, Iowa

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2012**

<b>Explorers</b>	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
<b>Assets:</b>				
Cash and investments	\$ -	\$ 1,781	\$ 206	\$ 1,575
Accounts receivable	-	819	-	819
Accrued interest receivable	-	3	-	3
	<u>\$ -</u>	<u>\$ 2,603</u>	<u>\$ 206</u>	<u>\$ 2,397</u>
<b>Liabilities, accounts payable</b>	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 2,397</u>
<b>Section 125 Plan</b>				
<b>Assets, cash and investments</b>	<u>\$ 32,963</u>	<u>\$ -</u>	<u>\$ 3,620</u>	<u>\$ 29,343</u>
<b>Liabilities, accounts payable</b>	<u>\$ 32,963</u>	<u>\$ -</u>	<u>\$ 3,620</u>	<u>\$ 29,343</u>
<b>Police Property Account</b>				
<b>Assets, cash and investments</b>	<u>\$ 70,395</u>	<u>\$ -</u>	<u>\$ 53,742</u>	<u>\$ 16,653</u>
<b>Liabilities, accounts payable</b>	<u>\$ 70,395</u>	<u>\$ -</u>	<u>\$ 53,742</u>	<u>\$ 16,653</u>
<b>Police Ammo Purchase</b>				
<b>Assets, cash and investments</b>	<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 3,052</u>	<u>\$ -</u>
<b>Liabilities, accounts payable</b>	<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 3,052</u>	<u>\$ -</u>

(Continued)



City of Bettendorf, Iowa

Combining Statement of Changes in Assets and Liabilities (Continued)

Agency Funds

Year Ended June 30, 2012

Charity Fundraising	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
<b>Assets, cash and investments</b>	\$ 100	\$ 300	\$ -	\$ 400
<b>Liabilities, accounts payable</b>	\$ 100	\$ 300	\$ -	\$ 400

**Explorers Special Events**

<b>Assets:</b>				
Cash and investments	\$ 3,253	\$ -	\$ 1,355	\$ 1,898
Accrued interest receivable	-	4	-	4
	\$ -	\$ 4	\$ 1,355	\$ 1,902
<b>Liabilities, accounts payable</b>	\$ 3,253	\$ 4	\$ 1,355	\$ 1,902

**Combined Funds**

<b>Assets:</b>				
Cash and investments	\$ 106,711	\$ 5,133	\$ 61,975	\$ 49,869
Accounts receivable	-	819	-	819
Accrued interest receivable	-	7	-	7
	\$ 106,711	\$ 5,959	\$ 61,975	\$ 50,695
<b>Liabilities, accounts payable</b>	\$ 106,711	\$ 5,753	\$ 61,769	\$ 50,695



Bettendorf IOWA

*a premier city*

## City of Bettendorf, Iowa

### Statistical Section

#### Contents

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

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	91 - 111
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	112 - 118
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	119 - 125
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	126 - 127
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	128 - 133

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

City of Bettendorf, 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	\$ 19,103,899	\$ 24,868,920	\$ 32,359,207	\$ 37,919,071
Restricted	3,800,866	10,406,431	6,124,873	6,221,183
Unrestricted	17,705,256	11,440,524	12,079,106	10,349,190
<b>Total governmental     activities net assets</b>	<b>\$ 40,610,021</b>	<b>\$ 46,715,875</b>	<b>\$ 50,563,186</b>	<b>\$ 54,489,444</b>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 24,148,187	\$ 26,438,117	\$ 26,983,506	\$ 29,262,706
Restricted	2,221,099	389,184	175,786	176,219
Unrestricted	1,111,725	3,518,944	3,621,881	2,967,755
<b>Total business-type     activities net assets</b>	<b>\$ 27,481,011</b>	<b>\$ 30,346,245</b>	<b>\$ 30,781,173</b>	<b>\$ 32,406,680</b>
Primary government:				
Invested in capital assets, net of related debt	\$ 43,252,086	\$ 51,307,037	\$ 59,342,713	\$ 67,181,777
Restricted	6,021,965	10,795,615	6,300,659	6,397,402
Unrestricted	18,816,981	14,959,468	15,700,987	13,316,945
<b>Total primary government     net assets</b>	<b>\$ 68,091,032</b>	<b>\$ 77,062,120</b>	<b>\$ 81,344,359</b>	<b>\$ 86,896,124</b>

							Fiscal Year						
		2007		2008		2009		2010		2011		2012	
\$	39,923,572	\$	46,616,013	\$	53,124,355	\$	50,086,105	\$	59,344,680	\$	58,511,165		
	10,260,032		7,158,860		5,920,270		11,423,859		4,103,202		9,140,403		
	9,270,579		13,026,168		9,321,954		8,367,447		7,734,422		5,113,400		
<b>\$</b>	<b>59,454,183</b>	<b>\$</b>	<b>66,801,041</b>	<b>\$</b>	<b>68,366,579</b>	<b>\$</b>	<b>69,877,411</b>	<b>\$</b>	<b>71,182,304</b>	<b>\$</b>	<b>72,764,968</b>		
\$	30,564,714	\$	38,279,056	\$	37,323,495	\$	38,063,230	\$	38,450,048	\$	36,793,296		
	175,553		166,868		-		-		-		-		
	1,071,417		(1,435,388)		1,272,231		2,279,370		2,093,785		6,240,314		
<b>\$</b>	<b>31,811,684</b>	<b>\$</b>	<b>37,010,536</b>	<b>\$</b>	<b>38,595,726</b>	<b>\$</b>	<b>40,342,600</b>	<b>\$</b>	<b>40,543,833</b>	<b>\$</b>	<b>43,033,610</b>		
\$	70,488,286	\$	84,895,069	\$	90,447,850	\$	88,149,335	\$	97,794,728	\$	95,304,461		
	10,435,585		7,325,728		5,920,270		11,423,859		4,103,202		9,140,403		
	10,341,996		11,590,780		10,594,185		10,646,817		9,828,207		11,353,714		
<b>\$</b>	<b>91,265,867</b>	<b>\$</b>	<b>103,811,577</b>	<b>\$</b>	<b>106,962,305</b>	<b>\$</b>	<b>110,220,011</b>	<b>\$</b>	<b>111,726,137</b>	<b>\$</b>	<b>115,798,578</b>		

**City of Bettendorf, Iowa**

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

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

(Continued)

		Fiscal Year											
		2006	2007	2008	2009	2010	2011	2012					
\$	8,474,260	\$	9,218,990	\$	9,714,867	\$	9,951,992	\$	10,652,552	\$	10,119,472	\$	<b>10,097,643</b>
	5,762,806		6,209,711		6,480,290		9,997,254		8,613,251		9,722,377		<b>8,118,410</b>
	3,722,405		3,663,690		3,784,862		4,180,037		4,735,415		4,857,215		<b>5,050,752</b>
	1,521,206		1,529,551		2,013,017		2,204,648		2,340,564		2,973,813		<b>2,663,665</b>
	3,566,384		3,440,431		3,498,535		3,706,638		4,284,049		3,699,119		<b>4,004,959</b>
	2,349,192		2,348,925		2,443,655		2,446,577		2,750,859		3,041,880		<b>3,018,316</b>
	<b>25,396,253</b>		<b>26,411,298</b>		<b>27,935,226</b>		<b>32,487,146</b>		<b>33,376,690</b>		<b>34,413,876</b>		<b>32,953,745</b>
	2,767,540		2,906,148		2,927,523		2,979,537		3,195,132		3,331,375		<b>3,421,107</b>
	1,725,794		1,800,585		1,721,249		1,934,671		1,973,712		2,016,226		<b>1,910,145</b>
	412,494		426,630		473,972		491,077		476,338		499,827		<b>573,613</b>
	1,580,939		1,633,478		1,720,851		1,793,971		1,803,620		1,897,813		<b>1,886,757</b>
	1,146,586		1,273,827		1,226,764		1,228,773		1,241,863		1,177,573		<b>1,151,787</b>
	782,242		788,259		880,485		861,694		835,180		873,930		<b>862,185</b>
	783,017		672,361		794,675		620,500		764,521		737,989		<b>858,967</b>
	1,091,502		1,187,029		1,229,554		1,256,562		1,324,093		1,532,212		<b>1,702,699</b>
	-		64,030		91,705		2,129,540		3,469,416		4,025,930		<b>3,789,859</b>
	-		694,448		-		-		184,387		423,702		<b>442,905</b>
	<b>10,290,114</b>		<b>11,446,795</b>		<b>11,066,778</b>		<b>13,296,325</b>		<b>15,268,262</b>		<b>16,516,577</b>		<b>16,600,024</b>
	<b>35,686,367</b>		<b>37,858,093</b>		<b>39,002,004</b>		<b>45,783,471</b>		<b>48,644,952</b>		<b>50,930,453</b>		<b>49,553,769</b>
	18,546		21,796		20,457		17,228		24,881		11,881		<b>14,620</b>
	23,382		8,983		37,758		13,343		18,280		29,880		<b>18,041</b>
	209,673		229,243		227,595		242,993		269,497		276,770		<b>307,544</b>
	1,037,467		616,722		567,023		517,903		613,992		599,360		<b>659,703</b>
	105,059		115,102		87,066		70,116		91,004		154,266		<b>138,567</b>
	436,083		378,140		917,634		326,636		238,659		304,673		<b>332,609</b>
	2,664,831		2,665,412		2,728,338		2,640,668		2,774,484		3,197,991		<b>3,174,925</b>
	159,889		108,257		83,837		72,008		82,794		61,334		<b>41,941</b>
	512,395		711,400		633,852		990,458		643,827		527,199		<b>297,095</b>
	-		80,000		103,726		383,794		108,218		100,000		<b>125,000</b>
	1,165,844		1,323,870		2,315,830		1,228,183		2,130,519		2,232,583		<b>2,466,192</b>
	27,051		30,000		20,000		5,000		-		15,000		<b>-</b>
	<b>6,360,220</b>		<b>6,288,925</b>		<b>7,743,116</b>		<b>6,508,330</b>		<b>6,996,155</b>		<b>7,510,937</b>		<b>7,576,237</b>

City of Bettendorf, Iowa

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

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

(Continued)



							Fiscal Year						
2006		2007		2008		2009		2010		2011		2012	
\$	2,491,731	\$	2,410,029	\$	2,422,381	\$	2,526,562	\$	2,532,985	\$	2,557,175	\$	2,826,626
	516,211		572,603		615,898		643,992		650,093		709,016		757,003
	167,157		187,471		211,302		247,681		206,771		242,962		285,448
	1,355,684		1,420,297		1,591,716		1,652,843		1,727,398		1,793,407		1,851,851
	738,340		740,103		686,948		707,031		698,607		678,634		583,287
	368,153		524,665		555,851		564,126		569,750		604,013		624,097
	579,144		593,041		619,328		781,391		795,609		805,521		841,178
	56,656		61,037		64,270		68,655		73,000		87,822		109,321
	-		-		-		414,380		1,569,542		2,148,027		1,903,511
	-		-		-		-		12,162		26,477		29,223
	149,273		225,500		133,098		175,937		77,037		106,124		85,335
	-		-		-		2,000		-		-		-
	268,686		555,512		417,756		402,282		421,642		447,848		754,807
	-		-		-		963,453		674,212		702,369		736,036
	-		-		-		-		57,645		128,764		142,730
	465,967		-		121,832		507,934		299,097		257,321		627,175
	-		-		-		-		-		-		172,422
	-		-		-		-		-		-		-
	300,000		-		-		-		-		-		-
	310,645		-		81,221		315,489		177,398		171,548		442,117
	-		-		12,500		-		793,166		510,904		-
	-		138,040		4,486,960		355,450		125,100		225,048		200,908
	250,000		200,000		-		-		-		-		-
	-		-		-		-		836,808		-		-
	8,017,647		7,628,298		12,021,061		10,329,206		12,298,022		12,202,980		12,973,075
	14,377,867		13,917,223		19,764,177		16,837,536		12,298,022		19,713,917		20,549,312
	(19,036,033)		(20,122,373)		(20,192,110)		(25,978,816)		(26,380,535)		(26,902,939)		(25,377,508)
	(2,272,467)		(3,818,497)		954,283		(2,967,119)		(2,970,240)		(4,313,597)		(3,626,949)
	(21,308,500)		(23,940,870)		(19,237,827)		(28,945,935)		(29,350,775)		(31,216,536)		(29,004,457)
	15,375,604		15,619,789		16,795,048		18,408,444		19,299,744		19,813,742		20,783,927
	1,853,383		1,962,103		3,172,985		3,377,334		3,499,290		3,097,551		2,318,400
	3,968,600		4,206,449		4,259,072		4,184,906		4,120,192		4,282,026		4,723,721
	1,557,262		1,440,620		1,573,298		1,533,961		1,550,364		1,519,082		1,494,993
	2,121,774		1,963,498		2,076,120		1,912,972		1,684,304		1,658,400		1,608,845
	-		-		-		-		-		-		-
	345,734		366,272		392,338		368,246		374,172		379,885		374,108
	22,335		22,350		23,080		23,805		23,492		22,599		22,471
	34,604		45,081		51,018		52,352		57,449		56,641		55,985
	826,908		1,398,304		1,451,101		1,133,258		747,599		472,319		487,267
	-		-		21,163		1,726		-		46,183		35,581
	352,050		511,323		775,171		398,325		621,627		729,975		539,840
	(3,495,963)		(2,448,677)		(3,051,426)		(3,850,975)		(4,086,866)		(3,870,571)		(5,484,966)
	22,962,291		25,087,112		27,538,968		27,544,354		27,891,367		28,207,832		26,960,172

**City of Bettendorf, Iowa**

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

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

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
216,631	423,184	280,128	351,216	187,973	111,539	<b>117,586</b>
-	-	-	-	-	-	-
185,380	351,640	382,633	350,118	442,275	532,720	<b>514,174</b>
3,495,963	2,448,677	3,051,426	3,850,975	4,086,866	3,870,571	<b>5,484,966</b>
3,897,974	3,223,501	3,714,187	4,552,309	4,717,114	4,514,830	<b>6,116,726</b>
<b>\$ 26,860,265</b>	<b>\$ 28,310,613</b>	<b>\$ 31,253,155</b>	<b>\$ 32,096,663</b>	<b>\$ 4,717,114</b>	<b>\$ 32,722,662</b>	<b>\$ 33,076,898</b>
3,926,258	4,964,739	7,346,858	1,565,538	1,510,832	1,304,893	<b>1,582,664</b>
1,625,507	(594,996)	4,668,470	1,585,190	1,746,874	201,233	<b>2,489,777</b>
<b>\$ 5,551,765</b>	<b>\$ 4,369,743</b>	<b>\$ 12,015,328</b>	<b>\$ 3,150,728</b>	<b>\$ 3,257,706</b>	<b>\$ 1,506,126</b>	<b>\$ 4,072,441</b>

City of Bettendorf, Iowa

Program Revenues By Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

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

(Continued)

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

City of Bettendorf, Iowa

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

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

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

City of Bettendorf, Iowa

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

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



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

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2012		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 14,620	\$ 332,609	\$ 125,000
Public works	18,041	3,174,925	2,466,192
Culture and recreation	307,544	41,941	-
Community and economic development	659,703	297,095	-
General government	138,567	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>1,138,475</b>	<b>3,846,570</b>	<b>2,591,192</b>
<b>Business-type activities:</b>			
Sewer utility	2,826,626	-	627,175
Family Museum of Arts & Science	757,003	85,335	172,422
Aquatic Center	285,448	-	-
Recycling/solid waste management	1,851,851	-	-
Palmer Hills Golf Course	583,287	-	-
Life Fitness Center	624,097	-	-
Stormwater utility	841,178	-	442,117
Transit	109,321	754,807	-
Educational Center	-	-	-
Downtown Event Center	1,903,511	736,036	200,908
Riverfront Circulator	29,223	142,730	-
<b>Total business-type activities</b>	<b>9,811,545</b>	<b>1,718,908</b>	<b>1,442,622</b>
<b>Total primary government</b>	<b>\$ 10,950,020</b>	<b>\$ 5,565,478</b>	<b>\$ 4,033,814</b>



Bettendorf IOWA

*a premier city*

City of Bettendorf, Iowa

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

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	95,135	82,006	64,882	47,989
Unreserved	4,388,551	4,445,838	4,749,446	4,780,972
<b>Total General Fund</b>	<b>\$ 4,483,686</b>	<b>\$ 4,527,844</b>	<b>\$ 4,814,328</b>	<b>\$ 4,828,961</b>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	6,394,631	7,147,989	2,068,938	2,888,698
Unreserved, reported in:				
Special revenue funds	3,082,497	3,379,138	3,027,598	2,780,057
Debt service funds	2,141,163	1,905,881	1,605,452	1,202,569
Capital projects funds	7,035,080	7,718,078	9,437,438	7,712,234
<b>Total all other government funds</b>	<b>\$ 18,653,371</b>	<b>\$ 20,151,086</b>	<b>\$ 16,139,426</b>	<b>\$ 14,583,558</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		2012	
\$	-	\$	-	\$	-	\$	-	\$	187,937	\$	195,598
	-		-		-		-		13,014		254,286
	-		-		-		-		-		-
	-		-		-		-		85,692		98,214
	-		-		-		-		5,157,680		5,064,398
	69,408		242,784		210,290		218,796		-		-
	4,908,122		4,857,574		5,030,470		5,048,259		-		-
\$	4,977,530	\$	5,100,358	\$	5,240,760	\$	5,267,055	\$	5,444,323	\$	5,612,496
<hr/>											
\$	-	\$	-	\$	-	\$	-	\$	153,325	\$	4,233
	-		-		-		-		10,915,683		16,189,550
	-		-		-		-		-		-
	-		-		-		-		1,523,617		1,571,182
	-		-		-		-		(2,212,680)		(141,624)
	4,267,649		8,817,132		10,591,791		10,448,066		-		-
	3,182,157		1,903,418		1,280,112		1,625,616		-		-
	4,658,472		724,672		806,085		8,105,135		-		-
	6,431,017		9,184,841		2,754,153		(2,671,608)		-		-
\$	18,539,295	\$	20,630,063	\$	15,432,141	\$	17,507,209	\$	10,379,945	\$	17,623,341

City of Bettendorf, 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>				
Property taxes	\$ 12,868,877	\$ 13,084,732	\$ 14,631,169	\$ 15,383,115
Tax increment financing taxes	-	-	1,684,641	1,853,383
Other taxes	7,021,606	9,665,583	7,564,060	7,511,852
Special assessments	35,185	25,975	5,388	19,947
Licenses and permits	598,484	621,466	636,202	865,209
Intergovernmental	6,362,813	3,973,556	4,039,000	3,952,501
Charges for services	240,675	401,753	326,756	394,575
Use of money and property	675,735	444,476	619,366	761,546
Miscellaneous	1,797,479	976,223	787,742	729,844
<b>Total revenues</b>	<b>29,600,854</b>	<b>29,193,764</b>	<b>30,294,324</b>	<b>31,471,972</b>
<b>Expenditures:</b>				
Current operating:				
Community protection	*	*	*	*
Human development	*	*	*	*
Home and community development	*	*	*	*
Policy and administration	*	*	*	*
Public safety	6,617,387	6,914,003	7,487,118	7,895,689
Public works	2,309,379	2,557,007	2,660,482	2,727,337
Culture and recreation	2,826,226	2,965,014	3,153,672	3,300,346
Community and economic development	1,048,976	1,218,663	1,412,845	1,258,141
General government	2,860,894	2,790,248	2,798,173	3,106,289
Debt service:				
Principal	3,816,862	7,006,601	9,037,165	5,089,158
Interest	2,639,454	2,486,386	2,567,015	2,331,935
Bond issuance costs	-	47,771	33,780	37,456
Expenditures in capital outlay not capitalized	-	-	-	1,093,385
Capitalized capital outlay	7,490,960	6,199,642	6,835,946	7,253,947
<b>Total expenditures</b>	<b>29,610,138</b>	<b>32,185,335</b>	<b>35,986,196</b>	<b>34,093,683</b>
<b>Excess of revenues (under) expenditures</b>	<b>(9,284)</b>	<b>(2,991,571)</b>	<b>(5,691,872)</b>	<b>(2,621,711)</b>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	6,920,000	8,104,050	4,590,000	4,580,000
Payment to bond escrow agent	-	-	-	-
Premiums	1,535	-	-	3,190
Discounts	(31,203)	(45,681)	(32,066)	(44,519)
Proceeds from sale of capital assets	348,000	-	306,120	90,972
Transfers in	5,882,790	5,700,841	6,617,725	6,925,915
Transfers out	(10,071,953)	(9,225,766)	(9,515,083)	(10,475,082)
<b>Total other financing sources (uses)</b>	<b>3,049,169</b>	<b>4,533,444</b>	<b>1,966,696</b>	<b>1,080,476</b>
<b>Net changes in fund balance</b>	<b>\$ 3,039,885</b>	<b>\$ 1,541,873</b>	<b>\$ (3,725,176)</b>	<b>\$ (1,541,235)</b>
Debt service as a percentage of noncapital expenditures	29.2%	36.7%	39.9%	27.6%

							Fiscal Year					
2007		2008		2009		2010		2011		2012		
\$	15,648,364	\$	16,763,147	\$	18,384,425	\$	19,267,371	\$	19,829,519	\$	20,786,732	
	1,962,103		3,172,985		3,377,334		3,499,290		3,097,551		2,318,400	
	7,995,246		8,416,881		7,999,085		7,732,033		7,936,429		8,062,631	
	6,761		9,505		12,163		15,577		28,273		17,128	
	542,182		497,123		397,701		583,037		527,768		585,562	
	5,019,945		5,343,234		4,833,515		5,498,796		5,954,268		5,193,810	
	327,801		346,205		381,603		328,038		361,850		397,219	
	1,274,705		1,317,230		1,034,978		646,585		432,853		436,294	
	703,696		1,000,499		644,219		917,078		924,404		674,736	
	33,480,803		36,866,809		37,065,023		38,487,805		39,092,915		38,472,512	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	*		*		*		*		*		*	
	8,194,904		9,029,275		9,171,879		9,804,915		9,472,492		9,555,788	
	2,627,335		3,288,166		4,195,342		3,387,878		3,506,350		3,136,111	
	3,187,458		3,311,645		3,578,409		3,759,768		3,825,678		4,035,446	
	1,443,565		1,921,626		2,033,310		2,153,192		2,691,227		2,273,367	
	3,104,868		3,138,414		3,300,052		3,435,015		3,336,470		3,503,278	
	5,524,216		5,615,000		6,020,400		5,488,100		14,629,300		5,975,900	
	2,315,370		2,318,366		2,384,362		2,687,193		2,998,380		3,006,807	
	251,346		86,604		119,213		287,556		183,039		335,423	
	1,298,676		870,795		3,359,508		2,853,555		3,482,715		2,033,986	
	8,368,929		8,818,626		17,839,544		20,355,433		14,657,435		11,820,698	
	36,316,667		38,398,517		52,002,019		54,212,605		58,783,086		45,676,804	
	(2,835,864)		(1,531,708)		(14,936,996)		(15,724,800)		(19,690,171)		(7,204,292)	
	15,155,000		10,540,000		13,700,000		21,580,000		16,030,000		18,570,000	
	(6,275,000)		(3,821,388)		-		-		-		-	
	76,667		130,466		33,339		279,613		555,193		1,527,246	
	-		-		-		-		-		-	
	224,110		28,652		37,112		2,982		57,553		35,581	
	7,681,976		8,607,299		8,191,217		9,499,107		5,931,971		6,310,667	
	(9,922,583)		(11,739,725)		(12,082,192)		(13,535,539)		(9,834,542)		(11,827,633)	
	6,940,170		3,745,304		9,879,476		17,826,163		12,740,175		14,615,861	
\$	4,104,306	\$	2,213,596	\$	(5,057,520)	\$	2,101,363	\$	(6,949,996)	\$	7,411,569	
	28.1%		26.8%		24.6%		24.1%		39.9%		26.5%	

City of Bettendorf, Iowa

**Tax Revenues by Source, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

Fiscal Year	Property	Hotel/Motel Tax	Local Option Sales Tax	Utility Franchise Tax	Tax Increment Financing
2003	12,868,877	752,456	3,651,869	648,397	1,959,951
2004	13,084,732	814,230	3,781,620	690,668	2,096,938
2005	14,631,169	811,857	3,813,950	695,153	1,684,641
2006	15,383,115	876,854	3,832,816	671,320	1,853,383
2007	15,648,364	742,038	4,224,858	691,118	1,962,102
2008	16,763,147	879,403	4,375,125	684,244	3,172,985
2009	18,384,425	774,409	4,183,906	747,401	3,377,334
2010	19,267,371	781,543	4,123,192	734,285	3,499,290
2011	19,829,519	803,119	4,379,063	707,751	3,097,551
<b>2012</b>	<b>20,786,732</b>	<b>738,376</b>	<b>4,584,685</b>	<b>748,281</b>	<b>2,318,399</b>
Change 2003-2012	61.53%	-1.87%	25.54%	15.40%	18.29%

Source: City records.



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Mobile Home Tax	Gaming Tax	Cable Franchise Tax	Total
8,933	2,134,505	321,090	22,346,078
8,969	2,273,158	319,234	23,069,549
9,236	2,233,864	321,427	24,201,297
9,088	2,121,774	345,734	25,094,084
6,818	1,963,498	366,272	25,605,068
9,651	2,076,120	392,338	28,353,013
12,151	1,912,972	368,246	29,760,844
13,072	1,684,304	374,172	30,477,229
8,211	1,658,400	379,885	30,863,499
<b>8,037</b>	<b>1,608,845</b>	<b>374,108</b>	<b>31,167,463</b>
-10.03%	-24.63%	16.51%	39.48%

City of Bettendorf, 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	Machinery & Equipment
2003	1,466,869,955	278,725,560	15,396,453	6,746,181
2004	1,508,179,680	274,969,629	17,287,710	4,505,732
2005	1,652,161,490	338,690,940	13,400,078	-
2006	1,798,988,393	341,209,113	13,455,769	-
2007	1,851,303,035	347,801,087	14,809,173	-
2008	1,921,741,462	351,218,507	20,010,233	-
2009	2,138,636,766	430,585,395	20,661,813	-
2010	2,199,236,152	441,241,852	16,391,700	-
2011	2,255,170,983	443,808,680	21,782,851	-
<b>2012</b>	<b>2,295,440,702</b>	<b>466,519,335</b>	<b>26,141,962</b>	-

Source: Scott County Auditor

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

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Public Utility	Agricultural Property	Total Assessed Value (1)	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
17,534,839	5,954,158	1,791,227,146		11.85000	1,068,872,381	59.67
17,670,824	5,878,051	1,828,491,626	2.08%	11.85000	1,089,636,254	59.59
15,445,981	4,700,968	2,024,399,457	10.71%	12.34932	1,163,981,114	57.50
15,613,994	4,529,273	2,173,796,542	7.38%	12.34952	1,231,469,607	56.65
15,077,966	4,459,440	2,233,450,701	2.74%	12.60000	1,224,008,170	54.60
14,536,012	4,437,370	2,311,943,584	3.51%	12.95000	1,261,266,735	54.55
14,365,946	4,692,920	2,608,942,840	12.85%	12.85000	1,404,665,394	53.84
14,034,322	4,727,390	2,675,631,416	2.56%	12.60000	1,474,385,310	55.10
14,232,920	6,407,620	2,741,403,054	5.08%	12.60000	1,535,809,491	56.02
<b>14,671,227</b>	<b>6,382,570</b>	<b>2,809,155,796</b>	<b>7.67%</b>	<b>12.55000</b>	<b>1,620,307,396</b>	<b>57.68%</b>

**City of Bettendorf, Iowa**

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

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Tax Year Levied	City Direct Rates				
	General Fund	Employee Benefits	Insurance	Debt Service	Total Direct
2003	6.54800	1.23023	0.27177	3.80000	11.85000
2004	6.54800	1.23023	0.27177	3.80000	11.85000
2005	7.04761	1.23016	0.27175	3.79980	12.34932
2006	7.04761	1.23016	0.27175	3.80000	12.34952
2007	7.04809	1.23016	0.27175	4.05000	12.60000
2008	6.87883	1.23016	0.34101	4.50000	12.95000
2009	6.48340	1.50164	0.36496	4.50000	12.85000
2010	5.71631	1.54366	0.34003	5.00000	12.60000
2011	5.49661	1.78467	0.31872	5.00000	12.60000
<b>2012</b>	<b>7.55000</b>	-	-	<b>5.00000</b>	<b>12.55000</b>

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

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Overlapping Rates

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Bettendorf School District	Scott County	County Assessor	Area IX	Other	Total Levy
15.78768	4.48067	0.33124	0.62633	0.06248	33.13840
15.77779	4.80887	0.33119	0.61738	0.06721	33.45244
15.46630	4.75497	0.27124	0.59216	0.06939	33.50338
14.69042	5.56513	0.27404	0.59269	0.06973	33.54153
15.00216	5.51106	0.29563	0.61277	0.07034	34.09196
15.00025	5.54040	0.28899	0.60785	0.07079	34.45828
14.85367	5.47607	0.33733	0.87714	0.06845	34.46266
15.00820	6.37607	0.28465	0.92444	0.06946	35.26282
15.00244	6.37759	0.28110	1.01724	0.06891	35.34728
<b>15.00292</b>	<b>6.30156</b>	<b>0.28081</b>	<b>0.91511</b>	<b>0.06865</b>	<b>35.11905</b>

**City of Bettendorf, Iowa**

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Isle of Capri Bettendorf LC	85,002,320	1	3.03	\$ 39,284,652	1	2.19
Inland Western Bett Duck Creek	13,772,290	2	0.49	6,186,735	7	0.35
CMS/Chateau Knoll	13,327,650	3	0.47	13,118,049	2	0.73
Haversian Canal Systems LLP	13,173,640	4	0.47			
First Equity Mngmt LC	11,434,230	5	0.41			
Olympic Steel Iowa, Inc.	9,227,420	6	0.33	5,844,090	9	0.33
Bettendorf Regency Apartments LC	8,701,290	7	0.31	7,616,163	5	0.43
Art Mortgage Borrower Propco	7,927,580	8	0.28			
HD Development of Maryland	6,765,910	9	0.24			
TP Funding Company LLC	6,337,540	10	0.23			
Green Bridge Co.				6,300,675	6	0.35
Quad City Lodging Partners, LLC				5,866,206	8	0.33
Genventures, Inc.				7,937,661	4	0.44
Americold Real Estate LP				8,813,036	3	0.49
GMS Realty Co.				5,543,183	10	0.31
<b>Total</b>	<b>\$ 175,669,870</b>		<b>6.25</b>	<b>\$ 106,510,450</b>		<b>5.95</b>
Total assessed value	\$ 2,809,155,796			\$ 1,791,227,146		

Source: Scott County Auditor



Bettendorf IOWA

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City of Bettendorf, Iowa

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

Fiscal Year Ended June 30:	Tax Year	Net Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2003	2001	12,892,364	12,809,584	99.36
2004	2002	13,138,638	13,045,163	99.29
2005	2003	14,559,439	14,536,037	99.84
2006	2004	15,419,061	15,378,320	99.74
2007	2005	15,663,030	15,606,270	99.64
2008	2006	16,797,824	16,749,669	99.71
2009	2007	18,559,049	18,375,091	99.01
2010	2008	19,466,344	19,259,546	98.94
2011	2009	19,860,334	19,814,066	99.77
<b>2012</b>	<b>2010</b>	<b>20,787,360</b>	<b>20,772,796</b>	<b>99.93%</b>

Source: City records

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



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Delinquent Tax Collections	Total Collections to Date	
	Amount	Percentage of Levy
59,294	12,868,878	99.82
39,568	13,084,731	99.59
95,132	14,631,169	100.49
4,795	15,383,115	99.77
13,519	15,619,789	99.72
13,480	16,763,149	99.79
9,334	18,384,425	99.06
7,825	19,267,371	98.98
15,453	19,829,519	99.84%
<b>13,936</b>	<b>20,786,732</b>	<b>100.00%</b>

City of Bettendorf, Iowa

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

Fiscal Year	General Bonded Debt			Net General Bonded Debt	Percentage of Actual Taxable Value of Property
	Governmental Activities General Obligation Bonds	Business Type Activities General Obligation Bonds	Less Amount Available in Debt Service		
2003	45,726,790	3,758,210	4,986,529	\$ 44,498,471	4.16
2004	47,484,239	9,960,761	6,391,734	\$ 51,053,266	4.69
2005	43,737,074	6,672,926	1,605,452	\$ 48,804,548	4.19
2006	43,972,916	8,432,084	1,202,568	\$ 51,202,432	4.16
2007	48,128,700	7,756,300	4,658,472	\$ 51,226,528	4.19
2008	50,208,700	12,151,300	724,672	\$ 61,635,328	4.89
2009	59,213,300	11,296,700	806,085	\$ 69,703,915	4.96
2010	76,265,200	13,739,800	8,105,133	\$ 81,899,867	5.55
2011	78,845,900	14,654,100	607,182	\$ 92,892,818	6.05
<b>2012</b>	<b>91,440,000</b>	<b>15,680,000</b>	<b>7,306,137</b>	<b>\$ 99,813,863</b>	<b>6.16</b>

Source: City records

\* Information not available

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Debt Per Capita	Other Governmental	Business Type	Total Primary Government	Percentage of Personal Income	Per Capita
	Activities	Activities			
	Debt Revenue Bonds	Debt Revenue Bonds			
1,423	7,225,000	3,130,000	\$ 54,853,471	10.84	\$ 1,754
1,632	6,565,000	1,260,000	\$ 58,878,266	10.78	\$ 1,883
1,560	5,865,000	1,010,000	\$ 55,679,548	9.81	\$ 1,780
1,637	5,120,000	740,000	\$ 57,062,432	9.41	\$ 1,825
1,638	4,320,000	460,000	\$ 56,006,528	8.65	\$ 1,791
1,971	3,465,000	180,000	\$ 65,280,328	9.39	\$ 2,087
2,229	2,140,000	13,565,000	\$ 85,408,915	12.50	\$ 2,731
2,466	1,180,000	13,055,000	\$ 96,134,867	13.22	\$ 2,894
2,797	-	12,510,000	\$ 105,402,818	*	\$ 3,173
<b>3,005</b>	-	<b>11,925,000</b>	<b>\$ 111,738,863</b>	*	<b>\$ 3,364</b>

**City of Bettendorf, Iowa**

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

Name of Governmental Unit	Total General Long-term Bonded Debt Outstanding	Percent Applicable to the City of Bettendorf	Amount Applicable to the City of Bettendorf
School District, Bettendorf	\$ -	0.00%	\$ -
School District, North Scott	-	0.00%	-
School District, Pleasant Valley	1,200,000	68.93%	827,160
Scott County	14,080,000	24.35%	3,428,480
Eastern Iowa Community College	67,765,000	14.48%	9,812,372
	<u>83,045,000</u>		<u>14,068,012</u>
City of Bettendorf	91,440,000	100.00%	91,440,000
	<u>\$ 174,485,000</u>		<u>\$ 105,508,012</u>

**Source:** Scott County Auditor



Bettendorf IOWA

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**City of Bettendorf, Iowa**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

	Fiscal Year			
	2003	2004	2005	2006
100% assessed valuation	\$ 1,791,245,012	\$ 2,011,187,049	\$ 2,024,482,166	\$ 2,169,267,269
Plus: Public gas and electric utilities	58,719,279	58,058,849	57,805,090	60,744,311
Plus: Captured tax increment value	73,394,426	73,275,607	60,265,733	66,666,168
Less: Military exemption	(4,651,525)	(4,517,028)	(4,517,028)	(4,457,764)
Total assessed valuation of the property of the City of Bettendorf	<u>\$ 1,918,707,192</u>	<u>\$ 2,138,004,477</u>	<u>\$ 2,138,035,961</u>	<u>\$ 2,292,219,984</u>
Debt limit, 5% of total actual valuation	\$ 95,935,360	\$ 106,900,224	\$ 106,901,798	\$ 114,610,999
Debt applicable to debt limit:				
Debt service general obligation bonds	45,726,790	47,484,239	43,737,074	43,972,916
Debt service TIF revenue bonds	7,225,000	6,565,000	5,865,000	5,120,000
Enterprise general obligation bonds	3,758,210	9,960,761	6,672,926	8,432,085
	<u>56,710,000</u>	<u>64,010,000</u>	<u>56,275,000</u>	<u>57,525,001</u>
<b>Legal debt margin</b>	<u>\$ 39,225,360</u>	<u>\$ 42,890,224</u>	<u>\$ 50,626,798</u>	<u>\$ 57,085,998</u>

\* Information not available

Source: City records

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 2,228,991,261	\$ 2,307,506,214	\$ 2,604,249,920	\$ 2,670,904,026	\$ 2,734,995,434	\$ 2,802,773,226	
65,453,665	70,778,591	71,650,075	80,870,681	82,943,113	85,204,466	
69,956,005	113,012,248	122,409,826	125,373,346	109,976,871	82,751,531	
(4,397,572)	(4,389,236)	(4,306,822)	(4,245,706)	(4,197,554)	(4,148,478)	
<b>\$ 2,360,003,359</b>	<b>\$ 2,486,907,817</b>	<b>\$ 2,794,002,999</b>	<b>\$ 2,872,902,347</b>	<b>\$ 2,923,717,864</b>	<b>\$ 2,966,580,745</b>	
\$ 118,000,168	\$ 124,345,391	\$ 139,700,150	\$ 143,645,117	\$ 146,185,893	\$ 148,329,037	
48,128,700	50,208,700	59,213,300	76,265,200	78,845,900	91,440,000	
4,320,000	3,465,000	15,705,000	14,235,000	12,510,000	11,925,000	
7,756,300	12,151,300	11,296,700	13,739,800	14,654,100	15,680,000	
60,205,000	65,825,000	86,215,000	104,240,000	106,010,000	119,045,000	
<b>\$ 57,795,168</b>	<b>\$ 58,520,391</b>	<b>\$ 53,485,150</b>	<b>\$ 39,405,117</b>	<b>\$ 40,175,893</b>	<b>\$ 29,284,037</b>	

**City of Bettendorf, Iowa**

**Pledged-Revenue Coverage**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$ 2,525,176	\$ 1,748,980	\$ 776,196	\$ 235,000	\$ 105,923	\$ 340,923
2004	2,301,012	1,535,026	765,986	1,870,000	45,093	1,915,093
2005	2,481,261	1,610,415	870,846	250,000	25,805	275,805
2006	2,593,811	1,689,887	903,924	270,000	21,430	291,430
2007	2,634,901	1,714,330	920,571	280,000	16,030	296,030
2008	2,558,846	1,750,477	808,369	280,000	10,430	290,430
2009	2,620,392	1,830,696	789,696	180,000	4,410	184,410
2010	2,571,232	2,003,140	568,092	-	-	-
2011	2,596,567	2,011,581	584,986	-	-	-
<b>2012</b>	<b>2,861,243</b>	<b>2,027,202</b>	<b>834,041</b>	-	-	-

Source: City records



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Tax Increment Financing Bonds

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Tax		Debt Service		Coverage
Increment		Principal	Interest	
Financing Revenue				
\$ 1,461,986	\$	615,000	\$ 592,625	\$ 1,207,625
1,538,548		660,000	552,065	1,212,065
1,175,808		700,000	508,018	1,208,018
1,217,433		745,000	460,855	1,205,855
1,215,580		800,000	407,575	1,207,575
1,150,068		855,000	349,600	1,204,600
1,541,249		1,785,000	1,064,737	2,849,737
2,246,183		1,470,000	1,145,235	2,615,235
3,140,542		1,725,000	1,012,430	2,209,449
<b>2,329,649</b>		<b>585,000</b>	<b>866,259</b>	<b>1,451,259</b>

**City of Bettendorf, Iowa**

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

Fiscal Year Ended June 30,	Population (3)	Personal Income (1)	Per Capita Personal Income (1)	Building Permits (4)		School Enrollment (2)	Unemployment Rate (3)
				Number of Permits	Assessed Value of Permits		
2003	31,275	5,061,223	32,023	1,208	76,121,586	4,732	4.1
2004	31,275	5,463,012	34,544	1,342	60,956,350	5,000	3.3
2005	31,275	5,675,918	35,800	1,298	67,539,589	4,896	3.4
2006	31,275	6,062,478	37,986	1,488	105,551,442	4,822	2.8
2007	31,275	6,472,814	40,436	1,179	60,087,091	4,955	3.3
2008	31,275	6,953,445	42,969	1,328	102,484,540	4,962	3.6
2009	31,275	6,832,527	41,768	1,143	45,307,916	4,975	6.0
2010	33,217	7,272,593	43,874	1,128	36,350,429	5,101	5.5
2011	33,217	*	*	1,667	22,771,605	5,194	5.5
<b>2012</b>	<b>33,217</b>	*	*	<b>1,236</b>	<b>67,240,197</b>	<b>5,152</b>	<b>5.3</b>

**Sources:**

(1) Thousands of dollars. Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce - Scott County

(2) Bettendorf Community School District, Local Private School Office, Local Parochial School Office

(3) Iowa Workforce Development

(4) City records

\* Information not available

**City of Bettendorf, Iowa**

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

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Aluminum Company of America	2,200	1	2.66%	2,100	1	2.53%
Isle of Capri ( formerly Lady Luck Casino)	1,050	2	1.27%	1,000	2	1.21%
Bettendorf Community School District	593	3	0.72%	590	3	0.71%
Pleasant Valley School District	480	4	0.58%			
Eastern Iowa Community College District	402	5	0.49%	404	5	0.49%
Sivyer Steel	400	6	0.48%	250	8	0.30%
HyVee Food Stores	375	7	0.45%	425	4	0.51%
City of Bettendorf	315	8	0.38%	393	6	0.47%
Genesis	315	9	0.38%			
Trinity	255	10	0.31%			
Mississippi Bend Area Education Agency				352	7	0.42%
The Lodge, Inc. (formerly Jumer's Castle Lodge)				200	9	0.24%
The Schebler Co.				150	10	0.18%
<b>Total</b>	<b>6,385</b>		<b>7.73%</b>	<b>5,864</b>		<b>7.08%</b>

Total County Employment as of 6/30/2012: 82,560

Total County Employment in 2003: 82,860

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

**City of Bettendorf, Iowa**

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

<u>Fund Type/Function</u>	Full-Time Equivalent Employees for Fiscal Year Beginning July 1			
	2012	2011	2010	2009
<b>General Fund:</b>				
Administration	1.84	1.84	1.83	1.82
Community development	9.50	9.50	9.50	9.50
Elected officials	13.00	13.00	13.00	13.00
Fire department	26.50	26.50	26.50	23.50
Finance	6.22	6.22	6.21	5.17
Human resources	1.88	1.88	1.80	1.81
Library	32.15	32.02	31.67	30.91
Legal	1.11	1.11	1.08	1.08
Police	56.44	55.64	63.06	62.84
Parks and recreation	8.80	8.80	8.80	9.49
Public works	6.12	6.42	6.42	6.46
<b>Special revenue funds:</b>				
Administration	0.15	0.15	0.15	0.15
Community development	1.50	1.50	1.50	1.50
Economic development	1.00	1.00	1.00	1.00
Finance	0.34	0.34	0.34	0.34
Human resources	0.10	0.10	0.10	0.10
Legal	0.01	0.01	0.01	0.01
Parks and recreation	-	-	-	-
Public works	23.24	23.24	23.24	22.44
<b>Enterprise funds:</b>				
Administration	0.01	0.01	0.03	0.03
Finance	1.42	1.42	1.44	1.48
Human resources	0.02	0.02	0.10	0.09
Legal	0.03	0.03	0.06	0.05
Museum	17.33	17.70	17.60	16.85
Parks and recreation	8.53	10.53	10.67	10.02
Public works	37.58	37.52	35.08	34.74
<b>Internal service funds:</b>				
Finance	4.02	4.02	4.02	4.02
Legal	-	-	-	-
Public works	6.16	6.16	6.16	6.16
<b>Total</b>	<b>265.00</b>	<b>266.68</b>	<b>271.37</b>	<b>264.56</b>
<b>Budget book personnel summary</b>				
Officials	13.00	13.00	13.00	13.00
Administration	4.00	4.00	4.00	4.00
Legal	1.15	1.15	1.15	1.15
Finance	12.00	12.00	12.00	11.00
Community development	12.00	12.00	12.00	12.00
Public works	73.10	73.34	70.90	69.80
Police	56.44	55.64	63.06	62.84
Fire	26.50	26.50	26.50	23.50
Library	32.15	32.02	31.67	30.91
Museum	17.33	17.70	17.60	16.85
Parks	17.33	19.33	19.47	19.51
<b>Total</b>	<b>265.00</b>	<b>266.68</b>	<b>271.35</b>	<b>264.56</b>

Source: City of Bettendorf Budget Books

Full-Time Equivalent Employees for Fiscal Year Beginning July 1

2008	2007	2006	2005	2004	2003
1.82	1.78	1.77	1.92	1.82	1.65
9.50	9.50	8.50	8.50	8.30	9.30
13.00	13.00	13.00	13.00	13.00	13.00
23.50	20.50	20.50	20.50	19.50	19.50
5.17	5.17	4.80	4.80	3.98	4.74
1.80	1.80	1.80	1.77	1.77	1.77
30.91	30.91	29.63	29.63	29.63	29.63
1.08	1.07	1.07	1.05	1.15	1.40
62.62	62.62	62.60	61.10	62.10	63.60
9.20	9.59	13.50	13.50	13.50	14.29
6.37	6.28	12.61	12.61	6.01	5.71
0.15	0.20	0.20	0.05	0.05	-
2.50	2.50	2.20	2.20	2.40	2.40
1.00	1.00	1.00	1.00	1.00	1.00
0.35	0.35	0.36	0.36	0.37	0.59
0.10	0.10	0.10	0.10	0.10	0.10
0.01	0.02	0.02	0.02	0.02	-
-	-	-	-	0.54	0.54
22.44	22.95	22.95	22.95	27.11	27.11
0.03	0.03	0.03	0.03	0.03	-
1.46	1.46	1.59	1.59	1.65	1.67
0.10	0.10	0.10	0.13	0.13	0.13
0.06	0.05	0.05	0.07	0.07	-
16.98	16.98	18.94	18.94	18.94	18.94
10.31	9.92	44.46	44.46	43.92	36.32
34.23	32.87	31.19	31.19	33.63	33.33
5.02	5.02	5.00	5.00	5.00	5.00
-	0.01	0.01	0.01	0.01	-
5.16	6.35	6.25	6.25	6.25	6.35
264.87	262.13	304.23	302.73	301.98	298.07
13.00	13.00	13.00	13.00	13.00	13.00
4.00	4.01	4.00	4.00	3.90	3.65
1.15	1.15	1.15	1.15	1.25	1.40
12.00	12.00	11.75	11.75	11.00	12.00
13.00	13.00	11.70	11.70	11.70	12.70
68.20	68.45	73.00	73.00	73.00	72.50
62.62	62.62	62.60	61.10	62.10	63.60
23.50	20.50	20.50	20.50	19.50	19.50
30.91	30.91	29.63	29.63	29.63	29.63
16.98	16.98	18.94	18.94	18.94	18.94
19.51	19.51	57.96	57.96	57.96	51.15
264.87	262.13	304.23	302.73	301.98	298.07

**City of Bettendorf, Iowa**

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

Function/Program	Fiscal Year			
	02/03	03/04	04/05	05/06
<b>Police:</b>				
Calls for service	42,000	40,000	40,000	37,015
# of Group A offenses	2,100	2,032	2,100	1,801
# of Group B offenses	2,000	855	855	882
Traffic citations	1,900	5,900	6,000	8,640
<b>Fire:</b>				
Fire call volume	634	608	741	606
EMS call volume	1,777	1,795	1,520	1,611
Property loss	\$ 500,000	\$ 25,600,000	\$ 500,000	\$ 894,288
<b>Building safety:</b>				
Total building permits	3,500	3,300	3,300	4,112
Total revenue generated by permits	\$ 531,439	\$ 445,000	\$ 417,000	\$ 785,142
<b>Library:</b>				
Number of materials circulated	450,000	450,000	524,487	563,732
Number of registered borrowers	22,000	23,280	21,866	24,221
<b>Public Works:</b>				
Garbage collected (ton)	7,500	7,900	8,334	7,410
Recycle collected (ton)	2,743	2,880	2,680	2,671
Miles of streets maintained	175	180	187	195
Number of traffic signals	245	265	270	290
Miles of sanitary sewers maintained	156	158	162	174
<b>Parks and Recreation:</b>				
Recreation program attendance	98,406	143,790	152,976	128,350
Aquatics program attendance	24,739	58,447	46,086	42,240
Golf rounds played	29,699	32,859	32,750	34,812
Fitness Center memberships sold	2,271	2,039	1,393	1,495
Acres maintained	563	563	563	580

Source: City records

Fiscal Year						
06/07	07/08	08/09	09/10	10/11	11/12	
40,136	39,505	40,962	35,683	29,114	<b>25,612</b>	
1,771	1,830	1,836	1,151	1,127	<b>970</b>	
1,033	468	466	470	235	<b>173</b>	
11,380	8,847	5,999	5,576	4,624	<b>4,330</b>	
544	823	526	953	922	<b>950</b>	
1,631	1,831	1,653	1,896	1,904	<b>1,973</b>	
\$ 4,913,775	\$ 475,685	\$ 500,000	\$ 411,365	\$ 1,314,530	<b>\$ 927,990</b>	
3,306	3,291	3,200	2,817	1,667	<b>1,236</b>	
\$ 463,714	\$ 461,722	\$ 359,784	\$ 533,574	\$ 504,038	<b>\$ 558,859</b>	
559,109	560,000	552,686	605,325	602,775	<b>620,206</b>	
21,177	21,000	22,264	20,375	22,608	<b>23,000</b>	
7,857	7,769	9,055	9,305	9,100	<b>7,950</b>	
2,661	2,668	2,676	2,320	2,496	<b>2,321</b>	
195	220	221	221	221	<b>223</b>	
290	320	345	345	345	<b>345</b>	
178	178	179	179	179	<b>180</b>	
135,486	135,500	87,404	86,218	88,006	<b>86,187</b>	
41,424	47,799	56,606	40,312	46,531	<b>58,879</b>	
32,209	30,026	30,066	29,519	28,490	<b>27,384</b>	
1,658	1,687	1,725	1,923	1,822	<b>1,874</b>	
585	585	585	585	585	<b>585</b>	

**City of Bettendorf, Iowa**

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

Function/Program	Fiscal Year			
	2003	2004	2005	2006
Police:				
Stations	1	1	1	1
Squad cars	14	14	14	18
Fire, fire stations	4	4	4	4
Refuse collection:				
Collection trucks	11	11	11	12
Streets (miles)	180	187	195	195
Traffic signals	245	265	270	290
Parks and recreation:				
Acreage	563	563	563	580
Parks	20	21	21	21
Golf course	1	1	1	1
Baseball/softball diamonds	32	32	32	32
Soccer/football fields	8	8	8	8
Basketball courts	9	9	9	9
Tennis courts	8	8	8	8
Swimming pools	1	1	1	1
Parks with playground equipment	15	16	16	16
Picnic shelters	6	6	6	6
Community centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	450,000	450,000	524,487	150,242
Wastewater:				
Sanitary sewers (miles)	156	158	162	174
Storm sewers (miles)				

**Source:** City records



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Fiscal Year						
2007	2008	2009	2010	2011	2012	
1	1	1	1	1	1	1
18	18	18	18	18	18	18
4	4	4	4	4	4	4
12	12	13	13	13	13	13
220	221	221	221	221	221	223
290	320	345	345	345	345	345
585	585	585	585	585	585	585
21	21	21	21	21	21	21
1	1	1	1	1	1	1
32	32	32	32	32	32	32
8	8	8	8	8	8	8
9	9	9	9	9	9	9
8	8	8	8	8	8	8
1	1	1	1	1	1	1
16	16	16	16	16	16	16
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
153,000	153,000	153,000	175,000	201,699	210,000	
178	178	179	179	179	180	

**City of Bettendorf, Iowa**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs,			
Lower Income Housing Assistance Program, Section 8	N/A	14.871	\$ 258,324
<b>U.S. Department of Transportation</b>			
Direct Program, Urban Mass Transit			
Formula Grants:			
Federal Transit - Formula Grants	IA-90-X363-00	20.507	359,039
Federal Transit - Formula Grants	IA-90-X386-00	20.507	170,594
			<u>529,633</u>
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety Police Traffic Services	11-04, Task 01	20.600	17,206
State and Community Highway Safety Police Traffic Services	12-04, Task 01	20.600	32,149
			<u>49,355</u>
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	HDP-0587(626)--71-82	20.205	26,331
Highway Planning and Construction	STP-U-0587(627)-70-82	20.205	82,169
Highway Planning and Construction	EDP-0587(628)-7Y-82	20.205	853,722
Highway Planning and Construction	SB-IA-0587(629)--2T-82	20.205	87,668
Highway Planning and Construction	STP-E-0587(634)--8V-82	20.205	33,929
ARRA - Highway Planning and Construction	ESL-0587(631)--75-82	20.205	181
Urban Mass Transit, Riverfront Circulator	95-X003-587-09	20.507	142,731
Capital Assistance Program for Elderly Persons and Persons with Disabilities	16-X001-587-08	20.513	23,001
			<u>1,249,732</u>
			<u>1,828,720</u>
<b>U.S. Department of Justice</b>			
Passed through the Scott County Attorney's office:			
ARRA - Justice Assistance Grant	09-3AG-17882	16.803	42,836
ATN Grant	2009-DJ-BX-0943	16.738	28,169
Hot Spots Interdiction-15	09-HOTSPOTS/Interdiction-15	16.710	491
			<u>71,496</u>
<b>Executive Office of the President</b>			
Passed through Quad City Metropolitan Enforcement Group:			
HIDTA Overtime Reimbursement	G11MW0002A	95.001	1,085
<b>Department of Homeland Security</b>			
Direct Program, Port Security Grant	EMW2011PU00210	97.056	4,569
			<u>4,569</u>
			<u>\$ 2,164,194</u>

See Notes to Schedule of Expenditures of Federal Awards.

**City of Bettendorf, Iowa**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 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 Bettendorf, Iowa for the year ended June 30, 2012. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Note 2. Significant Accounting Policies**

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

**City of Bettendorf, Iowa**

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

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	Finding	Status	Corrective Action Plan or Other Explanation
<b>Findings Related to Financial Statements:</b>			
<b>Significant Deficiencies in Internal Control</b>			
11-II-A	The City's Transit Department did not submit accounts payable invoices to the finance department. Additionally, the invoices not paid by the City were not submitted for timely reimbursement of potential grant awards.	Corrected	
<b>Instances of Noncompliance in Administering Federal Awards</b>			
11-III-A	The City did not document time spent by full time employees that are allocated to multiple cost objectives as required by OMB A-87.	Corrected	
<b>Other Findings Related to Required Statutory Reporting</b>			
11-IV-F	The City did not publish a summary of all receipts received monthly.	Uncorrected	See finding and corrective action plan at 12-IV-F
11-IV-J	The Tax Increment Financing Fund had a deficit fund balance of \$310,898 as of June 30, 2011.	Uncorrected	See finding and corrective action plan at 12-IV-J



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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Bettendorf, Iowa as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

## Compliance and Other Matters

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

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

We noted certain matters that we reported to management of City of Bettendorf, Iowa in a separate letter dated November 26, 2012.

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

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

*McGladrey LLP*

Davenport, Iowa  
November 26, 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 Bettendorf, Iowa  
Bettendorf, Iowa

**Compliance**

We have audited the compliance of City of Bettendorf, Iowa with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on City of Bettendorf, Iowa's major federal programs for the year ended June 30, 2012. City of Bettendorf, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Bettendorf, Iowa's management. Our responsibility is to express an opinion on City of Bettendorf, Iowa's compliance based on our audit.

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

In our opinion, City of Bettendorf, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-III-A.

## Internal Control over Compliance

Management of City of Bettendorf, 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 City of Bettendorf, Iowa'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 City of Bettendorf, Iowa's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of the City of Bettendorf, Iowa in a separate letter dated November 26, 2012.

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

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

*McGladrey LLP*

Davenport, Iowa  
November 26, 2012



**City of Bettendorf, 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?  Yes  No
- Significant deficiencies identified?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

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

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

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

**Identification of major programs:**

CFDA Number	Name of Federal Program or Cluster
14.871	Lower Income Housing Assistance Program, Section 8
20.507	Federal Transit - Formula Grants

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

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

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

**A. Internal Control**

None reported

**B. Compliance Findings**

None reported

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

**A. Internal Controls in Administering Federal Awards**

None reported

**B. Instances of Noncompliance**

**12-III-A**

**U.S. Department of Housing and Urban Development (Direct)  
Lower Income Housing Assistance Program, Section 8  
(CFDA #14.871)  
Award Year 2012**

Finding/Condition: The City incorrectly reported restricted net assets, unrestricted net assets and cash/investment on two of the monthly financial reports to the Department of Housing and Urban Development.

Criteria: The Department of Housing and Urban Development requires monthly reporting of financial information, including accurate disclosure of restricted net assets, unrestricted net assets and cash/investments.

Condition: The City improperly calculated restricted net assets, unrestricted net assets and cash/investments starting in May 2012.

Context: Pervasive to Housing Assistance Program monthly financial reports.

Effect: Incorrect information was submitted to the Department of Housing and Urban Development.

Cause: The City entered amounts on the improper line causing a miscalculation of the report.

Questioned Costs: None

Recommendation: We recommend the City have an individual who is knowledgeable about the grant and is separate from the report preparation review the report and accuracy of the calculations before submission.

Response: The Community Development Director will review all reports prior to submission to the Department of Housing and Urban Development.

(Continued)

**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**

No expenditures exceeded the amended certified budget amounts.

**12-IV-B Questionable Disbursements**

No questionable disbursements were noted.

**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.

**12-IV-F Council Minutes**

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

Finding: The City is required to publish a summary of all receipts received monthly and within 15 days of a Council meeting. The city posted receipts for each month during the year, but did not publish the receipts within 15 days of the council meeting for all 12 of the meeting dates tested.

Recommendation: The City should publish a summary of all receipts received monthly within the required 15 days after the Council meeting.

Response and Corrective Action Plan: Effective October 12, 2012, the City began publishing the schedule of receipts on a monthly basis.

**12-IV-G Deposits and Investments**

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

**12-IV-H Revenue Notes**

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

(Continued)

City of Bettendorf, Iowa

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

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**12-IV-I Telecommunication Services**

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

**12-IV-J Deficit Balances**

Finding: The Tax Increment Financing Fund has a deficit fund balance of \$141,624 as of June 30, 2012.

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

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

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

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

**City of Bettendorf, Iowa**

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

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Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Instances of Noncompliance in Administering Federal Awards</b>				
12-III-A	The City incorrectly reported restricted net assets, unrestricted net assets and cash/investments on two of the monthly financial reports to HUD.	See corrective action plan at 12-III-A.	June 2013	Carol Barnes Finance Director
<b>Other Findings Related to Required Statutory Reporting</b>				
12-IV-F	The City did not publish a summary of all receipts received monthly within 15 days after the Council meetings.	See corrective action plan at 12-IV-F.	June 2013	Carol Barnes Finance Director
12-IV-J	The Tax Increment Financing Fund has a deficit fund balance of \$141,624 as of June 30, 2012.	See corrective action plan at 12-IV-J.	June 2013	Carol Barnes Finance Director



Bettendorf IOWA

*a premier city*



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

In connection with our audit of the basic financial statements of the City of Bettendorf, Iowa as of and for the year ended June 30, 2012, we identified deficiencies in internal control over financial reporting (control deficiencies).

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

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

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

Certain control deficiencies that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

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

**Cash Collections:**

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

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

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

Community Development: There are two employees who receive cash as it comes into the permit department. The two employees prepare the permit and enter the cash receipt. One of the two employees also prepares the deposit and reconciles the cash receipts to the information entered into the accounting system. The compensating control in place is that a separate employee, at City Hall, reconciles the money received from Community Development to the bank statements. We want to stress the importance of this compensating control in place to mitigate the lack of segregation of duties over this revenue cycle.

The Community Development Department receives monies through the mail for permits and planning and zoning fees, which are not deposited on a daily basis. The department holds the permit monies until they are processed, which could take up to a month. The planning and zoning fees are held until there are several checks to deposit, which could be up to a couple of months. We recommend all checks are deposited on at least a weekly basis.

#### **Segregation of Duties:**

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

#### **Travel Expenditures:**

One of the travel expenditures tested was approved on the basis that the flight taken was less expensive than a direct flight to and from the business-related destination due to a personal travel being included in the flight. The documentation maintained showed a flight including the personal vacation destination was less expensive; however, the actual flight that was booked was more expensive than the flight approved and the documentation maintained. There was no additional documentation maintained to support the differences in flight itineraries for the actual dates of travel. We recommend reapproving travel requests at the time the trips are booked instead of just at the planning stage. We also recommend additional documentation be obtained and maintained for any changes to travel arrangements.

#### **Section 8 Housing Expenditures:**

The Housing Coordinator for the Section 8 Housing program is a split funded employee (funded by both federal and nonfederal sources) as of May 2012. Currently, this position uses a budgeted percentage to charge her time to the program. The Office of Management and Budget (OMB) Circular A-87 requires employees allocated to multiple activities or cost objectives have a distribution of their salaries or wages supported by personnel activity reports or equivalent documentation. As this is a new split funded employee to the program, we recommend the City reviews the procedures to ensure the compliance requirements of OMB Circular A-87 are being met.

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

*McGladrey LLP*

Davenport, Iowa  
November 26, 2012