



CITY OF CEDAR RAPIDS, IOWA



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013



About the Cover

Downtown Main Library, 450 5th Avenue SE: The previous main library building was destroyed in the flood of 2008. Five years after the flood, the new Cedar Rapids Public Library opened to the public on August 24, 2013. The 94,000 square foot facility houses a collection of more than 200,000 books, cds, dvds and video games.

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF CEDAR RAPIDS, IOWA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

**PUBLISHED BY
FINANCE DEPARTMENT**

**CITY OF
CEDAR RAPIDS, IOWA**

CITY OF CEDAR RAPIDS, IOWA

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December 20, 2013

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

The City of Cedar Rapids, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Rapids, Iowa (City) for the fiscal year ended June 30, 2013 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

McGladrey LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2013. The independent auditor’s report is located at the front of the financial section of this report.

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

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

PROFILE OF THE CITY OF CEDAR RAPIDS

The City of Cedar Rapids, incorporated in 1849, is located twenty-five miles north of Iowa City and one hundred-thirty miles east of Des Moines, the State Capitol. Cedar Rapids is an important manufacturing, service, and trade area servicing an eight county area with a combined population estimated at 471,199 and occupies 71 square miles. The population of Linn County based upon the 2012 census is 215,295 of which 128,119 reside within Cedar Rapids. The City of Cedar Rapids is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

The City of Cedar Rapids continues its recovery efforts from the June 2008 record flood that includes assisting residents and businesses in obtaining federal and state funding to move forward with recovery. In addition, the City has begun rebuilding its facilities and infrastructure that were damaged due to the flood. Overall, the community recovery costs are estimated to be as much as \$5 billion dollars and it will take as long as 20 years to complete the demolition, reconstruction, and installation of adequate flood protection for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with recovery efforts.

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

Progress with flood recovery can clearly be seen throughout the flood impacted area as 1,322 of 1,368 projected property buyouts have occurred to date and 1,152 of 1,200 structures scheduled for demolition have been completed. In addition, the City has completed construction of major facilities such as the Main Library, the Convention Center and Arena, the Hotel, a portion of the new City Services Building and the Central Fire Station. Also, construction is nearing completion for the Ground Transportation Center.

In addition to the above mentioned flood recovery efforts, the State of Iowa's Flood Mitigation Board on December 4, 2013 awarded the City of Cedar Rapids \$264 million toward a flood mitigation project to protect both sides of the Cedar River. This approval by the State of Iowa is significant as it will assist the City in building flood protection on both sides of the river which is currently estimated to cost \$570,430,000. The proposed flood mitigation system includes construction of 6.24 miles of levee and floodwalls (permanent and removable), 11 pump stations, 21 roadway and railroad gate closures, improvements to a flood prone bridge (elevation of approaches), and design on a second river crossing.

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

- Best Places for Business and Careers: Cedar Rapids ranked #33 out of the 200 largest metropolitan statistical areas in the U.S. based on cost of doing business, job growth, education, employment, housing and quality of life.
- America's Best Cities on the Rise: Cedar Rapids ranked #11 as an exceptional, up-and-coming destination offering more than meets the eye.
- Top 100 Best Places to Live: Cedar Rapids ranked #1 in Iowa and #29 in the nation.
- Top 10 Fourth Economy Communities: Cedar Rapids one of the top 10 Fourth Economy Communities and Linn County is ranked #4 because of being ideally positioned to attract modern investment and managed economic growth.

Regionalism continues to be the focus of our economic development initiatives. A regional laborshed study was completed and Cedar Rapids is part of Iowa's Creative Corridor. Cedar Rapids Metro Economic Alliance reported the following accomplishments for the past decade:

- New job creation: 9,466
- New business attractions: 42 companies
- Existing business expansions: 128
- Total capital investment: \$1810,152,552

In addition, the 2012 Laborshed Study, conducted by the Workforce Research Bureau of Iowa Workforce Development, reveals the Cedar Rapids laborshed region has grown over the past five years. Based on figures in the 2012 study, the potential available labor force in the Cedar Rapids area is estimated to be 513,897. That amount is up from 499,072 in the 2008 study. The increase reflects growth in the laborshed area, new population growth, increased numbers of people willing to re-enter the workforce and travel to the region's central nodes for work. The largest concentration of workers are employed within the management; office and administrative support; education, training & library occupational categories. The top industries are education; healthcare/social services; manufacturing; and wholesale & retail trade.

Cedar Rapids' unemployment rate decreased 0.7% to 4.2% for fiscal year ending 2013, which is slightly lower than the state unemployment rate of 4.6% and is lower than the national unemployment rate of 7.0% for the same time period.

The Cedar Rapids MSA mean household income in 2013 was \$57,222 as compared to \$55,874 in 2012. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2013 was approximately \$280.3 million. This compares with an amount of \$346.6 million for FY 2012 which was a record setting year for total value of building permits in the City. Even though this amount represents a decrease of 19.1 percent from the previous fiscal year, \$280.3 million still represented one of the higher years of total value of building permits in the last ten years.

Long-term financial planning

The minimal fund balance in the general fund is \$27.6 million or 70% of total fund balance less nonspendable fund balance. This percentage falls within the City's policy guidelines for reserves, which at a minimum must be 25 percent of next fiscal year's budgeted general fund expenditures as established by Council resolution. By maintaining an appropriate reserve balance the City is able to react to both known and unknown events that will have an impact on the City finances without disrupting services provided to its citizens in the short term.

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

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

Relevant financial policies

Internal Controls

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

Single Audit

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

Budgetary Controls

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

In terms of long-range planning, the City annually develops and issues a five year capital improvements program as part of the annual budget, which is funded primarily through the sale of general obligation and revenue bonds and federal and state grants.

Debt Administration

The City's debt management policy strives to repay 30 to 60 percent of the principal amount of its general obligation debt within five years and at least 60 percent within ten fiscal years. Capital projects financed through issuance of debt are programmed to be paid off completely within the expected useful life of the capital project. Currently, the City is on pace to repay over 66 percent of its debt within ten fiscal years. Moody's Investor Services continues to rate the City's general obligation bonds Aaa with a negative outlook. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base, and a low debt burden with a rapid payout. FY 2013 marked our forty-first anniversary of maintaining this rating.

Cash Management

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

Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer and retention. Safety and loss prevention programs help identify and reduce the City's exposures to risks. Risks that cannot be eliminated or reduced are transferred when possible and cost effective. Retaining risks by self-funding enables the City to stabilize insurance costs, build a fund to provide a reliable and constant source of funds to pay claims, and seeks to provide a high level of service by handling claims promptly and courteously. During fiscal year 2013, the City purchased liability insurance to cover its airport, underground fuel tanks, four specific vehicles used in housing operations and liquor liability. The City self-insures up to \$500,000 for its general liability, errors and employment practices liability, police liability, auto liability and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund with claims exceeding \$500,000 being covered through purchasing of an insurance policy. The City also self-insures, without stop loss insurance, its workers' compensation, health insurance, and dental insurance. The City's property exposures are insured through a large deductible program. The City accounts for and finances its retained risks through the Risk Management Internal Service Fund. In compliance with Statement 10 of the Governmental Accounting Standards Board, the City's financial statements show as an expense and liability the estimated cost of all claims which have occurred. Claim liabilities are based on the estimated total cost of all claims including claims reported but not settled and claims incurred but not reported. The tort liability and workers' compensation claims liabilities are shown at a 95% confidence level, as determined by an independent actuary, in the City's June 30, 2013 financial statements. The amount of incurred but unpaid health and dental bills were determined by an independent actuary along with calculations to comply with Statement 45 of the Governmental Accounting Standards Board.

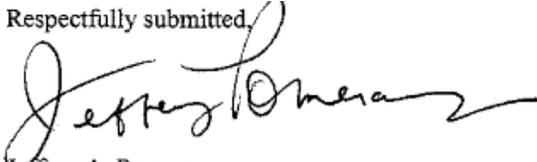
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids, Iowa, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the thirty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jeffrey A. Pomeranz
City Manager



Casey J. Drew
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cedar Rapids
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

The City of Cedar Rapids Organizational Chart



CITY OF CEDAR RAPIDS, IOWA

City Manager Form of Government

CITY COUNCIL

Ron Corbett
Mayor

Don Karr
At-Large

Ann Poe
At-Large

Chuck Swore
At-Large

Kris Gulick
District 1

Monica Vernon
Mayor Pro Tempore
District 2

Pat Shey
District 3

Scott Olson
District 4

Justin Shields
District 5

STAFF

Casey J. Drew, CPA
Finance Director

Jeffrey A. Pomeranz
City Manager



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, Cedar Rapids Public Library Foundation, which represents 4.1 percent, 4.5 percent and 3.0 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cedar Rapids Public Library Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Cedar Rapids Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 – 22, the budgetary comparison information on pages 71 – 72 and the City of Cedar Rapids, Iowa retiree healthcare plan schedule of funding progress on page 74, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors 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.

Other Information

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

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013 on our consideration of the City of Cedar Rapids, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cedar Rapids, Iowa's internal control over financial reporting and compliance.

McGladrey LLP

Davenport, Iowa
December 20, 2013

Management's Discussion and Analysis

As management of the City of Cedar Rapids, Iowa, we offer readers of the City of Cedar Rapids' financial statements this narrative overview and analysis of the financial statements of the City of Cedar Rapids for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Cedar Rapids exceeded its liabilities and deferred inflows of resources at the close of June 30, 2013, by \$905.9 million (net position).
- The government's total assets increased by approximately \$164.6 million.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of \$83.4 million, which is an increase of 9.5% from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$37.6 million, or 34.4 percent of the total general fund expenditures.
- The City has a minimum fund balance policy of 25% of next year's budgeted general fund expenditures. The minimum fund balance for fiscal year 2013 is \$27.6 million or 70.0% of total fund balance less nonspendable.
- Total debt increased by \$14.6 million during the current fiscal year. The City issued \$35.5 million of new general obligation bonds, issued \$1.9 million in notes payable, issued \$12.4 million of revenue bonds and retired \$35.2 million of existing bonds and notes payable.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Statement of Net Position for the Fiscal years Ended June 30, 2013 and 2012:

A condensed version of the Statement of Net Position as of June 30, 2013 and 2012 follows:

City of Cedar Rapids Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Cash and investments	\$ 119.8	\$ 91.6	\$ 74.0	\$ 79.9	\$ 193.8	\$ 171.5
Restricted assets	39.2	71.9	40.1	50.8	79.3	122.7
Other assets	175.5	178.3	22.7	39.5	198.2	217.8
Capital assets	597.0	513.4	526.7	405.0	1,123.7	918.4
Total assets	<u>931.5</u>	<u>855.2</u>	<u>663.5</u>	<u>575.2</u>	<u>1,595.0</u>	<u>1,430.4</u>
Other liabilities	111.2	96.5	40.8	34.3	152.0	130.8
Noncurrent liabilities	170.3	180.1	266.6	241.7	436.9	421.8
Total liabilities	<u>281.5</u>	<u>276.6</u>	<u>307.4</u>	<u>276.0</u>	<u>588.9</u>	<u>552.6</u>
Deferred inflows of resources	<u>95.6</u>	<u>91.6</u>	<u>4.6</u>	<u>4.6</u>	<u>100.2</u>	<u>96.2</u>
Net position:						
Net investment in capital assets	465.2	387.0	285.3	199.2	750.5	586.2
Restricted	22.6	19.4	-	-	22.6	19.4
Unrestricted	<u>66.6</u>	<u>80.6</u>	<u>66.2</u>	<u>95.4</u>	<u>132.8</u>	<u>176.0</u>
Total net position	<u>\$ 554.4</u>	<u>\$ 487.0</u>	<u>\$ 351.5</u>	<u>\$ 294.6</u>	<u>\$ 905.9</u>	<u>\$ 781.6</u>

Governmental Activities

Total net position increased \$67.5 million or 13.8 percent for fiscal year 2013. The change is mainly an increase in improvements & structures due to increase in infrastructure capital projects and property acquired as part of the 2008 flood recovery process.

Business-Type Activities

Total net position increased \$56.9 million or 19.3 percent for fiscal year 2013. The increase is mainly due to an increase in capital improvement projects within the City.

Statement of Activities for the Fiscal years Ended June 30, 2013 and 2012:

A condensed version of the Statement of Activities as of June 30, 2013 and 2012 follows:

Table 2
Governmental and Business-type Activities
For Fiscal years Ending June 30, 2013 and 2012
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues						
Charges for services	\$ 35.1	\$ 36.5	\$ 94.5	\$ 92.4	\$ 129.6	\$ 128.9
Operating grants and contributions	79.5	89.7	3.8	2.9	83.3	92.6
Capital grants and contributions	64.4	53.0	29.8	21.8	94.2	74.8
General revenues:						
Property taxes	91.2	84.0	4.6	4.6	95.8	88.6
Hotel-Motel taxes	2.9	2.8	-	-	2.9	2.8
Local option sales taxes	17.9	18.1	-	-	17.9	18.1
Franchise taxes	3.9	3.4	-	-	3.9	3.4
Investment income	0.8	0.8	0.5	0.6	1.3	1.4
Total revenues	<u>295.7</u>	<u>288.3</u>	<u>133.2</u>	<u>122.3</u>	<u>428.9</u>	<u>410.6</u>
Expenses						
Public safety	64.6	67.7	-	-	64.6	67.7
Public works	43.3	45.3	-	-	43.3	45.3
Culture and recreation	21.8	17.5	-	-	21.8	17.5
Community and economic development	55.5	58.9	-	-	55.5	58.9
General government	10.8	21.8	-	-	10.8	21.8
Debt service	8.0	6.4	-	-	8.0	6.4
Water	-	-	27.0	25.3	27.0	25.3
Water pollution control	-	-	28.7	27.2	28.7	27.2
Sanitary sewer	-	-	8.4	7.5	8.4	7.5
U.S. cellular center	-	-	4.8	1.4	4.8	1.4
Doubletree by Hilton	-	-	3.2	-	3.2	-
Paramount theatre	-	-	1.1	0.4	1.1	0.4
Ground transportation system	-	-	9.2	8.3	9.2	8.3
Parking system	-	-	3.2	3.6	3.2	3.6
Solid waste management	-	-	10.0	10.3	10.0	10.3
Golf	-	-	3.3	3.2	3.3	3.2
Ice arena	-	-	1.7	2.0	1.7	2.0
Total expenses	<u>204.0</u>	<u>217.6</u>	<u>100.6</u>	<u>89.2</u>	<u>304.6</u>	<u>306.8</u>
Increase in net position before transfers	91.7	70.7	32.6	33.1	124.3	103.8
Transfers	<u>(24.3)</u>	<u>0.6</u>	<u>24.3</u>	<u>(0.6)</u>	<u>-</u>	<u>-</u>
Changes in net position	67.4	71.3	56.9	32.5	124.3	103.8
Beginning net position	<u>487.0</u>	<u>415.7</u>	<u>294.6</u>	<u>262.1</u>	<u>781.6</u>	<u>677.8</u>
Ending net position	<u>\$ 554.4</u>	<u>\$ 487.0</u>	<u>\$ 351.5</u>	<u>\$ 294.6</u>	<u>\$ 905.9</u>	<u>\$ 781.6</u>

Governmental Activities

Charges for services make up 11.9 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 48.7 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes & one-percent local option sales tax.

Business-type Activities

As expected, charges for services are the primary revenue source for business-type activities. Water fees, wastewater fees and sanitary sewer charges are the primary charges for services that make up 79.0 percent of charges for services. Operating and capital grants make up 25.2 percent of overall revenue, grants for ground transportation system and EDA grant for the Cedar Rapids event center make up 81.1 percent of this amount.

Fund Financial Statements

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

Governmental Funds

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

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

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

The General Fund revenues decreased \$0.1 million and expenditures increased \$2.3 million over the prior year thus resulting in an increase in the change in fund balance of \$1.3 million in the past two fiscal years. Property tax revenue increased \$0.8 million or 1.6% due to property tax valuations increasing 2.6% to \$5.7 billion and Tax Increment Financing (TIF) property tax valuations increasing 155% to \$249.3 million. In addition, taxable valuations increased in fiscal year 2013 due to the residential rollback increasing 2.2% to 50.75%, equalization of all residential property (equalization reconciles assessments to sales price). Personal services also increased \$1.7 million due to increase in retirement contribution rates. The City's contribution rate to MFPRSI (Municipal Fire Police Retirement System of Iowa) increased from fiscal year 2012 to 2013 from 24.76% to 26.12% respectively. The City has continued to maintain its minimum fund balance policy of 25 percent of the next year's expenditure budget in the General Fund of \$27.6 million and is 70% of total fund balance, less nonspendable fund balance. Infrastructure Construction Fund expenditures decreased by \$1.1 million or 5.7 percent due to decrease in streets improvements. Revenue also decreased in the Infrastructure Construction Fund by \$7.1 million, resulting in a decrease in fund balance of \$4.2 million as compared to a decrease of \$0.8 million in the prior year. The Flood Fund had a increase in fund balance of \$30.5 million, although the fund still has a negative fund balance of \$23.7 million. The negative fund balance is due to a delay between expenditures and receiving reimbursement from federal and state agencies and is expected to be temporary.

Proprietary Funds

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

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

Water operating revenues increased 3.1 percent over the prior year while operating expenses increased 0.9 percent thus increasing the net operating income from \$10.0 million in fiscal year 2012 to \$10.8 million in fiscal year 2013. The change in net position increased \$7.0 million. Water Pollution Control's change in net position decreased in the current year by \$10.7 million as compared to an increase of \$4.1 million in fiscal year 2012. The decrease is related to transfers made to other funds within the City with \$9.4 million of the transfers going to the Flood Fund to fund deficits on project worksheets still awaiting reimbursements from federal and state agencies. Sanitary Sewer's change in net position is \$5.3 million compared to an increase of \$4.4 million in fiscal year 2012 mainly due to an increase in intergovernmental revenues of \$3.6 million in the current year. U.S. Cellular Center's change in net position increased \$16.9 million in the current year. The increase is related to the City receiving grant funding through the EDA and State of Iowa I-Jobs programs for the renovation of the existing event center.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-69 of this report.

Other Information

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

Budgetary Highlights

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

The City had one budget amendment during the fiscal year that is our common practice. This amendment increased the expenditure budget by \$122.3 million to a total of \$768.7 million. This represented a 18.9 percent increase. Capital projects increased \$76.4 million mainly due to increase in public works infrastructure projects, amphitheater, parking structure, fiber optic project, and land software. In addition, capital improvements related to flood increased \$49.3 million with \$45 million of this increase related to property acquisition. Business-type budget expenditures increased \$22.8 million due construction of the event center and parking ramps. Budgetary comparison can be found on pages 71-72 of this report.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2013, the City had invested \$1.1 billion in capital assets as reflected in the following table. This investment includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 130.2	\$ 121.6	\$ 21.8	\$ 21.4	\$ 152.0	\$ 143.0
Building and structures	67.7	43.3	208.7	63.4	276.4	106.7
Improvements other than buildings	281.8	271.0	254.8	245.6	536.6	516.6
Machinery and equipment	27.7	25.8	11.9	12.2	39.6	38.0
Construction in progress	89.6	51.7	29.5	62.4	119.1	114.1
Total	<u>\$ 597.0</u>	<u>\$ 513.4</u>	<u>\$ 526.7</u>	<u>\$ 405.0</u>	<u>\$ 1,123.7</u>	<u>\$ 918.4</u>

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is \$597.0 million that represents a 16.3 percent increase. For business type activities the amount is \$526.7 million that is a 30.0 percent increase. Detail of this summary is presented on pages 50-51 of the notes.

Table 4
Change in Capital Assets
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Beginning Balance	\$ 513.4	\$ 433.3	\$ 405.0	\$ 359.3	\$ 918.4	\$ 792.6
Additions	110.0	100.5	139.8	62.4	249.8	162.9
Retirement	(9.3)	(5.6)	(8.9)	(6.1)	(18.2)	(11.7)
Depreciation, net	(17.1)	(14.8)	(9.2)	(10.6)	(26.3)	(25.4)
Ending Balance	<u>\$ 597.0</u>	<u>\$ 513.4</u>	<u>\$ 526.7</u>	<u>\$ 405.0</u>	<u>\$ 1,123.7</u>	<u>\$ 918.4</u>

Governmental Activities

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

- Flood recovery purchases, \$76.3 million or 56.6% of total additions
- Street Improvements, \$19.9 million or 14.8% of total additions
- Acquisition of flood damaged properties, \$14.0 million or 10.4% of total additions
- Fleet purchases \$4.9 million or 3.6% of total additions

Business-type Activities

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

- Renovation of the Event Center, \$51.5 million or 36.8% of total additions
- Renovation of the hotel, \$25.5 million or 18.2% of additions
- Improvements at Water Distribution plant, \$7.7 million or 5.5% of total additions
- Improvements at Water Pollution Control plant, \$5.9 million or 4.2% of total additions
- Sanitary Sewer improvements, \$6.1 million or 4.4% of total additions

Additional information on the City of Cedar Rapids' capital assets can be found in note 7 on pages 50-53 of this report.

Debt Administration

The amount of debt outstanding at fiscal year end was \$445.4 million as compared to \$430.8 million last fiscal year. The increase is due to the City issuing \$35.5 million of new general obligation bonds, \$1.9 million of notes payable and \$12.4 million of revenue bonds. Of the total debt outstanding, \$341.5 million is backed by the full faith and credit of the City. The remainder is revenue debt and loans abated by enterprise revenues.

Table 5
Outstanding Debt at Year End
(in millions)

	Totals	
	2013	2012
Governmental		
General obligation	\$ 167.6	\$ 172.2
Notes Payable	-	5.0
Business-type		
General obligation		
Abated by:		
Water	32.1	37.4
Water Pollution Control	30.5	34.3
Sanitary Sewer	15.2	16.9
U.S. Cellular Center	42.5	64.2
Doubletree by Hilton	46.3	-
Paramount	0.4	0.6
Other	6.9	6.8
Sub-totals	<u>173.9</u>	<u>160.2</u>
Notes Payable		
Abated by:		
Water	33.3	34.9
Water Pollution Control	12.3	11.2
Other	0.4	-
Sub-totals	<u>46.0</u>	<u>46.1</u>
Revenue		
Abated by:		
Water	33.7	27.5
Water Pollution Control	20.0	16.9
Sanitary Sewer	4.2	2.9
Sub-totals	<u>57.9</u>	<u>47.3</u>
Totals	<u>\$ 445.4</u>	<u>\$ 430.8</u>

Moody's Investor Services continues to rate the City's general obligation bonds Aaa with a negative outlook.

For more detailed information on the City's debt and amortization terms, please refer to pages 54-60 of the Notes to the Financial Statements.

Economic Factors

Cedar Rapids' unemployment rate decreased 0.7% to 4.2% for fiscal year ending 2013, which is slightly lower than the state unemployment rate of 4.6% and is lower than the national unemployment rate of 7.0% for the same time period.

The Cedar Rapids MSA mean household income in 2013 was \$57,222 as compared to \$55,874 in 2012. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2013 was approximately \$280.3 million. This compares with an amount of \$346.6 million for FY 2012 which was a record setting year for total value of building permits in the City. Even though this amount represents a decrease of 19.1 percent from the previous fiscal year, \$280.3 million still represented one of the higher years of total value of building permits in the last ten years.

Next Year's Budget and Rates

Approximately 71.7 percent of our operating costs in the General fund are for Personal Services. Changes in Personal Services can be due to changes in the pay rates, changes in benefits and cost of benefits, changes in number of employees, or any combination of these. The Personal Services within the General Fund increased by \$2.3 million or an increase of 3 percent.

Water, Sewer and Solid Waste fees combined are expected to increase approximately 3.4 percent in fiscal year 2014 for the average residential customer. The amount of dollar increase on the average residential user (usage of 10 units of water per month) will be \$30.96 annually. Even with these increases in rates, our combined water and sewer rates are still far below other large cities in Iowa that provide similar services.

Financial Information Contact

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



CEDAR RAPIDS

City of Five Seasons®

**City of Cedar Rapids, Iowa
Statement of Net Position
June 30, 2013**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
ASSETS						
Current assets:						
Cash and investments	\$ 119,838,003	\$ 74,050,489	\$ 193,888,492	\$ 43,303	\$ 9,889,165	\$ 8,102,456
Receivables:						
Taxes	99,527,829	4,687,328	104,215,157	-	-	-
Accounts and unbilled usage, net						
\$3,439,060 of allowance for doubtful accounts	10,017,110	12,196,958	22,214,068	1,130,339	1,181,573	2,214,310
Special assessments	2,927,964	-	2,927,964	-	-	-
Interest	1,284,518	255,732	1,540,250	-	24,060	-
Internal balances, net	4,094,133	(4,094,133)	-	-	-	-
Due from primary government	-	-	-	39,063,554	-	-
Due from other governments	49,626,102	7,422,285	57,048,387	199,854	187,531	-
Inventories	1,100,061	886,451	1,986,512	-	-	-
Land held for resale	2,164,747	-	2,164,747	-	-	-
Prepaid items	1,903,874	131,971	2,035,845	-	151,417	3,704
Other assets	20,140	1,208,776	1,228,916	-	-	-
Total current assets	<u>292,504,481</u>	<u>96,745,857</u>	<u>389,250,338</u>	<u>40,437,050</u>	<u>11,433,746</u>	<u>10,320,470</u>
Noncurrent assets:						
Restricted cash and investments	39,209,224	40,087,878	79,297,102	-	22,622,634	-
Notes receivable	2,765,922	-	2,765,922	-	-	-
Land	130,240,429	21,808,445	152,048,874	8,938,208	3,808,070	-
Buildings and structures	95,849,821	352,187,793	448,037,614	75,412,372	2,308,958	-
Improvements other than buildings	451,733,482	388,447,076	840,180,558	121,889,599	20,767,333	-
Machinery and equipment	63,021,518	30,986,501	94,008,019	6,386,399	8,280,438	11,557
Accumulated depreciation	(233,414,964)	(296,229,085)	(529,644,049)	(88,621,387)	(13,287,766)	(9,729)
Construction in progress	89,598,117	29,510,076	119,108,193	9,542,017	14,295,758	-
Total noncurrent assets	<u>639,003,549</u>	<u>566,798,684</u>	<u>1,205,802,233</u>	<u>133,547,208</u>	<u>58,795,425</u>	<u>1,828</u>
Total assets	<u>931,508,030</u>	<u>663,544,541</u>	<u>1,595,052,571</u>	<u>173,984,258</u>	<u>70,229,171</u>	<u>10,322,298</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	34,188,662	14,277,974	48,466,636	891,752	3,752,025	13,872
Contracts payable	7,939,873	4,259,912	12,199,785	357,440	-	-
Claims and judgments payable	2,543,454	-	2,543,454	-	-	-
Accrued expenses	2,786,518	2,157,586	4,944,104	107,484	27,121	16,302
Revenues collected in advance	484,739	1,329,103	1,813,842	-	11,562	-
Due to component unit	39,063,554	-	39,063,554	-	-	-
Due to other governments	3,043,391	322,517	3,365,908	-	322,777	-
Due to general public	528,725	1,044	529,769	-	-	-
Security deposits	6,078	494,254	500,332	25,518	66,000	-
General obligation bonds payable, net	14,653,110	10,899,760	25,552,870	22,130	-	-
Revenue bonds payable, net	-	2,380,000	2,380,000	-	-	-
Interest payable	549,031	840,790	1,389,821	-	-	-
Closure/post closure landfill	-	-	-	-	1,934,196	-
Compensated absences	5,466,478	1,376,002	6,842,480	260,160	142,346	-
Note Payable	-	2,472,165	2,472,165	-	-	-
Total current liabilities	<u>111,253,613</u>	<u>40,811,107</u>	<u>152,064,720</u>	<u>1,664,484</u>	<u>6,256,027</u>	<u>30,174</u>
Noncurrent liabilities:						
Claims and judgments payable	8,748,946	-	8,748,946	-	-	-
General obligation bonds payable, net	156,344,061	166,899,746	323,243,807	29,403	-	-
Revenue bonds payable, net	-	55,322,981	55,322,981	-	-	-
Closure/post closure landfill	-	791,021	791,021	-	19,659,402	-
Note Payable	-	43,481,145	43,481,145	-	-	-
Post-employment liabilities	4,894,770	-	4,894,770	-	-	-
Compensated absences	276,732	88,062	364,794	-	-	-
Total noncurrent liabilities	<u>170,264,509</u>	<u>266,582,955</u>	<u>436,847,464</u>	<u>29,403</u>	<u>19,659,402</u>	<u>-</u>
Total liabilities	<u>281,518,122</u>	<u>307,394,062</u>	<u>588,912,184</u>	<u>1,693,887</u>	<u>25,915,429</u>	<u>30,174</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	95,547,229	4,647,830	100,195,059	-	-	-
NET POSITION						
Net investment in capital assets	465,240,456	285,342,887	750,583,343	133,495,675	36,172,791	1,828
Restricted for:						
Debt service	2,881,794	-	2,881,794	-	-	-
Donor restrictions - expendable	-	-	-	-	-	7,138,992
Donor restrictions - non-expendable	112,990	-	112,990	-	-	577,869
Community and economic development	689,416	-	689,416	-	-	-
General government	550,414	-	550,414	-	-	-
Employee benefits	3,193,169	-	3,193,169	-	-	-
Public safety	511,261	-	511,261	-	-	-
Culture and recreation	1,498,670	-	1,498,670	-	-	-
Public works	71,120	-	71,120	-	-	-
SSMID projects	420,687	-	420,687	-	-	-
Capital projects	8,575,447	-	8,575,447	-	-	-
Flood recovery	4,112,073	-	4,112,073	-	-	-
Unrestricted	<u>66,585,182</u>	<u>66,159,762</u>	<u>132,744,944</u>	<u>38,794,696</u>	<u>8,140,951</u>	<u>2,573,435</u>
	<u>\$ 554,442,679</u>	<u>\$ 351,502,649</u>	<u>\$ 905,945,328</u>	<u>\$ 172,290,371</u>	<u>\$ 44,313,742</u>	<u>\$ 10,292,124</u>

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

**City of Cedar Rapids, Iowa
Statement of Activities
For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 64,563,475	\$ 11,722,447	\$ 9,916,262	\$ 494,318
Public works	43,318,705	3,845,305	27,251,228	13,710,269
Culture and recreation	21,816,032	2,437,373	12,985,707	9,562,622
Community and economic development	55,455,365	1,952,364	12,567,912	27,333,099
General government	10,772,562	15,165,249	16,783,494	13,285,778
Interest on long-term debt	7,989,633	-	-	-
Total governmental activities	<u>203,915,772</u>	<u>35,122,738</u>	<u>79,504,603</u>	<u>64,386,086</u>
Business-type activities:				
Water	27,001,814	33,344,490	-	1,030,011
Water pollution control	28,662,649	30,880,420	-	132,847
Sanitary Sewer	8,377,852	10,499,121	-	5,149,858
U.S. Cellular Center	4,821,315	2,285,466	-	22,474,298
Doubletree by Hilton	3,244,013	519,598	-	-
Paramount Theatre	1,061,472	299,122	-	-
Ground transportation system	9,213,123	979,196	3,778,301	933,180
Parking system	3,223,761	3,222,487	-	-
Solid waste management	9,985,620	8,759,734	-	16,403
Golf	3,265,523	2,654,474	-	8,916
Ice arena	1,750,803	1,105,312	-	-
Total business-type activities	<u>100,607,945</u>	<u>94,549,420</u>	<u>3,778,301</u>	<u>29,745,513</u>
Total primary government	<u>304,523,717</u>	<u>129,672,158</u>	<u>83,282,904</u>	<u>94,131,599</u>
Component units:				
Airport	16,112,883	15,736,970	185,143	7,513,247
Cedar Rapids / Linn County Solid Waste Agency	11,707,766	9,043,839	202,889	-
Cedar Rapids Public Library Foundation	1,367,985	-	623,136	-
Total component units	<u>29,188,634</u>	<u>24,780,809</u>	<u>1,011,168</u>	<u>7,513,247</u>

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

Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
\$ (42,430,448)	\$ -	\$ (42,430,448)	\$ -	\$ -	\$ -
1,488,097	-	1,488,097	-	-	-
3,169,670	-	3,169,670	-	-	-
(13,601,990)	-	(13,601,990)	-	-	-
34,461,959	-	34,461,959	-	-	-
(7,989,633)	-	(7,989,633)	-	-	-
<u>(24,902,345)</u>	<u>-</u>	<u>(24,902,345)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,372,687	7,372,687	-	-	-
-	2,350,618	2,350,618	-	-	-
-	7,271,127	7,271,127	-	-	-
-	19,938,449	19,938,449	-	-	-
-	(2,724,415)	(2,724,415)	-	-	-
-	(762,350)	(762,350)	-	-	-
-	(3,522,446)	(3,522,446)	-	-	-
-	(1,274)	(1,274)	-	-	-
-	(1,209,483)	(1,209,483)	-	-	-
-	(602,133)	(602,133)	-	-	-
-	(645,491)	(645,491)	-	-	-
-	<u>27,465,289</u>	<u>27,465,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(24,902,345)</u>	<u>27,465,289</u>	<u>2,562,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	7,322,477	-	-
-	-	-	-	(2,461,038)	-
-	-	-	-	-	(744,849)
-	-	-	<u>7,322,477</u>	<u>(2,461,038)</u>	<u>(744,849)</u>
91,246,237	4,587,431	95,833,668	-	-	-
2,862,393	-	2,862,393	-	-	-
17,939,752	-	17,939,752	-	-	-
3,940,424	-	3,940,424	-	-	-
741,413	513,058	1,254,471	44,876	89,770	203,688
(24,326,841)	24,326,841	-	-	-	-
<u>92,403,378</u>	<u>29,427,330</u>	<u>121,830,708</u>	<u>44,876</u>	<u>89,770</u>	<u>203,688</u>
67,501,033	56,892,619	124,393,652	7,367,353	(2,371,268)	(541,161)
486,941,646	294,610,030	781,551,676	164,923,018	46,685,010	10,833,285
<u>\$ 554,442,679</u>	<u>\$ 351,502,649</u>	<u>\$ 905,945,328</u>	<u>\$ 172,290,371</u>	<u>\$ 44,313,742</u>	<u>\$ 10,292,124</u>

**City of Cedar Rapids, Iowa
Balance Sheet
Governmental Funds
June 30, 2013**

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 75,661,223	\$ 1,704,181	\$ 61,015	\$ 32,906,962	\$ 110,333,381
Receivables:					
Taxes	49,138,686	-	-	50,389,143	99,527,829
Accounts and unbilled usage, net					
\$2,986,650 of allowance for doubtful accounts	7,037,268	86,140	1,812,833	444,432	9,380,673
Special assessments	233,947	2,627,800	-	66,217	2,927,964
Interest	1,183,158	-	-	99,766	1,282,924
Due from other funds	-	39,945,581	-	-	39,945,581
Due from other governments	326,773	3,932,091	40,246,244	4,771,096	49,276,204
Notes Receivable	88,000	-	-	2,677,922	2,765,922
Inventories	387,169	-	-	26,776	413,945
Land held for resale	-	-	2,086,178	78,569	2,164,747
Prepaid items	236,629	-	49,841	521,874	808,344
Total assets	<u>134,292,853</u>	<u>48,295,793</u>	<u>44,256,111</u>	<u>91,982,757</u>	<u>318,827,514</u>
LIABILITIES					
Vouchers payable	3,883,962	2,528,411	20,435,123	5,624,563	32,472,059
Contracts payable	13,364	1,255,895	5,292,177	1,378,437	7,939,873
Accrued expenditures	2,471,465	-	29,427	52,916	2,553,808
Revenues collected in advance	120,632	14,430	5,177	339,844	480,083
Due to other funds	-	-	26,884,366	4,041,903	30,926,269
Advance from other funds	-	-	-	325,202	325,202
Due to component unit	39,063,554	-	-	-	39,063,554
Due to general public	-	-	-	528,725	528,725
Due to other governments	758,875	-	1,345,133	939,383	3,043,391
Security deposits	2,660	-	-	2,800	5,460
Total liabilities	<u>46,314,512</u>	<u>3,798,736</u>	<u>53,991,403</u>	<u>13,233,773</u>	<u>117,338,424</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	48,724,563	-	-	46,822,666	95,547,229
Unavailable revenue - other taxes	-	-	-	772,356	772,356
Unavailable revenue - intergovernmental	220,314	3,691,802	14,003,162	1,219,748	19,135,026
Unavailable revenue - special assessments	46,762	2,627,800	-	-	2,674,562
Total deferred inflows of resources	<u>48,991,639</u>	<u>6,319,602</u>	<u>14,003,162</u>	<u>48,814,770</u>	<u>118,129,173</u>
FUND BALANCES (DEFICITS)					
Nonspendable	623,798	-	2,136,019	740,209	3,500,026
Restricted	579,276	18,503,274	-	31,166,178	50,248,728
Committed	-	-	-	4,596,967	4,596,967
Assigned	200,000	19,674,181	-	-	19,874,181
Unassigned	37,583,628	-	(25,874,473)	(6,569,140)	5,140,015
Total fund balances (deficits)	<u>38,986,702</u>	<u>38,177,455</u>	<u>(23,738,454)</u>	<u>29,934,214</u>	<u>83,359,917</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 134,292,853</u>	<u>\$ 48,295,793</u>	<u>\$ 44,256,111</u>	<u>\$ 91,982,757</u>	<u>\$ 318,827,514</u>

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

City of Cedar Rapids, Iowa
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

Fund balances-total governmental funds		\$ 83,359,917
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.		556,169,193
Other long-term assets not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds		22,581,944
Internal service funds:		
Capital assets	40,859,210	
Other current assets	51,503,561	
Internal balances	325,202	
Other current liabilities	(4,799,807)	
Noncurrent liabilities	(13,657,922)	74,230,244
Internal service funds allocated to business-type activities		(4,925,179)
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(5,427,238)	
Bonds payable	(167,619,698)	
Bond premium	(3,628,430)	
Bond discount	250,957	
Accrued interest on long-term debt	(549,031)	(176,973,440)
Net position of governmental activities		\$ 554,442,679

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes	\$ 48,125,647	\$ -	\$ -	\$ 43,120,590	\$ 91,246,237
Hotel-Motel taxes	-	-	-	2,895,232	2,895,232
Local option sales taxes	-	-	-	17,939,752	17,939,752
Franchise taxes	3,940,424	-	-	-	3,940,424
Licenses and permits	2,656,985	-	-	7,700	2,664,685
Intergovernmental	330,732	2,557,426	127,381,118	26,492,897	156,762,173
Charges for services	18,057,202	122,490	30	274,830	18,454,552
Fines and forfeits	7,535,840	-	-	6,250	7,542,090
Use of money and property	23,143	112,823	1,862	494,219	632,047
Rents and royalties	357,051	16,494	12	338,549	712,106
Miscellaneous	233,037	1,134,101	1,990,454	2,514,488	5,872,080
Total revenues	<u>81,260,061</u>	<u>3,943,334</u>	<u>129,373,476</u>	<u>94,084,507</u>	<u>308,661,378</u>
Expenditures:					
Current:					
Public safety	56,003,199	-	7,001,443	707,569	63,712,211
Public works	21,353,400	311,223	8,659,223	114,067	30,437,913
Culture and recreation	12,952,863	-	4,811,135	2,471,697	20,235,695
Community and economic development	3,315,479	-	18,772,908	25,557,882	47,646,269
General government	15,066,924	-	6,191,210	912,031	22,170,165
Debt service:					
Principal	-	-	-	14,404,502	14,404,502
Interest	-	-	-	6,398,386	6,398,386
Bond issuance costs	-	-	-	246,859	246,859
Capital outlay	541,041	18,050,994	73,271,481	17,215,462	109,078,978
Total expenditures	<u>109,232,906</u>	<u>18,362,217</u>	<u>118,707,400</u>	<u>68,028,455</u>	<u>314,330,978</u>
Excess (deficiency) of revenues over expenditures	<u>(27,972,845)</u>	<u>(14,418,883)</u>	<u>10,666,076</u>	<u>26,056,052</u>	<u>(5,669,600)</u>
Other Financing Sources (Uses):					
Long-term debt issued	-	8,693,526	554,474	567,000	9,815,000
Premium on bonds issued	-	83,474	-	344,247	427,721
Proceeds for sale of capital assets	188,121	-	296,090	65,459	549,670
Donation of land held for resale	-	-	(1,273,223)	(241,934)	(1,515,157)
Transfers in	31,152,885	1,838,573	36,280,543	7,940,103	77,212,104
Transfers (out)	(2,083,978)	(400,550)	(16,310,073)	(55,108,663)	(73,903,264)
Settlement reimbursement	-	-	286,768	-	286,768
Total other financing sources (uses)	<u>29,257,028</u>	<u>10,215,023</u>	<u>19,834,579</u>	<u>(46,433,788)</u>	<u>12,872,842</u>
Net change in fund balances	1,284,183	(4,203,860)	30,500,655	(20,377,736)	7,203,242
Fund balances - July 1, 2012	37,702,519	42,381,315	(54,239,109)	50,311,950	76,156,675
Fund balances - June 30, 2013	<u>\$ 38,986,702</u>	<u>\$ 38,177,455</u>	<u>\$ (23,738,454)</u>	<u>\$ 29,934,214</u>	<u>\$ 83,359,917</u>

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

**City of Cedar Rapids, Iowa
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2013**

Net change in fund balances-total governmental funds \$ 7,203,242

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

Governmental funds reported capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	121,798,617	
Contributions of capital assets	1,795,059	
Depreciation expense	<u>(16,254,690)</u>	107,338,986

Governmental funds reported proceeds from sale of capital assets	(549,670)
Loss on sale of capital assets	(6,420,889)
Transfer of capital assets to business-type activities	(25,071,583)
Transfer of capital assets to internal service fund	(9,894,982)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(23,962,890)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payments of bond principal	14,404,502	
Premium on bond issued	(427,721)	
Issuance of debt	(9,815,000)	
Forgiveness of note payable	5,000,000	
Accrued interest	320,630	
Bond issuance costs	(1,887,561)	
Amortization	224,854	7,819,704

Expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(83,908)
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Internal service funds net change reported in governmental activities	10,956,541
Change in internal service funds activities allocated to business-type activities	166,482

Change in net position - governmental activities	<u><u>\$ 67,501,033</u></u>
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The notes to the financial statements are an integral part of this statement.

City of Cedar Rapids, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center	Double Tree by Hilton
ASSETS					
Current assets:					
Cash and investments	\$ 23,311,855	\$ 25,644,712	\$ 12,215,243	\$ 1,069,633	\$ 598,368
Receivables:					
Taxes	-	-	-	-	-
Accounts and unbilled usage, net					
\$383,321 of allowance for doubtful accounts	3,366,590	5,096,957	486,175	570,461	350,919
Interest	255,732	-	-	-	-
Due from other governments	353	1,236	1,676,110	4,320,949	-
Inventories	556,184	41	5,096	41,322	36,774
Prepaid items	9,059	24,428	1,671	-	6,000
Other assets	-	-	-	-	1,859
Total current assets	<u>27,499,773</u>	<u>30,767,374</u>	<u>14,384,295</u>	<u>6,002,365</u>	<u>993,920</u>
Noncurrent assets:					
Restricted cash and investments	13,121,365	6,550,981	1,471,147	6,759,449	10,554,716
Advance to other funds	-	-	-	-	-
Land	520,557	1,358,868	941,809	9,345,795	-
Buildings and structures	55,189,706	88,843,323	-	87,176,943	38,161,904
Improvements other than buildings	170,235,369	83,763,269	120,621,659	709,948	-
Machinery and equipment	7,126,936	5,031,883	2,338,233	1,326,930	67,320
Accumulated depreciation	(78,115,430)	(118,059,319)	(44,575,482)	(10,230,010)	(435,129)
Construction in progress	7,239,398	5,317,161	-	12,526,890	424,847
Total noncurrent assets	<u>175,317,901</u>	<u>72,806,166</u>	<u>80,797,366</u>	<u>107,615,945</u>	<u>48,773,658</u>
Total assets	<u>202,817,674</u>	<u>103,573,540</u>	<u>95,181,661</u>	<u>113,618,310</u>	<u>49,767,578</u>
LIABILITIES					
Current liabilities:					
Vouchers payable	1,474,482	2,504,109	743,182	6,387,674	36,503
Claims and judgments payable	-	-	-	-	-
Contracts payable	334,767	215,077	385,704	3,189,867	-
Accrued expenses	275,528	227,951	84,236	615,329	571,411
Compensated absences	463,441	356,562	102,294	-	2,244
Revenues collected in advance	110,959	340	-	455,355	-
Due to other funds	-	-	-	5,930,396	2,138,079
Due to other governments	204,789	-	-	84,645	-
Due to general public	1,044	-	-	-	-
Security deposits	491,959	-	-	-	-
Notes payable	1,650,000	639,000	-	-	-
General obligation bonds payable, net	4,045,390	3,629,556	1,532,463	568,000	-
Revenue bonds payable, net	1,370,000	863,000	147,000	-	-
Matured bonds interest payable	291,204	208,606	65,440	128,892	125,096
Total current liabilities	<u>10,713,563</u>	<u>8,644,201</u>	<u>3,060,319</u>	<u>17,360,158</u>	<u>2,873,333</u>
Noncurrent liabilities:					
Claims and judgments payable	-	-	-	-	-
General obligation bonds payable, net	29,429,191	27,629,709	13,955,896	42,843,110	46,806,333
Revenue bonds payable, net bond discount	32,245,249	19,051,287	4,026,445	-	-
Notes payable	31,607,000	11,690,980	-	-	-
Post-employment liability	-	-	-	-	-
Closure/post closure landfill	-	791,021	-	-	-
Compensated absences	51,860	-	-	-	-
Total noncurrent liabilities	<u>93,333,300</u>	<u>59,162,997</u>	<u>17,982,341</u>	<u>42,843,110</u>	<u>46,806,333</u>
Total liabilities	<u>104,046,863</u>	<u>67,807,198</u>	<u>21,042,660</u>	<u>60,203,268</u>	<u>49,679,666</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	74,971,071	9,302,634	61,135,562	64,204,835	1,967,325
Unrestricted	23,799,740	26,463,708	13,003,439	(10,789,793)	(1,879,413)
	<u>\$ 98,770,811</u>	<u>\$ 35,766,342</u>	<u>\$ 74,139,001</u>	<u>\$ 53,415,042</u>	<u>\$ 87,912</u>

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

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

Paramount Theatre	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 973,550	\$ 10,237,128	\$ 74,050,489	\$ 48,713,846
-	4,687,328	4,687,328	-
495,701	1,830,155	12,196,958	636,437
-	-	255,732	1,594
-	1,423,637	7,422,285	349,898
22,497	224,537	886,451	686,116
17,099	73,714	131,971	1,095,530
28,137	1,178,780	1,208,776	20,140
<u>1,536,984</u>	<u>19,655,279</u>	<u>100,839,990</u>	<u>51,503,561</u>
-	1,630,220	40,087,878	-
-	-	-	325,202
655,993	8,985,423	21,808,445	1,016,663
40,492,584	42,323,333	352,187,793	15,998,195
-	13,116,831	388,447,076	1,876,747
-	15,095,199	30,986,501	24,454,235
(353,690)	(44,460,025)	(296,229,085)	(15,538,882)
-	4,001,780	29,510,076	13,052,252
<u>40,794,887</u>	<u>40,692,761</u>	<u>566,798,684</u>	<u>41,184,412</u>
<u>42,331,871</u>	<u>60,348,040</u>	<u>667,638,674</u>	<u>92,687,973</u>
1,060,816	2,071,208	14,277,974	1,716,603
-	-	-	2,543,454
-	134,497	4,259,912	-
33,685	349,446	2,157,586	232,710
-	451,461	1,376,002	301,766
649,375	113,074	1,329,103	4,656
-	950,837	9,019,312	-
-	33,083	322,517	-
-	-	1,044	-
-	2,295	494,254	618
-	183,165	2,472,165	-
110,822	1,013,529	10,899,760	-
-	-	2,380,000	-
992	20,560	840,790	-
<u>1,855,690</u>	<u>5,323,155</u>	<u>49,830,419</u>	<u>4,799,807</u>
-	-	-	8,748,946
296,001	5,939,506	166,899,746	-
-	-	55,322,981	-
-	183,165	43,481,145	-
-	-	-	4,894,770
-	-	791,021	-
-	36,202	88,062	14,206
<u>296,001</u>	<u>6,158,873</u>	<u>266,582,955</u>	<u>13,657,922</u>
<u>2,151,691</u>	<u>11,482,028</u>	<u>316,413,374</u>	<u>18,457,729</u>
-	4,647,830	4,647,830	-
-	4,647,830	4,647,830	-
40,388,064	33,373,396	285,342,887	40,859,210
(207,884)	10,844,786	61,234,583	33,371,034
<u>\$ 40,180,180</u>	<u>\$ 44,218,182</u>	<u>\$ 346,577,470</u>	<u>\$ 74,230,244</u>
		\$ 346,577,470	
		<u>4,925,179</u>	
		<u>\$ 351,502,649</u>	

City of Cedar Rapids, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center	Double Tree by Hilton
Operating revenues:					
Charges for services	\$ 32,717,924	\$ 30,403,159	\$ 10,498,212	\$ 1,535,700	\$ 448,938
Fines and forfeits	-	-	-	-	-
Use of money and property	400,764	1,703	669	-	-
Rents and royalties	39,902	28,324	-	-	70,660
Miscellaneous	185,900	447,234	240	749,766	-
Total operating revenues	<u>33,344,490</u>	<u>30,880,420</u>	<u>10,499,121</u>	<u>2,285,466</u>	<u>519,598</u>
Operating expenses:					
Personal services	8,462,483	7,305,369	2,268,149	370,917	2,353,198
Purchased services	5,637,607	7,939,505	2,405,768	2,028,248	-
Supplies and materials	3,001,946	3,921,723	292,118	513,744	136,998
Other	276,086	192,644	287,669	31,806	-
Depreciation	5,123,743	6,284,703	2,207,173	1,070,223	435,129
Total operating expenses	<u>22,501,865</u>	<u>25,643,944</u>	<u>7,460,877</u>	<u>4,014,938</u>	<u>2,925,325</u>
Operating income (loss)	<u>10,842,625</u>	<u>5,236,476</u>	<u>3,038,244</u>	<u>(1,729,472)</u>	<u>(2,405,727)</u>
Nonoperating revenues (expenses):					
Intergovernmental	310,550	101,436	4,310,697	22,474,298	-
Investment earnings	301,805	161,226	34,884	18	43
Property tax revenue	-	-	-	-	-
Gain (loss) on sale of capital assets	9,146	31,411	1,938	-	-
Issuance costs	(1,090,816)	(583,102)	(123,861)	(695,292)	(202,924)
Interest expense	(3,365,872)	(2,393,536)	(779,094)	(111,085)	(115,510)
Total nonoperating revenue (expenses)	<u>(3,835,187)</u>	<u>(2,682,565)</u>	<u>3,444,564</u>	<u>21,667,939</u>	<u>(318,391)</u>
Income (loss) before transfers and capital contributions	7,007,438	2,553,911	6,482,808	19,938,467	(2,724,118)
Capital contributions	710,315	-	837,223	-	-
Transfers in	-	89,168	-	2,279,418	2,812,030
Transfers out	<u>(677,813)</u>	<u>(13,363,897)</u>	<u>(1,980,662)</u>	<u>(5,288,697)</u>	<u>-</u>
Change in net position	7,039,940	(10,720,818)	5,339,369	16,929,188	87,912
Total net position, beginning	91,730,871	46,487,160	68,799,632	36,485,854	-
Total net position, ending	<u>\$ 98,770,811</u>	<u>\$ 35,766,342</u>	<u>\$ 74,139,001</u>	<u>\$ 53,415,042</u>	<u>\$ 87,912</u>

Net changes in net position in enterprise funds

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

Change in net assets of business-type activities

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

Paramount Theatre	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 138,265	\$ 14,756,800	\$ 90,498,998	\$ 40,762,541
-	208,002	208,002	-
-	-	403,136	-
4,000	1,044,521	1,187,407	2,192,945
156,858	711,880	2,251,878	176,042
<u>299,123</u>	<u>16,721,203</u>	<u>94,549,421</u>	<u>43,131,528</u>
391,045	9,939,452	31,090,613	7,460,478
130,770	10,220,129	28,362,027	27,126,136
4	2,620,781	10,487,314	5,586,200
131,238	2,394,867	3,314,310	115,441
388,262	1,926,825	17,436,058	2,944,355
<u>1,041,319</u>	<u>27,102,054</u>	<u>90,690,322</u>	<u>43,232,610</u>
<u>(742,196)</u>	<u>(10,380,851)</u>	<u>3,859,099</u>	<u>(101,082)</u>
-	5,327,388	32,524,369	300,000
-	15,082	513,058	114,417
-	4,587,431	4,587,431	-
-	(590,588)	(548,093)	271,208
(3,751)	(33,674)	(2,733,420)	-
<u>(16,402)</u>	<u>(236,223)</u>	<u>(7,017,722)</u>	<u>(2,311)</u>
<u>(20,153)</u>	<u>9,069,416</u>	<u>27,325,623</u>	<u>683,314</u>
(762,349)	(1,311,435)	31,184,722	582,232
25,071,583	-	26,619,121	12,938,407
14,588,879	2,944,062	22,713,557	1,816,540
-	<u>(2,147,230)</u>	<u>(23,458,299)</u>	<u>(4,380,638)</u>
38,898,113	(514,603)	57,059,101	10,956,541
1,282,067	44,732,785	289,518,369	63,273,703
<u>\$ 40,180,180</u>	<u>\$ 44,218,182</u>	<u>\$ 346,577,470</u>	<u>\$ 74,230,244</u>
		57,059,101	
		<u>(166,482)</u>	
		<u>\$ 56,892,619</u>	

**City of Cedar Rapids, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013**

	Business-type Activities - Enterprise Funds				
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center	Doubletree by Hilton
Cash flows from operating activities:					
Cash received from users	\$ 33,815,128	\$ 30,951,269	\$ 10,386,252	\$ 2,482,866	\$ 166,820
Cash paid to employees	(8,478,361)	(7,298,526)	(2,255,076)	(370,917)	(1,779,543)
Cash paid to suppliers	(9,313,421)	(10,895,851)	(3,334,540)	(1,850,948)	(143,269)
Net cash flows provided by (used in) operating activities	<u>16,023,346</u>	<u>12,756,892</u>	<u>4,796,636</u>	<u>261,001</u>	<u>(1,755,992)</u>
Cash flows from non-capital financing activities:					
Borrowing from other funds	-	-	-	57,203,519	2,780,721
Loans to other funds	-	-	-	(51,361,123)	(642,642)
Closure/post-closure landfill costs	-	(7,395)	-	-	-
Intergovernmental	310,550	101,436	2,853,279	32,961,654	-
Transfers in	-	89,168	-	2,279,418	2,812,030
Transfers out	(677,813)	(13,363,897)	(1,980,662)	(5,288,697)	-
Property taxes	-	-	-	-	-
Net cash flows provided by (used in) non-capital financing activities	<u>(367,263)</u>	<u>(13,180,688)</u>	<u>872,617</u>	<u>35,794,771</u>	<u>4,950,109</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(7,013,694)	(6,085,994)	(5,226,985)	(36,474,674)	(37,522,667)
Proceeds from disposition of capital assets	26,895	31,411	60,819	-	-
Capital contributions	-	-	-	-	-
Revenue bonds issued	7,265,000	3,808,000	1,392,000	-	-
Notes payable issued	-	1,546,311	-	-	-
General obligation bonds issued	-	-	-	14,800,000	46,335,000
Premium on bonds	172,400	90,747	33,172	301,658	480,919
Principal paid	(8,020,698)	(4,857,351)	(1,712,464)	(36,470,000)	-
Issuance costs paid	(193,873)	(104,396)	(38,188)	(301,657)	(202,924)
Interest paid	(3,501,947)	(2,458,739)	(801,468)	(1,247,798)	(1,131,404)
Net cash flows provided by (used in) capital and related financing activities	<u>(11,265,917)</u>	<u>(8,030,011)</u>	<u>(6,293,114)</u>	<u>(59,392,471)</u>	<u>7,958,924</u>
Cash flows from investing activities:					
Interest on investments	177,187	161,226	34,884	18	43
Net cash flows provided by investing activities	<u>177,187</u>	<u>161,226</u>	<u>34,884</u>	<u>18</u>	<u>43</u>
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents, July 1, 2012	4,567,353	(8,292,581)	(588,977)	(23,336,681)	11,153,084
Cash and cash equivalents, June 30, 2013	<u>\$ 36,433,220</u>	<u>\$ 32,195,693</u>	<u>\$ 13,686,390</u>	<u>\$ 7,829,082</u>	<u>\$ 11,153,084</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities					
Operating income (loss)	\$ 10,842,625	\$ 5,236,476	\$ 3,038,244	\$ (1,729,472)	\$ (2,405,727)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:					
Depreciation expense	5,123,743	6,284,703	2,207,173	1,070,223	435,129
Change in assets and liabilities:					
(Increase) decrease in prepaid items	8,707	20,071	(275)	82,672	(6,000)
Increase (decrease) in vouchers payable	(405,577)	1,137,950	(348,710)	125,326	36,503
Increase (decrease) in accrued expenses	5,392	4,103	14,425	514,852	571,411
Increase (decrease) in compensated absences	(21,270)	2,740	(1,352)	-	2,244
(Increase) decrease in accounts receivable	329,137	(145,503)	(112,869)	(189,606)	(350,919)
(Increase) in other assets	-	-	-	-	(1,859)
(Increase) decrease in inventories	(912)	-	-	-	(36,774)
(Increase) decrease in due from other governments	(7)	310,755	-	-	-
Increase (decrease) in due to other governments	88,124	(94,403)	-	-	-
Increase in revenues collected in advance	156	-	-	400,806	-
Increase in security deposit	53,189	-	-	-	-
Increase in due to general public	39	-	-	-	-
(Decrease) in unearned revenue	-	-	-	(13,800)	-
Increase in post-employment liability	-	-	-	-	-
(Decrease) in open claims payable	-	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ 16,023,346</u>	<u>\$ 12,756,892</u>	<u>\$ 4,796,636</u>	<u>\$ 261,001</u>	<u>\$ (1,755,992)</u>
Schedule of noncash capital and related financing activities:					
Acquisition of capital assets through accounts and contracts payable	\$ 77,666	\$ (78,426)	\$ 84,309	\$ 1,567,326	\$ -
Acquisition of capital assets through private contributions	\$ 710,315	\$ -	\$ 837,223	\$ -	\$ -
Acquisition of capital assets through capitalized interest	\$ -	\$ -	\$ -	\$ 912,171	\$ 1,131,404
Transfer of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -

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

Paramount Theatre	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 509,305	\$ 16,259,094	\$ 94,570,734	\$ 44,519,131
(357,360)	(10,005,001)	(30,544,784)	(7,291,729)
(301,608)	(14,412,037)	(40,251,674)	(35,740,971)
<u>(149,663)</u>	<u>(8,157,944)</u>	<u>23,774,276</u>	<u>1,486,431</u>
-	788,761	60,773,001	170,110
(282,766)	(400,636)	(52,687,167)	(94,177)
-	-	(7,395)	-
-	5,253,395	41,480,314	-
14,588,879	2,944,062	22,713,557	1,816,540
-	(2,147,230)	(23,458,299)	(4,380,638)
-	4,592,316	4,592,316	-
<u>14,306,113</u>	<u>11,030,668</u>	<u>53,406,327</u>	<u>(2,488,165)</u>
(12,917,175)	(4,179,437)	(109,420,626)	(11,336,203)
-	17,670	136,795	299,847
-	-	-	3,043,425
-	-	12,465,000	-
-	366,330	1,912,641	-
-	900,000	62,035,000	-
-	-	1,078,896	-
(243,144)	(812,805)	(52,116,462)	-
(3,751)	-	(844,789)	-
(18,830)	(236,915)	(9,397,101)	-
<u>(13,182,900)</u>	<u>(3,945,157)</u>	<u>(94,150,646)</u>	<u>(7,992,931)</u>
-	15,082	388,440	112,332
-	15,082	388,440	112,332
973,550	(1,057,351)	(16,581,603)	(8,882,333)
-	12,924,699	130,719,970	57,596,179
<u>\$ 973,550</u>	<u>\$ 11,867,348</u>	<u>\$ 114,138,367</u>	<u>\$ 48,713,846</u>
\$ (742,196)	\$ (10,380,851)	\$ 3,859,099	\$ (101,082)
388,262	1,926,825	17,436,058	2,944,355
(17,099)	13,314	101,390	(400,274)
-	872,011	1,417,503	(1,987,987)
33,685	(46,174)	1,097,694	20,682
-	(19,375)	(37,013)	(2,427)
(495,701)	65,829	(899,632)	1,390,991
(28,137)	(523,108)	(553,104)	-
(22,497)	(61,585)	(121,768)	174,260
84,645	(4,460)	390,933	12,096
-	(4,935)	(11,214)	-
649,375	4,565	1,054,902	4,656
-	-	53,189	-
-	-	39	-
-	-	(13,800)	-
-	-	-	153,161
-	-	-	(722,000)
<u>\$ (149,663)</u>	<u>\$ (8,157,944)</u>	<u>\$ 23,774,276</u>	<u>\$ 1,486,431</u>
\$ -	\$ 115,114	\$ 1,765,989	\$ -
\$ -	\$ -	\$ 1,547,538	\$ -
\$ -	\$ -	\$ 2,043,575	\$ -
<u>\$ 25,071,583</u>	<u>\$ -</u>	<u>\$ 25,071,583</u>	<u>\$ 9,894,982</u>

City of Cedar Rapids, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Agency Funds
ASSETS	
Accounts receivable	\$ 287
Due from other governments	791,177
Total assets	\$ 791,464
 LIABILITIES	
Vouchers payable	\$ 5,436
Due to other governments	268,587
Security deposits	517,441
Total liabilities	\$ 791,464

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies

Reporting Entity

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

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions, authorities and material component units and have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

1. The Eastern Iowa Airport and related parking is operated by the Cedar Rapids Airport Commission. The Commission has all the powers granted to the City except for the authority to sell the airport. The Mayor appoints the members of the Airport Commission with City Council approval. The City also approves its operating budget. The Eastern Iowa Airport does not publish its own annual financial report.
2. The Cedar Rapids/Linn County Solid Waste Agency (CRLCSWA) is the result of a 28E agreement as provided under the Code of Iowa. CRLCSWA disposes of solid wastes into the combined City/County landfills in an integrated manner for the public benefit. The City of Cedar Rapids has the authority to appoint the majority of CRLCSWA's board of directors, and is able to impose its will on CRLCSWA's operations. CRLCSWA publishes its own annual financial report, which is available at their office, 1954 County Home Road, Marion, Iowa 52302 upon request. Further reference regarding the City's on going financial interest as a result of this agreement can be found in Note 14 Closure and Postclosure Care Cost.
3. The Cedar Rapids Public Library Foundation is a nonprofit corporation organized under the laws of the State of Iowa for the purpose of providing resources to be used for the benefit of the Cedar Rapids Public Library. The Foundation publishes its own annual financial report, using the Financial Accounting Standards Board guidance reporting model, which is available at their office, 450 5th Ave S.E., Cedar Rapids, IA 52401.

Each blended component unit, although a legally separate entity, is in substance, part of the City's operations and so data from these units is combined with data of the City. The component units were established to facilitate historic tax credit rehabilitation projects on behalf of the City. Each entity has a December 31 year end. They are as follows:

1. The City owns 100% of Courthouse II Parent, LLC (Courthouse), 100% of Courthouse Developer LLC and the affiliated subsidiaries of the 50.99% owned Courthouse II Manager, LLC (Courthouse Manager), the 0.1% owned Courthouse II Tenant, LLC (Courthouse Tenant) and the 100% owned subsidiary of Courthouse Tenant and Courthouse Manager, Courthouse II, LLC. Courthouse II is

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

presented as a blended component unit internal service fund in the basic financial statements as the governing board is controlled by the City and the City and Courthouse have a financial benefit/burden relationship. Courthouse is a blended component unit in the internal service fund.

2. The City owns 100% of Paramount Theatre Manager, LLC (Paramount Manager) and Paramount Theatre Developer, LLC (Paramount) and the affiliated subsidiaries of the .01% owned Paramount Theatre Master Tenant, LLC (Paramount Tenant) and the 100% owned subsidiary of Paramount Tenant and Paramount Manager, Paramount Theatre, LLC. Paramount is presented as a blended component unit enterprise fund in the basic financial statements as the governing board is controlled by the City and the City and Paramount have a financial benefit/burden relationship. Paramount is a blended component unit into the Paramount Theatre enterprise fund.

Neither Courthouse II or Paramount Theatre Manager, LLC publish their own annual financial report.

Government-wide and fund financial statements

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

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

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* in the current year. The adoption of these statements changed the presentation of the basic financial statements to a statement of net position format, reclassified certain assets and liabilities to deferred outflows/inflows of resources and the write off of bond issuance costs that had previously been capitalized and which were immaterial to the financial statements.

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

Measurement focus, basis of accounting, and financial statement presentation

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

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

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

General Fund

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

Infrastructure Construction Fund

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

Flood

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

The City reports the following major enterprise funds:

Water Fund

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

Water Pollution Control Fund

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

Sanitary Sewer Fund

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

U.S. Cellular Center

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

Doubletree by Hilton

The Doubletree by Hilton accounts for the operation, maintenance, and construction of the Hotel and Skywalk.

Paramount Theatre

The Paramount Theatre accounts for the operation, maintenance, and construction of the Theatre and includes the Paramount blended component unit that has a December 31 year end.

Additionally, the City reports the following fund types:

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

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

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

The other construction fund (a capital project fund) accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets that are not related to proprietary activities of the City.

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

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

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

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.

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

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

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

Assets, deferred outflows of resource, liabilities, deferred inflows of resources and net position or fund balances

Cash Management and Investments

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

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

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

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

Receivables and Payables

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

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

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Property taxes levied by the Linn County Auditor for the year ended June 30, 2013, were due by July 1, 2012, with the first half installment being delinquent after September 30, 2012, and the second half installment being delinquent after March 31, 2013. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The tax receivable represents the 2013 levy certified on March 15, 2013, based on 2012 assessed valuations. As the levy is intended for use in the 2014 fiscal year, the deferred inflow of resources has been recorded as deferred inflows of resources in the Statement of Net Position and in the Balance Sheet for governmental funds.

Inventories and prepaid items

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

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

Restricted assets

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

Capital Assets

Capital assets, which include land, buildings and structures, improvements other than buildings, which includes infrastructure, construction in progress, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two or more years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2013, \$912,171 of interest expense was added to the cost of assets constructed by the US Cellular Center fund and \$1,131,404 of interest expense was added to the cost of assets constructed by the Double Tree by Hilton fund.

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

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

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

CITY OF CEDAR RAPIDS, IOWA
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Compensated Absences

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

The non-vested portion of sick leave benefits, which are not included within these financial statements, at June 30, 2013, are as follows:

Governmental	\$	14,091,909
Business-type		3,508,336
Subtotal	\$	17,600,245
Component Units		455,203
Total	\$	18,055,448

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

Long-term obligations

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

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

Revenues Collected in Advance

Governmental funds, proprietary funds and the governmental activities defer revenue recognition in connection with resources that have been received but not yet earned as revenues collected in advance.

Deferred inflows of resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and intergovernmental revenue. These amounts are considered a deferred inflow of resources until the period that the amounts become available. In the City's government wide statements, only the property tax revenue remains under the full accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

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.

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

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

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

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

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

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

Net position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, 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 investment in capital assets, excludes unspent bond proceeds. There were unspent bond proceeds in the Sanitary Sewer fund of \$1,471,147, Water fund of \$13,121,365, Water Pollution Control fund of \$6,550,981, U.S. Cellular Center fund of \$6,759,449, Doubletree by Hilton fund of \$10,554,716, Parking System Fund of \$1,625,841, Golf Fund of \$4,379 and \$39,209,224 in governmental activities. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted net position and unrestricted net position are available for use, it is the City's policy to use restricted-net position first and then unrestricted net position.

Net position restricted through enabling legislation included \$2,881,794 for debt service, \$550,414 for general government, \$36,320,124 for capital projects, \$689,416 for community and economic development, \$511,261 for public safety, \$1,498,671 for culture and recreation, \$3,193,169 for employee benefits, \$71,120 for public works, \$4,112,073 for flood recovery, and \$420,687 for Self-Supported Municipal Improvement District (SSMID) projects.

Use of Estimates

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Budgetary Control, Compliance, and Appropriation Data

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

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

Fund receivables and payables at June 30, 2013, were:

	<u>Receivables</u>	<u>Payables</u>
Due to/from other funds:		
Governmental:		
Infrastructure Construction Fund	\$ 39,945,581	\$ -
Flood Fund	-	26,884,366
Nonmajor Funds	-	4,041,903
Total Governmental	<u>39,945,581</u>	<u>30,926,269</u>
Business-type:		
U.S. Cellular Center	-	5,930,396
Doubletree by Hilton	-	2,138,079
Nonmajor Funds	-	950,837
Total Business-type	<u>-</u>	<u>9,019,312</u>
Total due to/from other funds	<u>\$ 39,945,581</u>	<u>\$ 39,945,581</u>

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

The City flood recovery efforts over the past year have related to the reconstruction of City infrastructure and facilities. Typically these expenditures would be recorded in the City's Infrastructure Fund. Due to the 2008 flood the, City has chosen to keep these costs separate in the Flood Fund. The due to the Infrastructure Construction fund represents the amount due from the Flood Fund.

	<u>Advances to/Receivable</u>	<u>Advances from/Payable</u>
Governmental:		
Internal Service Funds	\$ 325,202	\$ -
Nonmajor Funds	-	325,202
Total advance to/from other funds	<u>\$ 325,202</u>	<u>\$ 325,202</u>

These balances resulted from advances from Risk Management to fund purchase of buildings in the nonmajor governmental funds until subsequent funding is received. The interfund receivables and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

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Primary government and component unit Receivables and Payables:

	Receivables	Payables
Governmental:		
General	\$ -	\$ 39,063,554
Component Unit:		
Airport	39,063,554	-
Total primary government and component unit	\$ 39,063,554	\$ 39,063,554

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

Note 3: Fund Transfer Reconciliation

Transfers in and out for the year ended June 30, 2013, were:

	Transfer In	Transfer Out
Governmental:		
General Fund	\$ 31,152,885	\$ 2,083,978
Infrastructure Construction Fund	1,838,573	400,550
Flood Fund	36,280,543	16,310,073
Nonmajor Funds	7,940,103	55,108,663
Internal Service Funds	1,816,540	4,380,638
Total Governmental	79,028,644	78,283,902
Business-type:		
Water	-	677,813
Water Pollution Control	89,168	13,363,897
Sanitary Sewer	-	1,980,662
US Cellular Center	2,279,418	5,288,697
Double Tree by Hilton	2,812,030	-
Paramount Theatre	14,588,879	-
Nonmajor Funds	2,944,062	2,147,230
Total Business-Type	22,713,557	23,458,299
Total	\$ 101,742,201	\$ 101,742,201

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

Note 4: Self-Supported Municipal Improvement District

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

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The amount of property taxes received for SSMID during the year ended June 30, 2013, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

SSMID only	\$ 275,654
SSMID within TIF	<u>64,991</u>
	<u>\$ 340,645</u>

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

Note 5: Construction Commitments

The total outstanding construction commitments of the City at June 30, 2013 amount to \$234,227,571. The majority of these commitments relate to road construction and flood recovery. Of these commitments, \$127,443,001 will be funded by federal and state grants. The total outstanding construction commitments of the Airport, a discretely presented component unit, at June 30, 2013 amount to \$3,182,877. Of these commitments, \$117,887 will be funded by federal and state grants.

Note 6: Cash and Investments

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

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

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

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

CITY OF CEDAR RAPIDS, IOWA
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As of June 30, 2013, the City had the following investments with the following maturities:

	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Totals
Investment Type:						
US Agencies	\$ 116,565	\$ -	\$ -	\$ -	\$ 116,565	\$ 116,565
GNMA'S	995,420	-	15,378	192,320	787,722	995,420
IPAIT	87,349,530	87,349,530	-	-	-	87,349,530
Total	\$88,461,515	\$87,349,530	\$ 15,378	\$ 192,320	\$ 904,287	\$88,461,515

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. GNMA's and IPAIT are not subject to credit risk.

As of June 30, 2013 the City had the following ratings:

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

Concentration of Credit Risk: The City's investment policy seeks diversification to reduce overall portfolio risk. Where possible, it is the policy of the City to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. The City's investment policy limits holding of securities by single issuer to no more than 5% of the investment portfolio and commercial paper, other short-term corporate debt, or bankers' prime acceptances to no more than 10% of the total investment portfolio for each class as mentioned above. The City's investments are in accordance with these policies regarding diversification. IPAIT is not subject to concentration of credit risk as the City does not hold the underlying investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2013, the City's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The City's investments are not exposed to custodial credit risk as of June 30, 2013 as they are held by financial institutions in the name of the City.

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consists of deposits, including certificates of deposit and an investment in U.S. Treasury Bills. As of June 30, 2013, the Agency's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The Agency held no investments in the current year subject to custodial credit risk.

The Cedar Rapids Public Library Foundation follows Financial Accounting Standards Board guidance, therefore, GASB Statements No. 3 and No. 40 are not applicable. The Airport's cash and investments consist of \$43,303 in cash and in petty cash, which are not subject to custodial credit risk.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 121,546,257	\$ 15,311,001	\$ (6,616,829)	\$ 130,240,429
Construction in progress	51,736,213	82,575,063	(44,713,159)	89,598,117
Total capital assets, not being depreciated	<u>173,282,470</u>	<u>97,886,064</u>	<u>(51,329,988)</u>	<u>219,838,546</u>
Capital assets, being depreciated:				
Buildings	69,911,363	25,938,458	-	95,849,821
Improvements other than buildings	427,974,852	24,395,130	(636,500)	451,733,482
Machinery and equipment	58,478,518	6,626,803	(2,083,803)	63,021,518
Total capital assets being depreciated	<u>556,364,733</u>	<u>56,960,391</u>	<u>(2,720,303)</u>	<u>610,604,821</u>
Less accumulated depreciation for:				
Buildings	(26,649,282)	(1,513,278)	-	(28,162,560)
Improvements other than buildings	(156,977,400)	(13,264,477)	307,579	(169,934,298)
Machinery and equipment	(32,652,171)	(4,421,290)	1,755,355	(35,318,106)
Total accumulated depreciation	<u>(216,278,853)</u>	<u>(19,199,045)</u>	<u>2,062,934</u>	<u>(233,414,964)</u>
Total capital assets, being depreciated, net	<u>340,085,880</u>	<u>37,761,346</u>	<u>(657,369)</u>	<u>377,189,857</u>
Governmental activities capital assets, net	<u>\$ 513,368,350</u>	<u>\$ 135,647,410</u>	<u>\$ (51,987,357)</u>	<u>\$ 597,028,403</u>

Governmental activities:	
Public safety	\$ 846,714
Public works	13,179,037
Culture and recreation	1,439,537
Community and economic development	68,318
General government	721,084
Internal service funds	2,944,355
Total depreciation expense - governmental activities	<u>\$ 19,199,045</u>

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

Governmental activities:	
Public safety	\$ 846,714
Public works	13,179,037
Culture and recreation	1,439,537
Community and economic development	68,318
General government	721,084
Internal service funds	2,944,355
Total depreciation expense - governmental activities	<u>\$19,199,045</u>

CITY OF CEDAR RAPIDS, IOWA
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	<u>Beginning Balance</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 21,371,271	\$ 437,174	\$ -	\$ 21,808,445
Construction in progress	<u>62,426,069</u>	<u>22,446,901</u>	<u>(55,362,894)</u>	<u>29,510,076</u>
Total capital assets, not being depreciated	<u>83,797,340</u>	<u>22,884,075</u>	<u>(55,362,894)</u>	<u>51,318,521</u>
Capital assets, being depreciated:				
Buildings	203,194,341	151,063,977	(2,070,525)	352,187,793
Improvements other than buildings	369,303,392	19,173,634	(29,950)	388,447,076
Machinery and equipment	<u>35,694,812</u>	<u>2,090,519</u>	<u>(6,798,830)</u>	<u>30,986,501</u>
Total capital assets being depreciated	<u>608,192,545</u>	<u>172,328,130</u>	<u>(8,899,305)</u>	<u>771,621,370</u>
Less accumulated depreciation for:				
Buildings	(139,757,880)	(5,822,320)	2,098,522	(143,481,678)
Improvements other than buildings	(123,700,510)	(9,945,372)	9,221	(133,636,661)
Machinery and equipment	<u>(23,549,054)</u>	<u>(1,668,366)</u>	<u>6,106,674</u>	<u>(19,110,746)</u>
Total accumulated depreciation	<u>(287,007,444)</u>	<u>(17,436,058)</u>	<u>8,214,417</u>	<u>(296,229,085)</u>
Total capital assets, being depreciated, net	<u>321,185,101</u>	<u>154,892,072</u>	<u>(684,888)</u>	<u>475,392,285</u>
Business-type activities capital assets, net	<u>\$ 404,982,441</u>	<u>\$ 177,776,147</u>	<u>\$ (56,047,782)</u>	<u>\$ 526,710,806</u>
Business-type activities:				
Water			\$ 5,123,743	
Water Pollution Control			6,284,703	
Sanitary Sewer			2,207,173	
U.S. Cellular Center			1,070,223	
Doubletree by Hotel			435,129	
Paramount Theatre			388,262	
Transit System			581,071	
Parking System			447,822	
Solid Waste Management			251,271	
Golf			214,193	
Ice Arena			<u>432,468</u>	
Total depreciation expense - business-type activities			<u>\$ 17,436,058</u>	

CITY OF CEDAR RAPIDS, IOWA
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Activity for the Airport for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	\$ 8,883,284	\$ 54,924	\$ -	\$ 8,938,208
Construction in progress	9,932,152	2,060,970	(2,451,105)	9,542,017
Total capital assets, not being depreciated	<u>18,815,436</u>	<u>2,115,894</u>	<u>(2,451,105)</u>	<u>18,480,225</u>
Capital assets, being depreciated:				
Buildings	75,412,372	-	-	75,412,372
Improvements other than buildings	113,154,343	8,735,256	-	121,889,599
Machinery and equipment	6,479,291	99,119	(192,011)	6,386,399
Total capital assets being depreciated	<u>195,046,006</u>	<u>8,834,375</u>	<u>(192,011)</u>	<u>203,688,370</u>
Less accumulated depreciation for:				
Buildings	(30,272,150)	(1,956,062)	-	(32,228,212)
Improvements other than buildings	(46,433,616)	(5,392,453)	-	(51,826,069)
Machinery and equipment	(4,372,945)	(379,996)	185,835	(4,567,106)
Total accumulated depreciation	<u>(81,078,711)</u>	<u>(7,728,511)</u>	<u>185,835</u>	<u>(88,621,387)</u>
Total capital assets, being depreciated, net	<u>113,967,295</u>	<u>1,105,864</u>	<u>(6,176)</u>	<u>115,066,983</u>
Airport capital assets, net	<u>\$ 132,782,731</u>	<u>\$ 3,221,758</u>	<u>\$ (2,457,281)</u>	<u>\$ 133,547,208</u>

Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	\$ 3,808,070	\$ -	\$ -	\$ 3,808,070
Construction in progress	1,862,436	15,009,069	(2,575,747)	14,295,758
Total capital assets, not being depreciated	<u>5,670,506</u>	<u>15,009,069</u>	<u>(2,575,747)</u>	<u>18,103,828</u>
Capital assets, being depreciated:				
Buildings and structures	2,338,696	-	(29,738)	2,308,958
Improvements other than buildings	18,107,322	2,660,011	-	20,767,333
Machinery and equipment	7,811,092	677,890	(208,544)	8,280,438
Total capital assets being depreciated	<u>28,257,110</u>	<u>3,337,901</u>	<u>(238,282)</u>	<u>31,356,729</u>
Less accumulated depreciation for:				
Buildings and structures	(1,115,195)	(96,515)	27,632	(1,184,078)
Improvements other than buildings	(5,283,025)	(681,085)	-	(5,964,110)
Machinery and equipment	(5,646,571)	(701,551)	208,544	(6,139,578)
Total accumulated depreciation	<u>(12,044,791)</u>	<u>(1,479,151)</u>	<u>236,176</u>	<u>(13,287,766)</u>
Total capital assets, being depreciated, net	<u>16,212,319</u>	<u>1,858,750</u>	<u>(2,106)</u>	<u>18,068,963</u>
CRLCSWA capital assets, net	<u>\$ 21,882,825</u>	<u>\$ 16,867,819</u>	<u>\$ (2,577,853)</u>	<u>\$ 36,172,791</u>

CITY OF CEDAR RAPIDS, IOWA
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Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	\$ 10,232	\$ 1,325	\$ -	\$ 11,557
Accumulated depreciation	(7,822)	(1,907)	-	(9,729)
Total capital assets, being depreciated, net	<u>\$ 2,410</u>	<u>\$ (582)</u>	<u>\$ -</u>	<u>\$ 1,828</u>

Note 8: Retirement Systems

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

Iowa Public Employees Retirement System (IPERS)

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

Plan members are required to contribute 5.78% of their annual covered salary and the City is required to contribute 8.67% of annual covered payroll except for airport safety employees, in which case the percentages are 6.84% and 10.27%, respectively. Contribution requirements are established by State statute.

The City contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$4,573,986, \$4,177,954 and \$3,475,341, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

Plan members are required to contribute 9.40% of their annual covered salary and the City is required to contribute at an actuarially determined rate; the current rate is 26.12% of annual covered payroll. Contribution requirements are established by State statute. The City contributions to MFPRSI for the years ended June 30, 2013, 2012 and 2011 were \$6,017,024, \$5,613,649 and \$4,319,577, respectively, equal to the required contributions for each year.

CITY OF CEDAR RAPIDS, IOWA
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JUNE 30, 2013

Note 9: Long-Term Liabilities

Bonded Debt

General Obligation Bonds

There was \$341,643,968 of general obligation bonds outstanding as of June 30, 2013. Un-matured general obligation bonds to be paid by governmental funds totaled \$167,619,698. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total \$174,024,270. These general obligation bonds bear interest rates ranging from 1.35% to 6.25% and mature in varying amounts ranging from \$40,000 to \$5,730,000 with the final payments due in the year ending June 30, 2043.

General obligation bonds to be paid by Airport, a component unit, are included in the Airport Fund obligations totaling \$46,032.

During the year ended June 30, 2013, the City issued \$35,515,000 of general obligation bonds. These bonds were used to pay the costs of opening, widening, extending, grading and draining of streets, highways, sidewalks and other streets related fixtures, and construction and reconstruction projects related to streets; paying costs of aiding in the planning, undertaking, and carrying out of the urban renewal projects for the Consolidated Central Urban Renewal Area. This includes streets, streetscapes, utility and other infrastructure extensions and reconstruction, area identification and gateway elements, public art and visual enhancements, and public open space areas; aiding in the planning, undertaking, and carrying out of urban renewal projects in the Central Business District Urban Renewal Area. This includes providing additional funds to pay the local share costs of the renovation and expansion of the U.S. Cellular Center and parking areas near it Also, construction and development of a new downtown riverfront amphitheater. The average life of the issues is 11.54 years for Series A, 7.01 years for Series B, 13.42 years for Series C. These bonds bear interest at 2.0% to 4.0% per annum and mature in varying annual amounts ranging from \$100,000 to \$1,455,000 with the final payment due in the year ending June 30, 2043.

Revenue Bonds

Water Pollution Control:

There was \$19,973,000 of revenue bonds outstanding as of June 30, 2103 related to Water Pollution Control. The City has pledged future water pollution control customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principle and interest remaining to be paid on the bonds is \$28,506,065. Principal and interest paid for the current year and total customer net revenues were \$695,140 and \$11,521,178, respectively.

Sanitary Sewer:

There was \$4,182,000 of revenue bonds outstanding as of June 30, 2103 related to Sanitary Sewer. The City has pledged future sanitary sewer customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principle and interest remaining to be paid on the bonds is \$5,897,150. Interest paid for the current year and total customer net revenues were \$80,271 and \$5,245,417, respectively.

Water:

There was \$33,690,000 of revenue bonds outstanding as of June 30, 2103 related to Water. The City has pledged future water customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principle and interest remaining to be paid on the bonds is \$47,760,256. Principal and interest paid for the current year and total customer net revenues were \$2,647,770 and \$15,966,368, respectively.

During the year ended June 30, 2013 the City issued \$7,265,000 in water revenue bonds, \$1,392,000 in sewer revenue bonds, and \$3,808,000 in water pollution control revenue bonds to fund various water, sewer, and water pollution control construction projects. The water revenue bonds are due in annual principal installments of \$255,000 to \$500,000 through fiscal year ending June 30, 2033 and bear interest at 3.0% to 3.5%. The sewer and water pollution control revenue bonds are due in annual principal

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

installments of \$185,000 to \$355,000 through fiscal year ending June 30, 2033 and bear interest at 3.0% to 3.5%.

Notes Payable

During FY2008, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$39.39 million dollars. Total outstanding as of June 30, 2013 was \$33,257,000. This line of credit was taken out to finance the ultra-violet disinfection system improvements by the Water Fund. The interest rate for this line of credit is 3.25%. Annual payments began in FY 2010, with the last payment in fiscal year 2029. The City has pledged future water customer revenues, net of specified operating expenses, to repay the note payable.

The note payable is payable solely from water customer net revenues included in the Water Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$42,362,120. Principal and interest paid for the current year and total customer net revenues were \$2,647,770 and \$15,966,368, respectively.

During FY2009, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$10.9 million dollars. Total outstanding as of June 30, 2013 was \$8,838,000. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Annual payments began in FY2010, with the last payment in fiscal year 2029. The City has pledged future waste water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$11,271,150. Principal and interest paid for the current year and total customer net revenues were \$695,140 and \$11,521,178, respectively.

During FY2013, the City entered into an agreement with the Iowa Department of Transportation for a loan in the amount of \$366,330. This note was taken out to purchase five buses. The note is non-interest bearing with the first payment is due in September 2013 for half of the note, and the remainder is due in September 2014.

During FY2011, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$5.767 million dollars. Total outstanding as of June 30, 2013 was \$3,491,980. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Annual payments will not begin until the project is completed in FY14, with the last payment in FY2033. The City has pledged future waste water customer revenues in the Water Pollution Control Fund, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$7,766,110. Interest paid for the current year and total customer net revenues were \$80,271 and \$5,245,417, respectively.

During FY2008, the City entered into an agreement with FEMA for a community disaster loan for an amount of \$5,000,000 bearing interest at 1.65% and due in January 2014. During the year ended June 30, 2013, the City was notified by the US Department of Homeland Security that the loan had been forgiven.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Changes in long-term liabilities:

Long-term debt activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Primary government:				
Governmental				
General obligation	\$ 172,209,200	\$ 9,815,000	\$ 14,404,502	\$ 167,619,698
Plus: unamortized premium	3,454,258	427,721	253,549	3,628,430
Less: unamortized discount	279,652	-	28,695	250,957
Total General Obligation	<u>175,383,806</u>	<u>10,242,721</u>	<u>14,629,356</u>	<u>170,997,171</u>
Note Payable	5,000,000	-	5,000,000	-
Business-type activities				
General obligation				
Water pollution control	34,308,079	-	3,756,350	30,551,729
Sanitary Sewer	16,862,497	-	1,597,464	15,265,033
Water	37,401,101	-	5,338,698	32,062,403
US Cellular Center	64,210,000	14,800,000	36,470,000	42,540,000
Doubletree by Hilton	-	46,335,000	-	46,335,000
Paramount Theatre	622,911	-	243,143	379,768
Other business-type funds	6,803,143	900,000	812,806	6,890,337
Notes Payable:				
Water Pollution Control	11,199,669	1,546,311	416,000	12,329,980
Water	34,859,000	-	1,602,000	33,257,000
Other business-type funds	-	366,330	-	366,330
Revenue Bonds:				
Water pollution control revenue	16,850,000	3,808,000	685,000	19,973,000
Water revenue	27,505,000	7,265,000	1,080,000	33,690,000
Sewer revenue	2,905,000	1,392,000	115,000	4,182,000
Plus: unamortized premium	3,391,887	1,078,896	562,736	3,908,047
Less: unamortized discounts	302,167	-	27,337	274,830
Total business-type activities	<u>256,616,120</u>	<u>77,491,537</u>	<u>52,651,860</u>	<u>281,455,797</u>
Total primary government	<u>436,999,926</u>	<u>87,734,258</u>	<u>72,281,216</u>	<u>452,452,968</u>
Component unit:				
General obligation for Airport	68,068	-	22,036	46,032
Plus: unamortized premiums	21,512	-	3,071	18,441
Less: unamortized discounts	14,203	-	1,263	12,940
Total component unit	<u>75,377</u>	<u>-</u>	<u>23,844</u>	<u>51,533</u>
Total Long-Term Debt	<u>\$ 437,075,303</u>	<u>\$ 87,734,258</u>	<u>\$ 72,305,060</u>	<u>\$ 452,504,501</u>

Included in additions and retirements above is \$36,335,000 of general obligations bonds transferred from the US Cellular Center fund to the Doubletree by Hilton fund established in 2013.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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	Due within one year
Primary government:	
Governmental	
General obligation	\$ 14,653,110
Business-type activities:	
Water pollution control	5,131,556
Sanitary Sewer	1,679,463
Water	7,065,390
US Cellular Center	568,000
Paramount Theatre	110,822
Other business-type funds	1,196,694
Total primary government	30,405,035
Component unit:	
General obligations for Airport	22,130
Total general obligation for Airport	22,130
Total current portion of long-term debt	\$ 30,427,165

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

At June 30, 2013, the general obligation debt issued by the City did not exceed its legal debt margin compiled as follows:

Total Estimated actual valuation - real property	\$ 9,356,851,531
Debt limit - 5% of total valuation	\$ 467,842,577
Debt applicable to debt limit:	
General obligation bonded debt outstanding	\$ 341,690,000
Legal Debt Margin	\$ 126,362,577

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

Year Ending June 30:	Governmental General Obligation		Business-type activities General Obligation		General Obligation Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 14,653,110	\$ 6,058,555	\$ 10,899,760	\$ 6,413,759	\$ 25,552,870	\$ 12,472,314
2015	13,956,403	5,776,502	13,374,695	5,864,670	27,331,098	11,641,173
2016	14,193,706	5,323,457	12,661,294	5,405,506	26,855,000	10,728,964
2017	14,269,470	4,841,372	12,695,530	4,960,962	26,965,000	9,802,334
2018	12,845,095	4,323,063	12,629,905	4,509,873	25,475,000	8,832,936
2019-2023	46,467,089	15,405,859	48,392,911	16,639,534	94,860,000	32,045,393
2024-2028	28,896,400	7,904,340	32,413,600	9,348,762	61,310,000	17,253,103
2029-2033	17,128,425	2,755,591	24,651,575	3,914,559	41,780,000	6,670,150
2034-2038	3,295,000	866,873	3,080,000	1,060,959	6,375,000	1,927,831
2039-2043	1,915,000	152,406	3,225,000	367,513	5,140,000	519,919
	<u>\$ 167,619,698</u>	<u>\$53,408,019</u>	<u>\$ 174,024,270</u>	<u>\$ 58,486,097</u>	<u>\$ 341,643,968</u>	<u>\$111,894,116</u>

Revenue Bonds

Year Ending June 30:	Principal	Interest
2014	\$ 2,380,000	\$ 2,238,817
2015	2,455,000	2,184,973
2016	2,525,000	2,109,945
2017	2,615,000	2,028,638
2018	2,710,000	1,938,033
2019-2023	15,170,000	8,120,576
2024-2028	18,770,000	4,764,116
2029-2033	11,220,000	930,375
	<u>\$ 57,845,000</u>	<u>\$ 24,315,472</u>

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

Year Ending June 30:	Note Payable	
	Principal	Interest
2014	\$ 2,472,165	\$ 1,262,850
2015	2,542,165	1,200,450
2016	2,431,000	1,136,160
2017	2,506,000	1,069,920
2018	2,584,000	1,001,640
2019-2023	14,157,000	3,908,700
2024-2028	15,994,980	1,860,570
2029-2033	3,266,000	97,980
	<u>\$ 45,953,310</u>	<u>\$ 11,538,270</u>

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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A summary of the component unit bond principal and interest maturities is as follows:

Year Ending June 30:	General Obligation Abated By Airport	
	Principal	Interest
	2014	\$ 22,130
2015	23,903	661
	\$ 46,032	\$ 1,921

Changes in other long-term liabilities:

Other long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Claims and Judgments	\$ 12,014,400	\$ 10,297,560	\$ 11,019,560	\$ 11,292,400	\$ 2,543,454
Compensated absences	5,661,729	4,748,371	4,666,890	5,743,210	5,466,478
Governmental activity					
Long-term liabilities	\$ 17,676,129	\$ 15,045,931	\$ 15,686,450	\$ 17,035,610	\$ 8,009,932
Business-type activities:					
Compensated absences	\$ 1,501,077	\$ 1,293,634	\$ 1,330,647	\$ 1,464,064	\$ 1,376,002
Closure/post closure landfill	798,416	-	7,395	791,021	-
Business-type activity					
Long-term liabilities	\$ 2,299,493	\$ 1,293,634	\$ 1,338,042	\$ 2,255,085	\$ 1,376,002
Component Units:					
Airport					
Compensated absences	\$ 220,699	\$ 186,964	\$ 147,503	\$ 260,160	\$ 260,160
CRLCSWA					
Compensated absences	\$ 130,751	\$ 214,878	\$ 203,283	\$ 142,346	\$ 142,346
Closure/post closure landfill	22,738,496	429,706	1,574,604	21,593,598	1,934,196
Long-term liabilities	\$ 22,869,247	\$ 644,584	\$ 1,777,887	\$ 21,735,944	\$ 2,076,542

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

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Industrial Revenue Bonds

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

As of June 30, 2013, there were 74 series of Industrial Revenue Bonds outstanding issued prior to July 1, 1995. Of the 74 series, a total of 21 have been closed. The aggregate principal amount payable could not be determined, however; their original issue amounts totaled \$81,139,500.

The aggregate principal balance as of June 30, 2013 due on bonds issued after July 1, 1995, is \$76,710,000.

Note 10: Deficit Fund Equity

At June 30, 2013, individual funds with deficit fund balances were as follows:

Special Revenue:	
Flood	\$ 23,738,454
Community Development Block Grants	60,502
Tax Incremental Financing	1,215,571

The Flood fund is funded by federal and state revenues that have not been received but expenditures were incurred. Non-exchange revenues for the Community Development Block Grants program are subject to deferral, thus causing a deficit fund balance for the year ended June 30, 2013. The TIF fund is funded by TIF property taxes, which pay a portion of the city's general obligation debt. Future TIF property tax revenue received will pay off the deficit in the fund. Management feels that these are temporary deficits and will be rectified within future fiscal years.

Note 11: Deferred Compensation Plans

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

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

Note 12: Risk Management

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

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

CITY OF CEDAR RAPIDS, IOWA
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JUNE 30, 2013

For those risks covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

Torts and errors:

During fiscal year 2013, the City purchased liability insurance to cover its airport, underground fuel tanks, four specific vehicles used in housing operations and liquor liability. The City self-insures for its general liability, errors and employment practices liability, police liability, auto liability and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. Losses on claims are limited under the City purchased public entity excess liability insurance policy with a \$500,000 self-insured retention and a \$10,000,000 limit of liability to cover its maximum public liability exposures. The City self-administers claims and utilizes an independent appraiser firm to write vehicle damage repair estimates and an adjusting firm to negotiate bodily injury and non-vehicle property damage claims. All City Departments and Enterprise Funds are charged a liability premium based on their exposures and loss experience. The total premium charged for fiscal year 2013 was determined according to independent actuarial projections for ultimate limited liability losses, liability expenses and premiums for separate insurance policies. An estimated outstanding loss of \$2,771,000 as of June 30, 2013 was calculated by an independent actuary at a 95% confidence level and includes the case reserves, the development of known claims and incurred but not reported claims. The claims liabilities shown below are in accordance with the requirements of GASB Statement No. 10.

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

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/11 – 6/12	\$5,635,000	(\$1,696,873)	(\$334,127)	\$3,604,000
7/12 – 6/13	\$3,604,000	\$2,735,668	(\$3,568,668)	\$2,771,000

Theft of, damage to, or destruction of assets:

The City purchased property insurance with a \$250,000 per occurrence deductible. In 2013 the City added excess coverage for its flood exposure. City Departments and Enterprise Funds are charged a property insurance premium based on a percentage of the projected cost of full coverage. The difference between the premium charged departments and the premium paid to the insurer is used to pay losses that fall between the \$5,000 departmental deductible and the \$250,000 policy deductible. The City's infrastructure assets are not insured.

Job related injuries to employees:

Benefits due to City employees under the Iowa Workers' Compensation Laws are accounted for and financed under a separate subdivision of the Risk Management Fund without excess insurance. Claims administration is performed by City staff. All City Departments and Enterprise funds are charged a premium based on their share of past losses. The June 30, 2013 claims liability of \$6,844,000 was calculated at a 95% confidence level by an independent actuary.

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

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/11 – 6/12	\$7,616,000	\$1,266,536	(\$1,782,536)	\$7,100,000
7/12 – 6/13	\$7,100,000	\$1,484,454	(\$1,740,454)	\$6,844,000

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Health care benefits for employees, retirees, and dependents:

The City has been accounting for and financing health care benefits under a separate subdivision of the Risk Management Fund since January 1, 1992. Claims administration is provided by a third party administrator. Currently the City does not purchase stop loss insurance as part of the healthcare coverage. All City Departments and Enterprise Funds are charged a premium based on the number of single and family plans in place each month. Retirees and COBRA participants pay 102% of the monthly plan premium. The total premium charged is the amount needed to pay expected claim and administrative costs. A \$1,637,000 claims liability for incurred but unpaid medical bills as of June 30, 2013 was determined by an independent actuary. Changes in the Health Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/11 – 6/12	\$1,178,000	\$16,024,580	(\$15,932,580)	\$1,270,000
7/12 – 6/13	\$1,270,000	\$19,329,715	(\$18,962,715)	\$1,637,000

Dental Care benefits for employees and dependents:

Effective April 1, 1993, the City began to account for and finance dental care benefits under a separate subdivision of the Risk Management Fund. Claims administration is provided by a third party administrator. All City Departments and Enterprise Funds are charged a premium based on the number of plans in place each month. Employees pay the extra cost to purchase family plan coverage. COBRA participants pay 102% of the single or family plan monthly premium. The total premium charged is the estimated amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid dental bills as of June 30, 2013 to be \$40,400. Changes in the Dental Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/11 – 6/12	\$40,400	\$890,442	(\$890,442)	\$40,400
7/12 – 6/13	\$40,400	\$819,669	(\$819,669)	\$40,400

Note 13: Contingent Liabilities

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

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. And disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City is currently completing an appeals process for claims the Federal Emergency Management Agency has de-obligated.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 14: Closure and Postclosure Care Cost

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

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

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

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

	Former City Landfill	Former County Landfill	Total
Total care costs	\$ 10,496,674	\$ 11,684,663	\$ 22,181,337
Care costs remaining to be recognized attributable to unutilized capacity	-	(587,739)	(587,739)
Care costs recognized attributable to utilized capacity	<u>\$ 10,496,674</u>	<u>\$ 11,096,924</u>	<u>\$ 21,593,598</u>
Capacity utilized	<u>100.00%</u>	<u>94.97%</u>	
Estimated remaining life	<u>0 years</u>	<u>.9 years</u>	

The City operates an ash sanitary landfill consisting of two lagoons at the City's Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2013, was estimated by a professional engineer and is \$791,021. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 15: Operating Leases

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

The Airport also leases land and building space under various long-term leases, which expire between May 2015 and January 2050.

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

Fiscal Year	Amount
2014	\$ 3,603,040
2015	3,595,891
2016	3,434,979
2017	2,730,387
2018	1,724,067
2019-2023	1,394,684
2024-2028	1,394,684
2029-2033	685,093
2034-2038	64,200
2039-2043	64,200
2044-2048	16,966
2049-2053	3,515
Total lease payments	\$ 18,711,706

Note 16: Other Post Employment Benefits (OPEB)

Plan Description and Funding Policy

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

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2013, the City contributed \$153,161. Retiree and COBRA participants receiving benefits contributed \$686,101 through their required contribution of:

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

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

Annual required contribution	\$ 760,236
Interest on net OPEB obligation	237,080
Adjustment to annual required contribution	<u>(158,054)</u>
Annual OPEB cost (expense)	\$ 839,262
Contributions made	<u>(686,101)</u>
Increase in net OPEB obligation	\$ 153,161
Net OPEB obligation – July 1, 2012	<u>4,741,609</u>
Net OPEB obligation – June 30, 2013	<u><u>4,894,770</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$1,054,534	52.2%	\$4,250,965
6/30/12	\$ 760,236	35.5%	\$4,741,609
6/30/13	\$ 839,262	81.7%	\$4,894,770

Funded Status and Funding Progress

Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2011, the most recent actuarial valuation date:

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Actuarial Methods and Assumptions

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

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB Statement No. 45. The excess of the AAL over the actuarial value of plan assets is the

Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over a maximum 30 years in level dollar amounts on an open period amortization basis. The sum of the Normal

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

Demographic Assumptions

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

Economic Cost Assumptions

The rate at which projected cash flows are to be discounted should reflect rates of return on high-quality fixed-income investments currently available and expected to be available during the period in which the benefits are expected to be paid. Fiscal year 2013 per capita health care costs for retirees were determined based on an analysis of the retiree’s claims experience provided by the City over the prior five fiscal years. Per capita costs are adjusted for age, and illustrative costs are shown below:

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2013 is shown below and is assumed to increase by the HCCT shown below.

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

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

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

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

Note 17: Governmental Fund Balance Classification

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

	General	Infrastructure Construction	Flood	Other Governmental	Total
Fund Balances:					
Nonspendable:					
Corpus of principal	\$ -	\$ -	\$ -	\$ 112,990	\$ 112,990
Inventories	387,169	-	-	26,776	413,945
Land held for resale	-	-	2,086,178	78,569	2,164,747
Prepaid items	236,629	-	49,841	521,874	808,344
Total Nonspendable	623,798	-	2,136,019	740,209	3,500,026
Restricted:					
Capital projects	20,064	18,503,274	-	17,796,786	36,320,124
Community and economic development	-	-	-	689,416	689,416
Culture and recreation	76,443	-	-	1,422,227	1,498,670
Debt service	-	-	-	2,881,794	2,881,794
Employee benefits	-	-	-	3,193,169	3,193,169
Flood recovery	-	-	-	4,112,073	4,112,073
General government	411,649	-	-	138,765	550,414
Public safety	-	-	-	511,261	511,261
Public works	71,120	-	-	-	71,120
SSMID	-	-	-	420,687	420,687
Total Restricted	579,276	18,503,274	-	31,166,178	50,248,728
Committed:					
Culture and recreation	-	-	-	628,233	628,233
Economic development	-	-	-	2,350,312	2,350,312
General government	-	-	-	1,265,519	1,265,519
Public safety services	-	-	-	352,903	352,903
Total Committed	-	-	-	4,596,967	4,596,967
Assigned:					
Capital improvements and equipment	-	19,674,181	-	-	19,674,181
Encumbrances	200,000	-	-	-	200,000
Total Assigned	200,000	19,674,181	-	-	19,874,181
Unassigned:					
	37,583,628	-	(25,874,473)	(6,569,140)	5,140,015
Total fund balances	\$ 38,986,702	\$ 38,177,455	\$ (23,738,454)	\$ 29,934,214	\$ 83,359,917

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 18: New Pronouncements

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

- 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 this statement will have on the City's financial statements.



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa
Required Supplementary Information
Budgetary Comparison Schedule of Receipts,
Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds,
and Discretely Presented Component Units
Year ended June 30, 2013

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
Revenues:			
Property taxes	\$ 83,074,275	\$ 4,587,431	\$ -
TIF revenues	8,171,962	-	-
Other taxes	20,834,984	-	-
Licenses and permits	2,664,685	-	8,140
Use of money and property	13,527,870	9,073,243	11,580,309
Intergovernmental	156,669,793	32,824,368	7,907,561
Charges for services	22,394,975	108,587,702	11,678,698
Special assessments	1,157,902	-	19,902
Miscellaneous	2,144,355	23,787,899	1,628,406
Total revenues	<u>310,640,801</u>	<u>178,860,643</u>	<u>32,823,016</u>
Expenditures:			
Current:			
Public safety	56,891,571	-	-
Public works	21,546,696	-	-
Culture and recreation	15,185,025	-	-
Community and economic development	24,401,612	-	-
General government	15,591,547	-	-
Debt service	21,049,747	-	-
Capital projects	175,387,529	-	-
Business-type	-	250,747,884	27,826,931
Total expenditures	<u>330,053,727</u>	<u>250,747,884</u>	<u>27,826,931</u>
Excess (deficiency) of revenues over (under) expenditures	(19,412,926)	(71,887,241)	4,996,085
Other financing sources, net	19,822,335	29,937,880	-
Net change in fund balances, net assets	409,409	(41,949,361)	4,996,085
Fund balances, budgetary basis net position - July 1, 2012	82,950,508	358,140,502	158,277,483
Fund balances, budgetary basis net position - June 30, 2013	<u>\$ 83,359,917</u>	<u>\$ 316,191,141</u>	<u>\$ 163,273,568</u>
Adjustments not budgeted:			
Other accrued liabilities	-	(17,134)	(2,472)
Sale of capital assets	-	706,605	25,023
Bond proceeds	-	(85,980,447)	-
Accrued bond interest	-	(21,889,744)	(1,897,650)
Capital outlay variance from depreciation	-	211,797,293	55,205,644
Fund balances, net position - June 30, 2013 GAAP basis	<u>\$ 83,359,917</u>	<u>\$ 420,807,714</u>	<u>\$ 216,604,113</u>

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

Net	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 87,661,706	\$ 83,291,761	\$ 83,291,761	\$ 4,369,945
8,171,962	8,435,779	8,435,779	(263,817)
20,834,984	27,478,487	28,837,031	(8,002,047)
2,672,825	2,791,798	2,791,798	(118,973)
34,181,422	15,249,819	15,856,725	18,324,697
197,401,722	193,440,784	193,829,800	3,571,922
142,661,375	132,149,080	136,701,442	5,959,933
1,177,804	518,600	520,800	657,004
27,560,660	36,989,240	40,755,783	(13,195,123)
<u>522,324,460</u>	<u>500,345,348</u>	<u>511,020,919</u>	<u>11,303,541</u>
56,891,571	52,874,263	58,569,790	1,678,219
21,546,696	22,383,374	22,524,939	978,243
15,185,025	13,992,145	16,668,705	1,483,680
24,401,612	15,442,728	40,095,200	15,693,588
15,591,547	30,855,689	17,777,890	2,186,343
21,049,747	20,599,642	23,543,372	2,493,625
175,387,529	157,071,295	233,486,456	58,098,927
278,574,815	333,173,650	356,013,487	77,438,672
<u>608,628,542</u>	<u>646,392,786</u>	<u>768,679,839</u>	<u>160,051,297</u>
(86,304,082)	(146,047,438)	(257,658,920)	171,354,838
49,760,215	57,294,986	55,392,998	(5,632,783)
(36,543,867)	(88,752,452)	(202,265,922)	165,722,055
599,368,493	370,386,584	394,942,799	204,425,694
<u>\$ 562,824,626</u>	<u>\$ 281,634,132</u>	<u>\$ 192,676,877</u>	<u>\$ 370,147,749</u>

CITY OF CEDAR RAPIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information – Budgetary Reporting
June 30, 2013

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budget disbursements by \$122,287,053. This budget amendment is reflected in the final budgeted amounts.

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

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

Actuarial Valuation Date	Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	6/30/2011	\$ -	\$ 5,576,747	\$ 5,576,747	0.00%	\$ 85,561,112	6.50%
7/1/2011	6/30/2012	\$ -	\$ 6,498,684	\$ 6,498,684	0.00%	\$ 70,607,909	9.20%
7/1/2011	6/30/2013	\$ -	\$ 6,498,684	\$ 6,498,684	0.00%	\$ 70,607,909	9.20%

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

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

**City of Cedar Rapids, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
ASSETS							
Cash and investments	\$ -	\$ 60,097	\$ 948,112	\$ 906,047	\$ -	\$ 3,569,751	\$ 219,824
Receivables:							
Taxes	-	-	-	3,197,598	11,255,917	-	-
Accounts and unbilled usage, net							
\$251,363 of allowance for doubtful accounts	2,613	28,531	-	-	-	-	246,222
Interest	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Due from other governments	115,524	23,023	772,356	-	-	2,265,171	2,408
Notes receivable	-	-	-	-	2,677,922	-	-
Inventories	-	-	-	-	-	-	-
Land held for resale	-	-	-	78,569	-	-	-
Prepaid items	1,545	-	-	-	-	-	449,532
Total assets	<u>119,682</u>	<u>111,651</u>	<u>1,720,468</u>	<u>4,182,214</u>	<u>13,933,839</u>	<u>5,834,922</u>	<u>917,986</u>
LIABILITIES							
Vouchers payable	36,810	53,842	35,307	39,847	22,024	-	58,104
Contracts payable	-	-	-	-	-	-	-
Accrued expenditures	18,127	667	-	-	-	-	21,224
Revenues collected in advance	-	266	-	-	-	-	-
Advance from other funds	-	-	325,202	-	-	-	-
Due to other funds	112,501	-	-	-	3,929,402	-	-
Due to general public	-	-	-	-	-	-	249,615
Due to other governments	-	-	-	-	-	-	192
Security deposits	-	-	2,500	-	300	-	-
Total liabilities	<u>167,438</u>	<u>54,775</u>	<u>363,009</u>	<u>39,847</u>	<u>3,951,726</u>	<u>-</u>	<u>329,135</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	11,197,684	-	-
Unavailable revenue - other taxes	-	-	772,356	-	-	-	-
Unavailable revenue - intergovernmental	12,746	28,532	-	-	-	-	-
Total deferred inflows of resources	<u>12,746</u>	<u>28,532</u>	<u>772,356</u>	<u>-</u>	<u>11,197,684</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	1,545	-	-	78,569	-	-	449,532
Restricted	-	28,344	585,103	4,063,798	-	5,834,922	139,319
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(62,047)	-	-	-	(1,215,571)	-	-
Total fund balances (deficits)	<u>(60,502)</u>	<u>28,344</u>	<u>585,103</u>	<u>4,142,367</u>	<u>(1,215,571)</u>	<u>5,834,922</u>	<u>588,851</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 119,682</u>	<u>\$ 111,651</u>	<u>\$ 1,720,468</u>	<u>\$ 4,182,214</u>	<u>\$ 13,933,839</u>	<u>\$ 5,834,922</u>	<u>\$ 917,986</u>

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Debt Service	
\$ 567,683	\$ 4,013,743	\$ 725,133	\$ 236,129	\$ 6,879,319	\$ 18,125,838	\$ 11,961,864	\$ 2,819,260	\$ 32,906,962
555,885	14,539,905	1,723,724	2,685,860	232,083	34,190,972	-	16,198,171	50,389,143
-	2,117	-	-	128,477	407,960	36,472	-	444,432
-	-	2,450	97,203	113	99,766	-	-	99,766
-	-	-	-	-	-	66,217	-	66,217
-	-	-	-	297,468	3,475,950	1,295,146	-	4,771,096
-	-	-	-	-	2,677,922	-	-	2,677,922
-	-	-	-	464	464	26,312	-	26,776
-	-	-	-	-	78,569	-	-	78,569
-	-	-	-	70,797	521,874	-	-	521,874
<u>1,123,568</u>	<u>18,555,765</u>	<u>2,451,307</u>	<u>3,019,192</u>	<u>7,608,721</u>	<u>59,579,315</u>	<u>13,386,011</u>	<u>19,017,431</u>	<u>91,982,757</u>
162,698	5,781	683,926	10,108	187,078	1,295,525	4,258,266	70,772	5,624,563
-	-	-	-	66,064	66,064	1,312,373	-	1,378,437
-	-	-	-	9,651	49,669	3,247	-	52,916
-	243	-	-	333,608	334,117	5,727	-	339,844
-	-	-	-	-	325,202	-	-	325,202
-	-	-	-	-	4,041,903	-	-	4,041,903
-	-	-	-	279,110	528,725	-	-	528,725
-	939,191	-	-	-	939,383	-	-	939,383
-	-	-	-	-	2,800	-	-	2,800
<u>162,698</u>	<u>945,215</u>	<u>683,926</u>	<u>10,108</u>	<u>875,511</u>	<u>7,583,388</u>	<u>5,579,613</u>	<u>70,772</u>	<u>13,233,773</u>
540,183	14,417,381	1,709,232	2,663,193	230,128	30,757,801	-	16,064,865	46,822,666
-	-	-	-	-	772,356	-	-	772,356
-	-	-	-	68,726	110,004	1,109,744	-	1,219,748
<u>540,183</u>	<u>14,417,381</u>	<u>1,709,232</u>	<u>2,663,193</u>	<u>298,854</u>	<u>31,640,161</u>	<u>1,109,744</u>	<u>16,064,865</u>	<u>48,814,770</u>
-	-	-	-	184,251	713,897	26,312	-	740,209
420,687	3,193,169	58,149	345,891	1,653,138	16,322,520	11,961,864	2,881,794	31,166,178
-	-	-	-	4,596,967	4,596,967	-	-	4,596,967
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(1,277,618)	(5,291,522)	-	(6,569,140)
<u>420,687</u>	<u>3,193,169</u>	<u>58,149</u>	<u>345,891</u>	<u>6,434,356</u>	<u>20,355,766</u>	<u>6,696,654</u>	<u>2,881,794</u>	<u>29,934,214</u>
<u>\$ 1,123,568</u>	<u>\$ 18,555,765</u>	<u>\$ 2,451,307</u>	<u>\$ 3,019,192</u>	<u>\$ 7,608,721</u>	<u>\$ 59,579,315</u>	<u>\$ 13,386,011</u>	<u>\$ 19,017,431</u>	<u>\$ 91,982,757</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,171,963	\$ -	\$ -
Hotel-Motel taxes	-	-	2,895,232	-	-	-	-
Local option sales tax	-	-	-	17,939,752	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,504,256	352,423	-	-	-	12,194,470	6,036,889
Charges for services	4,375	-	-	-	-	-	78,968
Fines and forfeits	-	-	-	-	-	-	-
Use of money and property	-	143	2,749	9,863	-	5,347	-
Rents and royalties	-	-	-	-	-	-	-
Miscellaneous	72,777	52,289	39,850	-	750	-	9
Total revenues	<u>1,581,408</u>	<u>404,855</u>	<u>2,937,831</u>	<u>17,949,615</u>	<u>8,172,713</u>	<u>12,199,817</u>	<u>6,115,866</u>
Expenditures:							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community and economic development	1,575,547	404,722	2,020,299	3,845,117	3,215,072	-	6,122,080
General government	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,282,521	-	-	-
Total expenditures	<u>1,575,547</u>	<u>404,722</u>	<u>2,020,299</u>	<u>7,127,638</u>	<u>3,215,072</u>	<u>-</u>	<u>6,122,080</u>
Excess (deficiency) of revenues over expenditures	<u>5,861</u>	<u>133</u>	<u>917,532</u>	<u>10,821,977</u>	<u>4,957,641</u>	<u>12,199,817</u>	<u>(6,214)</u>
Other Financing Sources (Uses):							
Long-term debt issued	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
(Loss) on donation of land held for resale	-	-	-	(241,934)	-	-	-
Transfers in	-	-	8,434	-	118,599	-	-
Transfers (out)	-	-	(1,399,763)	(14,692,323)	(4,043,052)	(11,629,129)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,391,329)</u>	<u>(14,934,257)</u>	<u>(3,924,453)</u>	<u>(11,629,129)</u>	<u>-</u>
Net change in fund balances	<u>5,861</u>	<u>133</u>	<u>(473,797)</u>	<u>(4,112,280)</u>	<u>1,033,188</u>	<u>570,688</u>	<u>(6,214)</u>
Fund balances (deficits) - July 1, 2012	(66,363)	28,211	1,058,900	8,254,647	(2,248,759)	5,264,234	595,065
Fund balances (deficits) - June 30, 2013	<u>\$ (60,502)</u>	<u>\$ 28,344</u>	<u>\$ 585,103</u>	<u>\$ 4,142,367</u>	<u>\$ (1,215,571)</u>	<u>\$ 5,834,922</u>	<u>\$ 588,851</u>

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Debt Service	
\$ 554,241	\$ 14,230,029	\$ 1,683,089	\$ 2,632,525	\$ 227,133	\$ 27,498,980	\$ -	\$ 15,621,610	\$ 43,120,590
-	-	-	-	-	2,895,232	-	-	2,895,232
-	-	-	-	-	17,939,752	-	-	17,939,752
-	-	-	-	7,700	7,700	-	-	7,700
-	-	-	-	1,182,110	21,270,148	5,222,749	-	26,492,897
-	-	-	-	26,411	109,754	165,076	-	274,830
-	-	-	-	6,250	6,250	-	-	6,250
-	118	1,531	46,165	37,053	102,969	1,719	389,531	494,219
-	-	-	-	338,549	338,549	-	-	338,549
250,000	-	-	-	1,257,750	1,673,425	841,063	-	2,514,488
804,241	14,230,147	1,684,620	2,678,690	3,082,956	71,842,759	6,230,607	16,011,141	94,084,507
-	-	97,508	225,801	383,108	706,417	1,152	-	707,569
-	-	-	-	-	-	114,067	-	114,067
474,831	-	-	-	2,203,579	2,203,579	268,118	-	2,471,697
-	829	-	-	138,323	17,795,991	7,761,891	-	25,557,882
-	-	-	-	218,904	219,733	692,298	-	912,031
-	-	-	-	-	-	-	14,404,502	14,404,502
-	-	-	-	-	-	-	246,859	246,859
-	-	-	-	-	-	-	6,398,386	6,398,386
-	-	-	-	159,168	3,441,689	13,773,773	-	17,215,462
474,831	829	97,508	225,801	3,103,082	24,367,409	22,611,299	21,049,747	68,028,455
329,410	14,229,318	1,587,112	2,452,889	(20,126)	47,475,350	(16,380,692)	(5,038,606)	26,056,052
-	-	-	-	-	-	492,000	75,000	567,000
-	-	-	-	-	-	-	344,247	344,247
-	-	-	-	63,304	63,304	2,155	-	65,459
-	-	-	-	-	(241,934)	-	-	(241,934)
88,942	-	-	-	276,023	491,998	3,636,963	3,811,142	7,940,103
-	(14,230,932)	(1,618,533)	(2,581,872)	(1,099,780)	(51,295,384)	(2,838,846)	(974,433)	(55,108,663)
88,942	(14,230,932)	(1,618,533)	(2,581,872)	(760,453)	(50,982,016)	1,292,272	3,255,956	(46,433,788)
418,352	(1,614)	(31,421)	(128,983)	(780,579)	(3,506,666)	(15,088,420)	(1,782,650)	(20,377,736)
2,335	3,194,783	89,570	474,874	7,214,935	23,862,432	21,785,074	4,664,444	50,311,950
\$ 420,687	\$ 3,193,169	\$ 58,149	\$ 345,891	\$ 6,434,356	\$ 20,355,766	\$ 6,696,654	\$ 2,881,794	\$ 29,934,214

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2013

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
ASSETS				
Current assets:				
Cash and investments	\$ 3,399,273	\$ 218,400	\$ 6,395,401	\$ 26,146
Receivables:				
Taxes	4,687,328	-	-	-
Accounts and unbilled usage, net \$76,735 of allowance for doubtful accounts	89,577	203,953	1,351,231	35,692
Due from other governments	1,421,925	-	-	1,712
Inventories	1,429	19	17,343	205,746
Prepaid items	1,717	18,361	1,650	45,342
Other assets	-	1,178,780	-	-
Total current assets	<u>9,601,249</u>	<u>1,619,513</u>	<u>7,765,625</u>	<u>314,638</u>
Noncurrent assets:				
Restricted cash and investments	-	1,625,841	-	4,379
Land	2,445,367	5,910,123	27,229	602,704
Buildings and structures	8,824,993	22,306,249	214,837	1,175,128
Improvements other than buildings	3,179,167	4,315,410	-	5,369,720
Machinery and equipment	8,424,838	540,435	3,244,473	961,839
Accumulated depreciation	(12,985,519)	(19,164,663)	(3,188,435)	(3,826,190)
Construction in progress	-	4,001,780	-	-
Total noncurrent assets	<u>9,888,846</u>	<u>19,535,175</u>	<u>298,104</u>	<u>4,287,580</u>
Total assets	<u>19,490,095</u>	<u>21,154,688</u>	<u>8,063,729</u>	<u>4,602,218</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	228,384	1,184,013	278,099	212,493
Contracts payable	56	134,441	-	-
Accrued expenses	136,727	10,126	105,070	51,706
Compensated absences	177,260	27,387	145,097	101,717
Revenues collected in advance	14,290	12,353	125	-
Due to other funds	-	-	-	950,837
Due to other governments	-	-	-	29,166
Security deposits	1,000	-	-	-
Notes payable	183,165	-	-	-
General obligation bonds payable, net	-	322,150	-	246,379
Matured bonds interest payable	-	4,732	-	6,015
Total current liabilities	<u>740,882</u>	<u>1,695,202</u>	<u>528,391</u>	<u>1,598,313</u>
Noncurrent liabilities:				
General obligation bonds payable, net	-	1,609,400	-	1,760,454
Notes payable	183,165	-	-	-
Compensated absences	23,832	10,325	2,045	-
Total noncurrent liabilities	<u>206,997</u>	<u>1,619,725</u>	<u>2,045</u>	<u>1,760,454</u>
Total liabilities	<u>947,879</u>	<u>3,314,927</u>	<u>530,436</u>	<u>3,358,767</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,647,830	-	-	-
Total deferred inflows of resources	<u>4,647,830</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,522,516	17,603,625	298,104	2,280,747
Unrestricted (deficit)	4,371,870	236,136	7,235,189	(1,037,296)
Total net position	<u>\$ 13,894,386</u>	<u>\$ 17,839,761</u>	<u>\$ 7,533,293</u>	<u>\$ 1,243,451</u>

Storm Sewer	Ice Arena	Total
\$ 14,100	\$ 183,808	\$ 10,237,128
-	-	4,687,328
-	149,702	1,830,155
-	-	1,423,637
-	-	224,537
-	6,644	73,714
-	-	1,178,780
<u>14,100</u>	<u>340,154</u>	<u>19,655,279</u>
-	-	1,630,220
-	-	8,985,423
-	9,802,126	42,323,333
-	252,534	13,116,831
-	1,923,614	15,095,199
-	(5,295,218)	(44,460,025)
-	-	4,001,780
-	<u>6,683,056</u>	<u>40,692,761</u>
<u>14,100</u>	<u>7,023,210</u>	<u>60,348,040</u>
14,100	154,119	2,071,208
-	-	134,497
-	45,817	349,446
-	-	451,461
-	86,306	113,074
-	-	950,837
-	3,917	33,083
-	1,295	2,295
-	-	183,165
-	445,000	1,013,529
-	9,813	20,560
<u>14,100</u>	<u>746,267</u>	<u>5,323,155</u>
-	2,569,652	5,939,506
-	-	183,165
-	-	36,202
-	<u>2,569,652</u>	<u>6,158,873</u>
<u>14,100</u>	<u>3,315,919</u>	<u>11,482,028</u>
-	-	4,647,830
-	-	4,647,830
-	3,668,404	33,373,396
-	38,887	10,844,786
<u>\$ -</u>	<u>\$ 3,707,291</u>	<u>\$ 44,218,182</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	\$ 859,743	\$ 2,602,158	\$ 8,758,210	\$ 1,802,835
Fines and forfeits	-	208,002	-	-
Rents and royalties	86,724	-	-	597,471
Miscellaneous	32,729	412,327	1,524	254,168
Total operating revenues	<u>979,196</u>	<u>3,222,487</u>	<u>8,759,734</u>	<u>2,654,474</u>
Operating expenses:				
Personal services	3,975,161	344,148	3,832,098	1,335,868
Purchased services	2,398,921	2,096,145	4,121,622	971,121
Supplies and materials	923,016	268,978	720,403	629,611
Other	1,300,729	21,240	1,038,218	27,586
Depreciation	581,071	447,822	251,271	214,193
Total operating expenses	<u>9,178,898</u>	<u>3,178,333</u>	<u>9,963,612</u>	<u>3,178,379</u>
Operating (loss)	<u>(8,199,702)</u>	<u>44,154</u>	<u>(1,203,878)</u>	<u>(523,905)</u>
Nonoperating revenues (expenses):				
Intergovernmental	5,246,301	-	81,087	-
Investment earnings	2,228	-	12,359	-
Property tax revenue	4,587,431	-	-	-
Gain (loss) on sale of capital assets	(534,820)	-	(64,684)	8,916
Bond issuance costs	-	(8,326)	-	(8,526)
Interest expense	-	(31,030)	-	(74,044)
Total nonoperating revenue (expenses)	<u>9,301,140</u>	<u>(39,356)</u>	<u>28,762</u>	<u>(73,654)</u>
Income (loss) before transfers	1,101,438	4,798	(1,175,116)	(597,559)
Transfers in	-	1,386,184	485,978	331,262
Transfers out	<u>(85,000)</u>	<u>(2,796)</u>	<u>(1,891,516)</u>	<u>(5,236)</u>
Change in net position	1,016,438	1,388,186	(2,580,654)	(271,533)
Total net position, beginning	12,877,948	16,451,575	10,113,947	1,514,984
Total net position, ending	<u>\$ 13,894,386</u>	<u>\$ 17,839,761</u>	<u>\$ 7,533,293</u>	<u>\$ 1,243,451</u>

<u>Storm Sewer</u>	<u>Ice Arena</u>	<u>Total</u>
	\$ 733,854	\$ 14,756,800
-	-	208,002
-	360,326	1,044,521
-	11,132	711,880
-	<u>1,105,312</u>	<u>16,721,203</u>
-	452,177	9,939,452
-	632,320	10,220,129
-	78,773	2,620,781
-	7,094	2,394,867
-	432,468	1,926,825
-	<u>1,602,832</u>	<u>27,102,054</u>
-	<u>(497,520)</u>	<u>(10,380,851)</u>
-	-	5,327,388
-	495	15,082
-	-	4,587,431
-	-	(590,588)
-	(16,822)	(33,674)
-	<u>(131,149)</u>	<u>(236,223)</u>
-	<u>(147,476)</u>	<u>9,069,416</u>
-	(644,996)	(1,311,435)
-	740,638	2,944,062
-	<u>(162,682)</u>	<u>(2,147,230)</u>
-	(67,040)	(514,603)
-	3,774,331	44,732,785
<u>\$ -</u>	<u>\$ 3,707,291</u>	<u>\$ 44,218,182</u>

**City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013**

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	\$ 972,340	\$ 2,791,234	\$ 8,669,220	\$ 2,640,233
Cash paid to employees	(3,964,434)	(342,800)	(3,857,670)	(1,337,443)
Cash paid to suppliers	(4,604,563)	(1,467,194)	(5,951,615)	(1,680,184)
Net cash flows provided by (used in) operating activities	<u>(7,596,657)</u>	<u>981,240</u>	<u>(1,140,065)</u>	<u>(377,394)</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	-	-	-	788,761
Loans to other funds	-	-	-	(400,636)
Intergovernmental	5,172,308	-	81,087	-
Transfers in	-	1,386,184	485,978	331,262
Transfers out	(85,000)	(2,796)	(1,891,516)	(5,236)
Property taxes	4,592,316	-	-	-
Net cash flows provided by non-capital financing activities	<u>9,679,624</u>	<u>1,383,388</u>	<u>(1,324,451)</u>	<u>714,151</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,844,016)	(2,335,421)	-	-
Proceeds from disposition of capital assets	8,612	-	142	8,916
General obligation bonds issued	-	900,000	-	-
Notes payable issued	366,330	-	-	-
Principal paid	-	(138,075)	-	(249,730)
Interest paid	-	(26,366)	-	(81,532)
Net cash flows provided by (used in) capital financing activities	<u>(1,469,074)</u>	<u>(1,599,862)</u>	<u>142</u>	<u>(322,346)</u>
Cash flows from investing activities:				
Interest on investments	2,228	-	12,359	-
Net cash flows provided by investing activities	<u>2,228</u>	<u>-</u>	<u>12,359</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	616,121	764,766	(2,452,015)	14,411
Cash and cash equivalents, July 1, 2012	2,783,152	1,079,475	8,847,416	16,114
Cash and cash equivalents, June 30, 2013	<u>\$ 3,399,273</u>	<u>\$ 1,844,241</u>	<u>\$ 6,395,401</u>	<u>\$ 30,525</u>
Reconciliation of operating (loss) to net cash flows provided by (used in) operating activities				
Operating (loss)	\$ (8,199,702)	\$ 44,154	\$ (1,203,878)	\$ (523,905)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	581,071	447,822	251,271	214,193
Change in assets and liabilities:				
(Increase) decrease in prepaid items	(967)	(18,361)	-	31,117
Increase (decrease) in vouchers payable	19,070	937,530	(71,372)	(21,398)
Increase (decrease) in accrued expenses	8,206	113	(3,918)	(98)
Increase (decrease) in compensated absences	2,521	1,235	(21,654)	(1,477)
(Increase) decrease in accounts receivable	(2,393)	91,855	(90,518)	(11,351)
(Increase) in other assets	-	(523,108)	-	-
(Increase) in inventories	-	-	-	(61,585)
(Increase) decrease due from other governments	(4,463)	-	-	3
Increase (decrease) due to other governments	-	-	4	(2,893)
Increase in revenues collected in advance	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ (7,596,657)</u>	<u>\$ 981,240</u>	<u>\$ (1,140,065)</u>	<u>\$ (377,394)</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	<u>\$ 19</u>	<u>\$ 115,095</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Storm Sewer</u>	<u>Ice Arena</u>	<u>Total</u>
\$ -	\$ 1,186,067	\$ 16,259,094
-	(502,654)	(10,005,001)
14,100	(722,581)	(14,412,037)
<u>14,100</u>	<u>(39,168)</u>	<u>(8,157,944)</u>
-	-	788,761
-	-	(400,636)
-	-	5,253,395
-	740,638	2,944,062
-	(162,682)	(2,147,230)
-	-	4,592,316
-	577,956	11,030,668
-	-	(4,179,437)
-	-	17,670
-	-	900,000
-	-	366,330
-	(425,000)	(812,805)
-	(129,017)	(236,915)
-	(554,017)	(3,945,157)
-	495	15,082
-	495	15,082
14,100	(14,734)	(1,057,351)
-	198,542	12,924,699
<u>\$ 14,100</u>	<u>\$ 183,808</u>	<u>\$ 11,867,348</u>
\$ -	\$ (497,520)	\$ (10,380,851)
-	432,468	1,926,825
-	1,525	13,314
14,100	(5,919)	872,011
-	(50,477)	(46,174)
-	-	(19,375)
-	78,236	65,829
-	-	(523,108)
-	-	(61,585)
-	-	(4,460)
-	(2,046)	(4,935)
-	4,565	4,565
<u>\$ 14,100</u>	<u>\$ (39,168)</u>	<u>\$ (8,157,944)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,114</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
ASSETS						
Current assets:						
Cash and investments	\$ 1,944,080	\$ 2,650,009	\$ 1,088,206	\$ 43,031,551	\$ -	\$ 48,713,846
Receivables:						
Accounts and unbilled usage, net	70,802	551,121	71	14,443	-	636,437
Interest	-	-	-	1,594	-	1,594
Due from other governments	16,010	33,888	300,000	-	-	349,898
Inventories	-	686,116	-	-	-	686,116
Prepaid items	1,524	-	3,512	1,090,494	-	1,095,530
Other assets	-	-	-	-	20,140	20,140
Total current assets	<u>2,032,416</u>	<u>3,921,134</u>	<u>1,391,789</u>	<u>44,138,082</u>	<u>20,140</u>	<u>51,503,561</u>
Noncurrent assets:						
Advance to other funds	-	-	-	325,202	-	325,202
Land	1,016,663	-	-	-	-	1,016,663
Buildings and structures	6,082,507	-	20,706	-	9,894,982	15,998,195
Improvements other than buildings	1,843,172	33,575	-	-	-	1,876,747
Machinery and equipment	116,219	22,945,158	1,392,858	-	-	24,454,235
Accumulated depreciation	(6,202,235)	(8,073,128)	(988,088)	-	(275,431)	(15,538,882)
Construction in progress	-	-	13,052,252	-	-	13,052,252
Total noncurrent assets	<u>2,856,326</u>	<u>14,905,605</u>	<u>13,477,728</u>	<u>325,202</u>	<u>9,619,551</u>	<u>41,184,412</u>
Total assets	<u>4,888,742</u>	<u>18,826,739</u>	<u>14,869,517</u>	<u>44,463,284</u>	<u>9,639,691</u>	<u>92,687,973</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	88,231	710,866	52,741	864,765	-	1,716,603
Claims and judgments payable	-	-	-	2,543,454	-	2,543,454
Accrued expenses	56,062	93,597	78,563	1,821	2,667	232,710
Revenues collected in advance	-	-	-	4,656	-	4,656
Compensated absences	94,166	123,832	83,768	-	-	301,766
Security deposits	-	-	-	618	-	618
Total current liabilities	<u>238,459</u>	<u>928,295</u>	<u>215,072</u>	<u>3,415,314</u>	<u>2,667</u>	<u>4,799,807</u>
Noncurrent liabilities:						
Claims and judgments payable	-	-	-	8,748,946	-	8,748,946
Compensated absences	-	14,206	-	-	-	14,206
Post-employment liability	-	-	-	4,894,770	-	4,894,770
Total noncurrent liabilities	<u>-</u>	<u>14,206</u>	<u>-</u>	<u>13,643,716</u>	<u>-</u>	<u>13,657,922</u>
Total liabilities	<u>238,459</u>	<u>942,501</u>	<u>215,072</u>	<u>17,059,030</u>	<u>2,667</u>	<u>18,457,729</u>
NET POSITION						
Investment in capital assets	2,856,326	14,905,605	13,477,728	-	9,619,551	40,859,210
Unrestricted	1,793,957	2,978,633	1,176,717	27,404,254	17,473	33,371,034
	<u>\$ 4,650,283</u>	<u>\$ 17,884,238</u>	<u>\$ 14,654,445</u>	<u>\$ 27,404,254</u>	<u>\$ 9,637,024</u>	<u>\$ 74,230,244</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Position Assets
Internal Service Funds
For the Year Ended June 30, 2013

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Operating revenues:						
Charges for services	\$ 1,289,774	\$ 11,960,134	\$ 2,810,423	\$ 24,702,210	\$ -	\$ 40,762,541
Rents and royalties	2,192,945	-	-	-	-	2,192,945
Miscellaneous	523	57,147	41	98,191	20,140	176,042
Total operating revenues	<u>3,483,242</u>	<u>12,017,281</u>	<u>2,810,464</u>	<u>24,800,401</u>	<u>20,140</u>	<u>43,131,528</u>
Operating expenses:						
Personal services	1,808,529	2,985,489	2,010,616	655,844	-	7,460,478
Purchased services	684,395	972,730	32,631	25,436,380	-	27,126,136
Supplies and materials	209,285	5,312,489	59,403	5,023	-	5,586,200
Other	3,631	22,678	17,812	68,653	2,667	115,441
Depreciation	212,052	2,346,302	110,570	-	275,431	2,944,355
Total operating expenses	<u>2,917,892</u>	<u>11,639,688</u>	<u>2,231,032</u>	<u>26,165,900</u>	<u>278,098</u>	<u>43,232,610</u>
Operating income (loss)	<u>565,350</u>	<u>377,593</u>	<u>579,432</u>	<u>(1,365,499)</u>	<u>(257,958)</u>	<u>(101,082)</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	-	300,000	-	-	300,000
Investment earnings	2,108	4,574	697	107,038	-	114,417
Gain (Loss) on sale of capital assets	-	271,208	-	-	-	271,208
Interest expense	(2,311)	-	-	-	-	(2,311)
Total nonoperating revenue (expenses)	<u>(203)</u>	<u>275,782</u>	<u>300,697</u>	<u>107,038</u>	<u>-</u>	<u>683,314</u>
Income (loss) before transfers and capital contributions	565,147	653,375	880,129	(1,258,461)	(257,958)	582,232
Capital contributions	-	1,459,817	1,583,608	-	9,894,982	12,938,407
Transfers in	-	1,801,907	14,633	-	-	1,816,540
Transfers out	(2,038,982)	(1,765,423)	-	(576,233)	-	(4,380,638)
Change in net position	(1,473,835)	2,149,676	2,478,370	(1,834,694)	9,637,024	10,956,541
Total net position, beginning	6,124,118	15,734,562	12,176,075	29,238,948	-	63,273,703
Total net position, ending	<u>\$ 4,650,283</u>	<u>\$ 17,884,238</u>	<u>\$ 14,654,445</u>	<u>\$ 27,404,254</u>	<u>\$ 9,637,024</u>	<u>\$ 74,230,244</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Cash flows from operating activities:						
Cash received from users	\$ 3,444,389	\$ 12,045,770	\$ 4,195,220	\$ 24,833,752	\$ -	\$ 44,519,131
Cash paid to employees	(1,806,142)	(2,984,189)	(1,999,709)	(501,689)	-	(7,291,729)
Cash paid to suppliers	(905,707)	(5,968,526)	(2,418,545)	(26,448,193)	-	(35,740,971)
Net cash flows provided by (used in) operating activities	<u>732,540</u>	<u>3,093,055</u>	<u>(223,034)</u>	<u>(2,116,130)</u>	<u>-</u>	<u>1,486,431</u>
Cash flows from non-capital financing activities:						
Borrowing from other funds	-	-	-	170,110	-	170,110
Loans to other funds	(94,177)	-	-	-	-	(94,177)
Transfers in	-	1,801,907	14,633	-	-	1,816,540
Transfers out	(2,038,982)	(1,765,423)	-	(576,233)	-	(4,380,638)
Net cash flows provided by (used in) non-capital financing activities	<u>(2,133,159)</u>	<u>36,484</u>	<u>14,633</u>	<u>(406,123)</u>	<u>-</u>	<u>(2,488,165)</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(4,905,390)	(6,430,813)	-	-	(11,336,203)
Proceeds from disposition of capital assets	-	299,847	-	-	-	299,847
Capital contributions	-	1,459,817	1,583,608	-	-	3,043,425
Net cash flows provided by (used in) capital financing activities	<u>-</u>	<u>(3,145,726)</u>	<u>(4,847,205)</u>	<u>-</u>	<u>-</u>	<u>(7,992,931)</u>
Cash flows from investing activities:						
Interest on investments	(203)	4,574	697	107,264	-	112,332
Net cash flows provided by (used in) investing activities	<u>(203)</u>	<u>4,574</u>	<u>697</u>	<u>107,264</u>	<u>-</u>	<u>112,332</u>
Net decrease in cash and cash equivalents	(1,400,822)	(11,613)	(5,054,909)	(2,414,989)	-	(8,882,333)
Cash and cash equivalents, July 1, 2012	3,344,902	2,661,622	6,143,115	45,446,540	-	57,596,179
Cash and cash equivalents, June 30, 2013	<u>\$ 1,944,080</u>	<u>\$ 2,650,009</u>	<u>\$ 1,088,206</u>	<u>\$ 43,031,551</u>	<u>\$ -</u>	<u>\$ 48,713,846</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities						
Operating income (loss)	\$ 565,350	\$ 377,593	\$ 579,432	\$ (1,365,499)	\$ (257,958)	\$ (101,082)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities						
Depreciation expense	212,052	2,346,302	110,570	-	275,431	2,944,355
Change in assets and liabilities:						
(Increase) decrease in prepaid items	(1,524)	-	133,840	(512,450)	(20,140)	(400,274)
Increase (decrease) in vouchers payable	(6,872)	165,111	(2,442,539)	296,313	-	(1,987,987)
Increase in accrued expenses	2,306	5,580	9,135	994	2,667	20,682
Increase (decrease) in compensated absences	81	(4,280)	1,772	-	-	(2,427)
(Increase) decrease in accounts receivable	(38,853)	16,418	1,384,731	28,695	-	1,390,991
Decrease in inventories	-	174,260	-	-	-	174,260
Decrease in due from other governments	-	12,071	25	-	-	12,096
Increase in revenues collected in advance	-	-	-	4,656	-	4,656
Increase post-employment liability	-	-	-	153,161	-	153,161
(Decrease) in open claims payable	-	-	-	(722,000)	-	(722,000)
Net cash flows provided by (used in) operating activities	<u>\$ 732,540</u>	<u>\$ 3,093,055</u>	<u>\$ (223,034)</u>	<u>\$ (2,116,130)</u>	<u>\$ -</u>	<u>\$ 1,486,431</u>
Schedule of noncash capital and related financing activities:						
Transfer of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,894,982</u>	<u>\$ 9,894,982</u>

City of Cedar Rapids, Iowa
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Total
ASSETS				
Receivables:				
Accounts receivable	\$ -	\$ 287	\$ -	\$ 287
Due from other governments	505,936	11,279	273,962	791,177
Total Assets	\$ 505,936	\$ 11,566	\$ 273,962	\$ 791,464
LIABILITIES				
Vouchers payable	\$ -	\$ 61	\$ 5,375	\$ 5,436
Due to other governments	-	-	268,587	268,587
Security deposits	505,936	11,505	-	517,441
Total liabilities	\$ 505,936	\$ 11,566	\$ 273,962	\$ 791,464

CITY OF CEDAR RAPIDS, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Developers Security Deposit				
Assets:				
Due from other governments	\$ 477,453	\$ 28,483	\$ -	\$ 505,936
Liabilities:				
Security deposits	477,453	28,483	-	\$ 505,936
Total liabilities	\$ 477,453	\$ 28,483	\$ -	\$ 505,936
Contractors Permit Deposit				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	11,279	-	-	11,279
Total assets	\$ 11,566	\$ -	\$ -	\$ 11,566
Liabilities:				
Vouchers payable	\$ 61	\$ -	\$ -	\$ 61
Security deposits	11,505	-	-	11,505
Total liabilities	\$ 11,566	\$ -	\$ -	\$ 11,566
Regional Planning				
Assets:				
Due from other governments	\$ 231,850	\$ 208,590	\$ 166,478	\$ 273,962
Liabilities:				
Vouchers payable	\$ 41,698	\$ 29,525	\$ 65,848	\$ 5,375
Due to other governments	190,152	140,730	62,295	268,587
Total liabilities	\$ 231,850	\$ 170,255	\$ 128,143	\$ 273,962
Total				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	720,582	237,073	166,478	791,177
Total assets	\$ 720,869	\$ 237,073	\$ 166,478	\$ 791,464
Liabilities:				
Vouchers payable	\$ 41,759	\$ 29,525	\$ 65,848	\$ 5,436
Due to other governments	190,152	140,730	62,295	268,587
Security deposits	488,958	28,483	-	517,441
Total liabilities	\$ 720,869	\$ 198,738	\$ 128,143	\$ 791,464

City of Cedar Rapids, Iowa
Statements of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Units
For the Year Ended June 30, 2013

	<u>Airport</u>	<u>Cedar Rapids/ Linn County Solid Waste Agency</u>
Operating revenues:		
Charges for services	\$ 4,273,733	\$ 7,404,965
Licenses and permits	8,140	-
Use of money and property	38,529	65,201
Rents and royalties	11,350,360	11,475
Miscellaneous	<u>66,208</u>	<u>1,562,198</u>
Total operating revenues	<u>15,736,970</u>	<u>9,043,839</u>
Operating expenses:		
Personal services	3,334,031	2,839,159
Purchased services	3,903,436	1,935,639
Supplies and materials	1,022,734	1,253,333
Other	118,817	1,172,538
Depreciation	<u>7,728,511</u>	<u>1,479,151</u>
Total operating expenses	<u>16,107,529</u>	<u>8,679,820</u>
Operating income (loss)	<u>(370,559)</u>	<u>364,019</u>
Nonoperating revenues:		
Intergovernmental	185,143	204,995
Investment income (loss)	44,876	89,770
Gain (loss) on sale of assets	(4,176)	(2,106)
Interest expense	(5,354)	-
Other	-	<u>(3,027,946)</u>
Total nonoperating revenue	<u>220,489</u>	<u>(2,735,287)</u>
Capital contributions	<u>7,517,423</u>	<u>-</u>
Change in net position	7,367,353	(2,371,268)
Total net position, beginning	<u>164,923,018</u>	<u>46,685,010</u>
Total net position, ending	<u>\$ 172,290,371</u>	<u>\$ 44,313,742</u>

City of Cedar Rapids, Iowa
Statements of Cash Flows
Discretely Presented Component Units
For the Year Ended June 30, 2013

	Airport	Cedar Rapids/ Linn County Solid Waste Agency
Cash flows from operating activities:		
Cash received from users	\$ 17,003,098	\$ 11,807,682
Cash paid to employees	(3,285,036)	(2,925,775)
Cash paid to suppliers	(6,986,479)	(5,671,425)
Net cash flows from operating activities	6,731,583	3,210,482
Cash flows from non-capital financing activities:		
Borrowing from other funds	6,666,417	-
Loans to other funds	(12,587,608)	-
Intergovernmentals	185,143	204,995
Net cash flows from non-capital financing activities	(5,736,048)	204,995
Cash flows from capital and related financing activities:		
Purchase of capital assets	(8,492,825)	(15,771,223)
Capital contributions	7,517,423	-
Proceeds from disposition of capital assets	2,000	-
Principal paid	(22,036)	-
Interest paid	(2,070)	-
Net cash flows from capital and related financing activities	(997,508)	(15,771,223)
Cash flows from investing activities:		
Interest on investments	44,876	105,609
Net increase (decrease) in cash and cash equivalents	42,903	(12,250,137)
Cash and cash equivalents, July 1, 2012	200	44,761,936
Cash and cash equivalents, June 30, 2013	\$ 43,103	\$ 32,511,799
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ (370,559)	\$ 364,019
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	7,728,511	1,479,151
Loss on legal settlement	-	(3,027,946)
Change in assets and liabilities:		
Decrease in prepaid items	22,700	166,486
Increase (decrease) in vouchers payable	(1,964,192)	2,696,443
Increase in compensated absences	39,461	11,595
Increase (decrease) in accrued expenses	9,534	(98,211)
(Increase) decrease in accounts receivable	(153,042)	547,333
Decrease in due from other governments	1,415,006	2,163,983
Increase (decrease) in due to other governments	(2,929)	49,027
Increase in security deposits	7,093	3,500
(Decrease) in closure/postclosure payable	-	(1,144,898)
Net cash flows from operating activities	\$ 6,731,583	\$ 3,210,482
Schedule of noncash capital and related financing activities:		
Acquisition of capital assets through contracts payable	\$ 6,339	\$ -

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2013

Governmental funds capital assets:	
Land	\$ 129,223,766
Building	55,055,043
Improvements other than Building	449,856,735
Machinery and equipment	38,567,283
Construction in progress	101,342,448
Total governmental funds capital assets	<u>\$ 774,045,275</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 114,889,032
Special revenue funds	9,521,915
Capital projects funds	626,225,050
Donations	23,409,278
Total governmental funds capital assets	<u>\$ 774,045,275</u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2013

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
Public Safety:						
Police	\$ 1,057,051	\$ 10,568,948	\$ 595,862	\$ 3,541,210	\$ 24,182	\$ 15,787,253
Flood Control	-	-	10,616	-	-	10,616
Fire	1,012,318	5,102,494	134,688	8,160,380	665,322	15,075,202
Building Inspections	-	266,930	-	61,155	-	328,085
Animal Control	-	196,963	14,630	132,760	-	344,353
Total Public Safety	<u>2,069,369</u>	<u>16,135,335</u>	<u>755,796</u>	<u>11,895,505</u>	<u>689,504</u>	<u>31,545,509</u>
Public Works:						
Roads, Bridges, Sidewalks	17,232,543	-	358,490,581	472,368	-	376,195,492
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	413,652	-	7,792,287	-	8,205,939
Flood Recovery	93,355,485	4,842,985	6,084,752	5,620,713	81,178,791	191,082,726
Other Public Works	1,013	265,872	39,692,499	114,658	-	40,074,042
Total Public Works	<u>110,601,518</u>	<u>5,532,248</u>	<u>414,932,948</u>	<u>15,175,471</u>	<u>81,178,791</u>	<u>627,420,976</u>
Culture & Recreation:						
Library Services	1,597,574	109,952	-	616,296	219,760	2,543,582
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,289,262	4,243,761	14,995,289	2,560,195	6,400,204	33,488,711
Recreation	1,643,423	8,738,439	6,445,744	4,357,832	-	21,185,438
Other Culture and Recreation	-	-	-	-	-	-
Total Culture and Recreation	<u>8,530,259</u>	<u>13,092,152</u>	<u>21,441,033</u>	<u>7,547,333</u>	<u>6,619,964</u>	<u>57,230,741</u>
Community & Economic Development:						
Community Beautification	10,500	-	-	525,245	-	535,745
Economic Development	4,953,697	-	1,977,811	17,618	-	6,949,126
Housing and Urban Renewal	28,445	-	89,494	32,558	-	150,497
Other Community and Economic Development	1,771,725	-	-	114,822	-	1,886,547
Total Community and Economic Development	<u>6,764,367</u>	<u>-</u>	<u>2,067,305</u>	<u>690,243</u>	<u>-</u>	<u>9,521,915</u>
General Government:						
Mayor and Council	-	-	-	10,389	-	10,389
Clerk, Treasurer, Finance	-	-	1,370,769	886,473	-	2,257,242
City Attorney	-	-	-	13,222	-	13,222
City Hall and Other Buildings	85,100	17,743,392	4,165,673	219,187	-	22,213,352
Other General Government	1,173,153	2,551,916	5,123,211	2,129,460	12,854,189	23,831,929
Total General Government	<u>1,258,253</u>	<u>20,295,308</u>	<u>10,659,653</u>	<u>3,258,731</u>	<u>12,854,189</u>	<u>48,326,134</u>
Total governmental funds capital assets	<u><u>\$ 129,223,766</u></u>	<u><u>\$ 55,055,043</u></u>	<u><u>\$ 449,856,735</u></u>	<u><u>\$ 38,567,283</u></u>	<u><u>\$ 101,342,448</u></u>	<u><u>\$ 774,045,275</u></u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2013

Function and Activity	Governmental Funds Capital Assets July 1, 2012	Additions	Deletions	Governmental Funds Capital Assets June 30, 2013
Public Safety:				
Police	16,108,701	\$ 90,822	\$ (412,270)	\$ 15,787,253
Flood Control	10,616	-	-	10,616
Fire	14,706,902	552,909	(184,609)	15,075,202
Building Inspections	339,809	-	(11,724)	328,085
Animal Control	344,353	-	-	344,353
Total Public Safety	<u>31,510,381</u>	<u>643,731</u>	<u>(608,603)</u>	<u>31,545,509</u>
Public Works:				
Roads, Bridges, Sidewalks	356,158,615	20,205,470	(168,593)	376,195,492
Traffic Control and Safety	11,862,777	-	-	11,862,777
Street Cleaning	8,740,085	193,296	(727,442)	8,205,939
Flood	133,459,703	108,781,986	(51,158,963)	191,082,726
Other Public Works	39,917,934	165,986	(9,878)	40,074,042
Total Public Works	<u>550,139,114</u>	<u>129,346,738</u>	<u>(52,064,876)</u>	<u>627,420,976</u>
Culture & Recreation:				
Library Services	1,956,617	586,965	-	2,543,582
Museum, Band, Theater	13,010	-	-	13,010
Parks	28,830,994	5,060,643	(402,926)	33,488,711
Recreation	19,625,084	1,588,116	(27,762)	21,185,438
Other Culture and Recreation	-	-	-	-
Total Culture and Recreation	<u>50,425,705</u>	<u>7,235,724</u>	<u>(430,688)</u>	<u>57,230,741</u>
Community & Economic Development:				
Community Beautification	535,745	-	-	535,745
Economic Development	6,864,271	131,506	(46,651)	6,949,126
Housing and Urban Renewal	150,497	-	-	150,497
Other Community and Economic Development	1,892,962	-	(6,415)	1,886,547
Total Community and Economic Development	<u>9,443,475</u>	<u>131,506</u>	<u>(53,066)</u>	<u>9,521,915</u>
General Government:				
Mayor and council	10,389	-	-	10,389
Clerk, Treasurer, Finance	2,251,943	5,299	-	2,257,242
City Attorney	13,222	-	-	13,222
City Hall and Other Buildings	31,358,991	648,446	(9,794,085)	22,213,352
Other General Government	19,215,408	4,720,446	(103,925)	23,831,929
Total General Government	<u>52,849,953</u>	<u>5,374,191</u>	<u>(9,898,010)</u>	<u>48,326,134</u>
Total governmental funds capital assets	<u>\$ 694,368,628</u>	<u>\$ 142,731,890</u>	<u>\$ (63,055,243)</u>	<u>\$ 774,045,275</u>

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



CEDAR RAPIDS

City of Five Seasons®

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	97
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	110
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	119
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	126
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	129

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

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	\$ 180,212,606	\$ 182,522,603	\$ 188,024,772	\$ 166,859,345
Restricted	-	22,186,515	22,186,515	53,058,213
Unrestricted	110,680,666	95,704,733	103,526,477	109,830,961
Total governmental activities net position	290,893,272	300,413,851	313,737,764	329,748,519
Business-type activities:				
Net investment in capital assets	163,871,381	163,821,373	171,583,350	189,931,481
Restricted	-	-	-	-
Unrestricted	72,525,516	70,100,125	65,769,024	54,103,299
Total business-type activities net position	236,396,897	233,921,498	237,352,374	244,034,780
Primary government:				
Net investment in capital assets	344,083,987	346,343,976	359,608,122	356,790,826
Restricted	-	-	-	-
Unrestricted	183,206,182	165,804,858	169,295,501	163,934,260
Total primary government assets net position	\$ 527,290,169	\$ 534,335,349	\$ 551,090,138	\$ 573,783,299

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 215,756,562	\$ 202,547,673	\$ 255,357,514	\$ 401,632,078	\$ 386,996,425	\$ 465,240,456
46,336,187	34,927,581	21,925,801	67,552,110	19,394,024	22,617,041
80,101,208	131,561,029	103,425,016	(53,497,147)	80,551,197	66,585,182
342,193,957	369,036,283	380,708,331	415,687,041	486,941,646	554,442,679
156,641,036	151,831,976	162,423,211	186,833,485	199,197,171	285,342,887
211,003	39,979	3,575,519	10,253,520	-	-
62,908,340	71,434,828	67,228,295	65,009,584	95,412,859	66,159,762
219,760,379	223,306,783	233,227,025	262,096,589	294,610,030	351,502,649
372,397,598	354,379,649	417,780,725	588,465,563	586,193,596	750,583,343
211,003	39,979	3,575,519	77,805,630	19,394,024	22,617,041
143,009,548	202,995,857	170,653,311	11,512,437	175,964,056	132,744,944
\$ 561,954,336	\$ 592,343,066	\$ 613,935,356	\$ 677,783,630	\$ 781,551,676	\$ 905,945,328

City of Cedar Rapids, Iowa

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

	2004	2005	2006	2007	2008
Expenses:					
Governmental activities:					
Public safety	\$ 40,513,052	\$ 36,598,588	\$ 39,604,205	\$ 41,827,493	\$ 45,079,704
Public Works	24,546,647	23,476,595	24,486,391	25,633,415	26,490,183
Culture and recreation	15,340,165	14,448,265	14,403,753	14,150,160	14,947,142
Community and economic development	17,658,329	17,737,847	15,124,554	17,316,122	16,743,324
General government	7,837,144	9,620,708	8,470,505	10,671,203	26,964,118
Interest on long-term debt	5,523,401	4,736,327	5,051,146	4,965,549	6,090,164
Total governmental activities expenses	111,418,738	106,618,330	107,140,554	114,563,942	136,314,635
Business -type activities:					
Water	20,146,454	20,183,395	20,292,696	19,981,289	20,928,498
Water pollution control	21,474,470	21,155,005	23,457,134	25,013,567	40,419,439
Sanitary sewer	5,574,981	5,212,436	5,483,443	5,521,451	6,221,906
U.S. Cellular center	2,769,182	2,322,972	1,995,824	2,450,662	1,920,761
Doubletree by Hilton	-	-	-	-	-
Paramount theatre	849,346	835,535	805,021	1,106,828	4,521,021
Ground transportation system	7,663,828	7,941,027	8,591,187	8,710,141	14,411,599
Parking system	3,565,956	4,028,604	3,542,614	3,614,899	5,477,383
Solid waste management	5,138,653	5,381,234	5,549,469	5,978,733	6,783,763
Golf	2,877,597	2,765,321	2,763,139	2,854,476	3,087,089
Ice arena	2,019,690	1,785,060	1,755,007	1,800,805	1,748,772
Total business-type activities expenses	72,080,157	71,610,589	74,235,534	77,032,851	105,520,231
Total primary government expenses	183,498,895	178,228,919	181,376,088	191,596,793	241,834,866
Program revenue:					
Governmental activities:					
Charges for services:					
Public safety	2,832,903	2,680,541	2,890,022	3,494,651	3,196,635
Public works	524,970	1,224,718	2,268,030	1,031,583	917,932
Culture and recreation	2,999,278	2,798,179	2,816,206	2,911,609	2,721,975
Community and economic development	815,056	905,983	922,365	1,934,766	583,379
General government	5,796,903	1,915,122	2,220,615	2,313,792	5,240,941
Operating grants and contributions:					
Public safety	392,858	809,715	1,061,761	669,139	606,657
Public works	180,961	10,417,038	10,030,359	11,296,337	20,396,467
Culture and recreation	699,075	796,327	767,141	813,981	868,402
Community development	10,964,745	10,606,097	5,759,726	9,402,242	8,771,933
General government	5,021	150,078	397,655	1,053,915	1,820,576
Capital grants and contributions					
Public safety	330,515	34,795	57,070	19,264	39,170
Public works	8,943,185	6,747,161	7,153,621	6,739,142	10,676,970
Culture and recreation	333,811	1,017,806	238,773	686,758	135,476
Community and economic development	32,500	10,987	303,597	106,404	58,634
General government	222,078	40,518	53,809	1,008,250	433,984
Total governmental activities program revenue	35,073,859	40,155,065	36,940,750	43,481,833	56,469,131
Business-type activities:					
Charges for services:					
Water	19,385,375	20,062,822	21,237,980	21,630,046	22,048,658
Water pollution control	16,221,332	17,614,839	20,692,758	22,131,342	22,267,080
Sanitary sewer	5,690,924	6,211,361	6,727,767	7,171,948	8,046,981
U.S. Cellular center	2,206,412	2,145,149	1,822,931	2,161,352	1,767,484
Doubletree by Hilton	-	-	-	-	-
Paramount theatre	472,227	1,182,730	614,984	698,640	782,525
Ground transportation system	999,253	1,055,043	1,155,707	1,136,814	1,126,602
Parking system	2,913,465	2,989,577	2,935,889	2,992,440	3,083,142
Solid waste management	6,339,836	6,544,751	6,724,886	6,977,774	7,033,832
Golf	2,492,765	2,550,384	2,656,282	2,708,739	2,544,561
Ice arena	1,284,726	1,085,718	1,087,155	1,046,058	960,531

2009	2010	2011	2012	2013
\$ 52,957,555	\$ 59,391,790	\$ 73,568,130	\$ 67,668,522	\$ 64,563,475
31,597,955	50,639,010	46,638,652	45,309,184	43,318,705
18,600,493	17,245,024	20,070,392	17,472,656	21,816,032
69,037,194	59,446,440	116,005,506	58,864,942	55,455,365
62,868,795	33,347,735	31,734,760	21,780,113	23,411,156
5,499,749	6,026,574	5,957,388	6,438,172	7,989,633
240,561,741	226,096,573	293,974,828	217,533,589	216,554,366

22,260,320	23,839,346	25,401,153	25,282,580	27,001,814
24,761,524	27,472,489	27,676,541	27,132,586	28,662,649
6,844,499	7,198,507	7,785,423	7,499,398	8,377,852
2,075,918	3,152,069	3,078,305	1,429,022	4,821,315
-	-	-	-	3,244,013
469,615	439,704	483,718	363,978	1,061,472
8,477,644	8,077,409	8,652,380	8,285,590	9,213,123
3,736,096	4,107,165	2,701,165	3,624,409	3,223,761
7,497,821	9,984,132	8,854,718	10,313,496	9,985,620
3,045,868	3,158,393	3,119,178	3,230,817	3,265,523
1,765,892	1,493,771	1,588,030	1,982,137	1,750,803
80,935,197	88,922,985	89,340,611	89,144,013	100,607,945
321,496,938	315,019,558	383,315,439	306,677,602	317,162,311

3,457,851	835,599	11,318,305	13,136,896	11,722,447
3,153,404	2,326,266	3,396,104	4,626,331	3,845,305
2,202,798	14,861,450	2,480,024	3,057,587	2,437,373
1,236,449	4,639,257	1,625,977	217,349	1,952,364
12,418,618	6,836,575	16,130,840	15,476,313	15,165,249
2,481,375	4,967,874	3,003,469	3,696,732	9,916,262
15,519,134	16,241,210	29,474,263	19,318,970	27,251,228
3,374,928	3,230,934	6,999,625	6,104,311	12,985,707
21,909,102	39,842,167	64,449,258	51,031,154	12,567,912
52,367,301	31,797,943	12,945,768	9,564,494	16,783,494
20,576	92,884	116,644	155,485	494,318
9,595,543	6,119,048	64,927,982	43,519,392	13,710,269
596,528	203,041	625,020	1,676,722	9,562,622
44,114,704	1,271,224	884,461	3,429,185	27,333,099
152,098	62,977	5,127,725	4,185,250	13,285,778
172,600,409	133,328,449	223,505,465	179,196,171	179,013,427

23,902,932	26,955,880	29,919,795	32,337,249	33,344,490
25,191,014	30,659,963	31,444,246	31,737,883	30,880,420
9,190,139	9,789,441	10,327,611	10,470,855	10,499,121
2,105,960	2,675,075	2,574,438	968,051	2,285,466
-	-	-	-	519,598
2,386	-	861	-	299,123
542,621	778,911	961,549	990,746	979,196
1,953,982	3,116,673	2,320,222	3,279,137	3,222,487
6,832,953	7,344,847	7,725,667	8,373,693	8,759,734
2,536,505	2,586,913	2,567,468	3,006,215	2,654,474
954,920	952,433	914,011	1,279,162	1,105,312

City of Cedar Rapids, Iowa

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

	2004	2005	2006	2007	2008
Operating grants and contributions:					
Water	16,021	-	37,761	-	-
Water pollution control	-	-	-	-	-
Sanitary sewer	60	-	-	-	-
U.S. Cellular center	-	-	-	-	-
Doubletree by Hilton	-	-	-	-	-
Paramount theatre	27,226	-	-	-	-
Ground transportation system	2,529,406	2,115,981	2,947,652	2,844,586	3,214,133
Parking system	3,021	-	-	-	-
Solid waste management	38,825	48,564	49,417	685	10,707
Golf	14,118	3,175	4,619	-	4,862
Ice arena	-	-	-	-	-
Capital grants and contributions					
Water	1,054,631	766,990	1,133,306	4,413,811	920,951
Water pollution control	-	2,628	7,011	5,202	214
Sanitary sewer	1,116,109	962,370	1,218,319	1,818,977	696,432
U.S. Cellular center	-	12,071	25	-	-
Doubletree by Hilton	-	-	-	-	-
Paramount theatre	681,322	-	-	-	-
Ground transportation system	3,413	850,198	1,637,058	969,200	398,045
Parking system	4,142	12,613	457,750	676,759	77,802
Solid waste management	57,879	25,185	161,000	204,888	48,000
Golf	21,321	3,926	7,798	-	39,691
Ice arena	21,350	-	85	-	-
Total business-type activities program revenues	63,595,159	66,246,075	73,318,140	79,589,261	75,072,233
Total primary government program revenues	98,669,018	106,401,140	110,258,890	123,071,094	131,541,364
Net (expense) revenue					
Governmental activities	(76,344,879)	(66,463,265)	(70,199,804)	(71,082,109)	(79,845,504)
Business-type activities	(8,484,998)	(5,364,514)	(917,394)	2,556,410	(30,447,998)
Total primary government net expense	(84,829,877)	(71,827,779)	(71,117,198)	(68,525,699)	(110,293,502)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	62,981,585	67,750,613	72,572,215	77,333,284	78,166,150
Franchise taxes	1,107,784	1,190,521	1,248,496	1,298,253	2,645,817
Hotel-Motel taxes	2,023,758	2,044,472	2,466,054	2,662,816	1,375,315
Local option sales taxes	-	-	-	-	-
Gain on sale of capital assets	10,230,803	366,958	240,860	491,285	425,323
Investment Earnings	113,855	2,881,115	5,124,109	6,220,908	7,564,677
Loss on Investments	1,086,954	-	-	(1,144,096)	-
Transfers	(763,538)	1,750,165	1,871,983	230,414	2,113,660
Total governmental activities	76,781,201	75,983,844	83,523,717	87,092,864	92,290,942
Business-type activities					
Taxes:					
Property taxes	2,995,517	2,960,123	2,964,142	3,008,087	2,988,927
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	781,719	1,817,105	3,256,111	3,850,562	5,315,604
Retirement employee payouts	(2,168,667)	(137,948)	-	(1,981,523)	(17,274)
Loss on Investments	-	-	-	(520,716)	-
Transfers	763,538	(1,750,165)	(1,871,983)	(230,414)	(2,113,660)
Total business-type activities	2,372,107	2,889,115	4,348,270	4,125,996	6,173,597
Total primary government	79,153,308	78,872,959	87,871,987	91,218,860	98,464,539
Changes in net position:					
Governmental activities	458,138	9,520,579	13,323,913	16,010,755	12,445,438
Business-type activities	(6,112,891)	(2,475,399)	3,430,876	6,682,406	(24,274,401)
Total primary government	\$ (5,654,753)	\$ 7,045,180	\$ 16,754,789	\$ 22,693,161	\$ (11,828,963)

2009	2010	2011	2012	2013
-	-	-	-	-
461	86,659	234,861	-	-
-	-	-	-	-
-	-	-	-	-
3,380,960	3,759,714	4,355,409	2,862,335	3,778,301
-	-	-	-	-
926	59,547	57,940	36,554	-
-	-	65,190	2,859	-
-	-	-	-	-
892,198	1,260,882	728,964	707,601	1,030,011
1,017	294,410	1,885,020	990,903	132,847
665,071	150,086	730,674	1,494,994	5,149,858
-	-	10,688,791	17,077,836	22,474,298
-	-	-	-	-
-	-	-	-	12,638,593
184,491	707,768	-	1,487,191	933,180
1,094,279	-	-	-	-
23,641	-	-	-	16,403
9,287	12,448	-	-	8,916
-	-	-	-	-
79,465,743	91,191,650	107,502,717	117,103,264	140,711,828
252,066,152	224,520,099	331,008,182	296,299,435	319,725,255
(67,961,332)	(92,768,124)	(70,469,363)	(38,337,418)	(37,540,939)
(1,469,454)	2,268,665	18,162,106	27,959,251	40,103,883
(69,430,786)	(90,499,459)	(52,307,257)	(10,378,167)	2,562,944
82,304,313	83,235,371	82,470,156	83,895,452	91,246,237
1,422,897	3,323,638	3,747,200	3,353,064	3,940,424
2,922,240	2,378,503	2,753,315	2,835,100	2,862,393
4,254,513	16,428,594	19,554,638	18,138,388	17,939,752
26,159	84,916	-	-	-
2,958,322	1,870,320	2,856,104	761,437	741,413
-	-	-	-	-
915,214	(2,881,170)	(2,616,912)	608,582	(11,688,247)
94,803,658	104,440,172	108,764,501	109,592,023	105,041,972
3,724,950	3,891,767	4,296,415	4,586,363	4,587,431
-	-	-	-	-
2,206,122	878,640	477,703	576,409	513,058
-	-	-	-	-
-	-	-	-	-
(915,214)	2,881,170	2,616,912	(608,582)	11,688,247
5,015,858	7,651,577	7,391,030	4,554,190	16,788,736
99,819,516	112,091,749	116,155,531	114,146,213	121,830,708
26,842,326	11,672,048	38,295,138	71,254,605	67,501,033
3,546,404	9,920,242	25,553,136	32,513,441	56,892,619
\$ 30,388,730	\$ 21,592,290	\$ 63,848,274	\$ 103,768,046	\$ 124,393,652

City of Cedar Rapids, Iowa

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

Function/Program	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Public safety	\$ 3,556,276	\$ 3,525,051	\$ 4,008,853	\$ 4,183,054
Public works	9,649,116	18,388,917	19,452,010	19,067,062
Culture and recreation	4,032,164	4,612,312	3,822,120	4,412,348
Community and economic development	11,812,301	11,523,067	6,985,688	11,443,412
General government	6,024,002	2,105,718	2,672,079	4,375,957
Total governmental activities	35,073,859	40,155,065	36,940,750	43,481,833
Business-type activities:				
Water	20,456,027	20,829,812	22,409,047	26,043,857
Water pollution control	16,221,332	17,617,467	20,699,769	22,136,544
Sanitary sewer	6,807,093	7,173,731	7,946,086	8,990,925
U.S. Cellular center	2,206,412	2,157,220	1,822,956	2,161,352
Doubltree by Hilton	-	-	-	-
Paramount theatre	1,180,775	1,182,730	614,984	698,640
Ground transportation system	2,920,628	3,002,190	5,740,417	4,950,600
Parking system	3,532,072	4,021,222	3,393,639	3,669,199
Solid waste management	6,436,540	6,618,500	6,935,303	7,183,347
Golf	2,528,204	2,557,485	2,668,699	2,708,739
Ice arena	1,306,076	1,085,718	1,087,240	1,046,058
Total business-type activities	63,595,159	66,246,075	73,318,140	79,589,261
Total primary government	\$ 98,669,018	\$ 106,401,140	\$ 110,258,890	\$ 123,071,094

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 3,842,462	\$ 5,959,802	\$ 5,896,357	\$ 14,438,418	\$ 16,989,113	\$ 22,133,027
31,991,369	28,268,081	24,686,524	97,798,349	67,464,693	44,806,802
3,725,853	6,174,254	18,295,425	10,104,669	10,838,620	24,985,702
9,413,946	67,260,255	45,752,648	66,959,696	54,677,688	41,853,375
7,495,501	64,938,017	38,697,495	34,204,333	29,226,057	45,234,521
56,469,131	172,600,409	133,328,449	223,505,465	179,196,171	179,013,427
22,969,609	24,795,130	28,216,762	30,648,759	33,044,850	34,374,501
22,267,294	25,192,031	30,954,373	33,329,266	32,728,786	31,013,267
8,743,413	9,855,671	10,026,186	11,293,146	11,965,849	15,648,979
1,767,484	2,105,960	2,675,075	13,263,229	18,045,887	24,759,764
-	-	-	-	-	519,598
782,525	2,386	-	861	-	12,937,716
4,738,780	4,108,072	5,246,393	5,316,958	5,340,272	5,690,677
3,160,944	3,048,261	3,116,673	2,320,222	3,279,137	3,222,487
7,092,539	6,857,520	7,404,394	7,783,607	8,410,247	8,776,137
2,589,114	2,545,792	2,599,361	2,632,658	3,009,074	2,663,390
960,531	954,920	952,433	914,011	1,279,162	1,105,312
75,072,233	79,465,743	91,191,650	107,502,717	117,103,264	140,711,828
\$ 131,541,364	\$ 252,066,152	\$ 224,520,099	\$ 331,008,182	\$ 296,299,435	\$ 319,725,255

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2004	2005	2006	2007
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,541,243	3,760,070	2,674,358	2,781,430
Unreserved	24,910,214	24,513,482	26,902,767	29,958,128
Total General Fund	26,451,457	28,273,552	29,577,125	32,739,558
All Other Government Funds:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	26,321,516	26,949,343	22,998,514	44,699,944
Unreserved, reported in:				
Special revenue funds	13,346,265	14,021,295	15,712,776	22,693,647
Capital project funds	23,742,869	28,540,216	37,647,728	41,322,971
Total all other government funds	\$ 63,410,650	\$ 69,510,854	\$ 76,359,018	\$ 108,716,562

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ -	\$ -	\$ -	\$ 1,294,262	\$ 1,216,328	\$ 623,798
-	-	-	1,943,591	1,591,370	579,276
-	-	-	-	-	-
-	-	-	155,453	200,000	200,000
-	-	-	33,051,176	34,694,821	37,583,628
2,561,898	2,895,040	28,837,889	-	-	-
35,616,422	32,141,757	6,688,209	-	-	-
38,178,320	35,036,797	35,526,098	36,444,482	37,702,519	38,986,702
-	-	-	623,832	2,970,634	2,876,228
-	-	-	65,495,530	71,701,545	49,669,452
-	-	-	4,642,858	5,453,031	4,596,967
-	-	-	22,296,248	19,661,198	19,674,181
-	-	-	(53,320,138)	(61,332,252)	(32,443,613)
36,589,659	34,309,127	118,567,457	-	-	-
24,738,222	23,749,905	36,332,151	-	-	-
37,130,694	15,876,521	(87,352,533)	-	-	-
-	-	-	-	-	-
\$ 98,458,575	\$ 73,935,553	\$ 67,547,075	\$ 39,738,330	\$ 38,454,156	\$ 44,373,215

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Taxes	\$ 66,049,790	\$ 70,985,606	\$ 76,122,186	\$ 81,285,286
License and permits	2,082,612	2,169,195	2,365,643	2,052,323
Intergovernmental	26,254,436	26,966,644	24,697,240	26,540,359
Charges for services	2,367,695	2,710,165	2,922,668	3,056,939
Fines and forfeitures	318,835	397,022	417,067	351,677
Use of money and property	904,832	2,269,737	4,206,254	6,228,971
Rents and royalties	744,593	834,707	808,291	960,772
Miscellaneous	3,650,211	3,353,405	3,298,838	3,556,045
Total revenues	102,373,004	109,686,481	114,838,187	124,032,372
Expenditures:				
Public safety	33,294,259	35,398,887	38,366,456	40,572,027
Public works	16,001,042	15,669,418	15,801,715	16,460,295
Culture and recreation	11,456,458	11,812,858	11,767,210	12,198,173
Community and economic development	16,913,202	17,617,700	15,019,244	17,225,206
General government	7,200,832	7,453,065	7,387,698	8,289,145
Capital outlay	21,112,653	18,232,349	18,239,807	17,075,013
Capital outlay not capitalized	-	-	-	4,493
Debt service:				
Principal	8,997,284	10,314,806	12,348,200	9,358,600
Bond issuance costs	25,217	36,019	37,096	77,004
Interest	4,759,713	4,870,749	5,028,580	4,951,750
Total expenditures	119,760,660	121,405,851	123,996,006	126,211,706
Excess of revenues (under) expenditures	(17,387,656)	(11,719,370)	(9,157,819)	(2,179,334)
Other financing sources (uses):				
Transfers in	31,775,714	36,651,734	42,680,001	40,951,729
Transfers out	(31,973,891)	(34,367,483)	(40,163,552)	(40,057,598)
Issuance of note payable	-	-	-	650,000
Issuance of long-term debt	9,914,474	17,055,000	14,665,000	35,742,000
Reimbursement of escrow	-	7,150	-	-
Investment earnings	-	-	-	-
Settlement reimbursement	-	246	4,046	21
Premium (discount) on long-term debt	(72,902)	(99,190)	(110,467)	578,632
Capital Contributions	-	-	-	136,769
Gain on impairment of capital assets	-	-	-	-
Proceeds from sale of capital assets	143,061	394,212	234,528	608,280
Loss on donation of land held for resale	-	-	-	-
Total other financing sources (uses)	9,786,456	19,641,669	17,309,556	38,609,833
Special item:				
Loss on investments	-	-	-	(910,522)
Net changes in fund balance	\$ 89,862,107	\$ 7,922,299	\$ 8,151,737	\$ 35,519,977
Debt service as a percentage of noncapital expenditures	13.95%	14.72%	16.43%	13.11%

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 82,174,571	\$ 90,959,554	\$105,295,233	\$108,496,764	\$108,142,990	\$116,021,645
2,323,474	2,222,569	2,322,014	2,475,750	2,940,138	2,664,685
30,511,179	116,555,474	88,902,120	191,609,346	141,680,249	156,762,173
3,406,968	12,626,117	16,523,469	16,583,058	18,556,308	18,454,552
324,418	288,825	1,220,897	7,858,937	8,353,497	7,542,090
6,378,084	2,524,692	869,756	2,681,387	612,140	632,047
918,647	477,758	559,952	677,766	834,700	712,106
3,427,594	2,283,553	1,594,674	3,101,884	2,488,959	5,872,080
129,464,935	227,938,542	217,288,115	333,484,892	283,608,981	308,661,378
40,864,289	51,910,586	39,428,051	72,727,328	66,860,604	63,712,211
16,731,938	21,257,996	15,523,557	34,997,847	32,528,760	30,437,913
11,167,542	16,566,695	59,402,503	16,164,472	15,982,554	20,235,695
16,168,651	68,962,927	36,932,894	115,512,160	57,089,927	47,646,269
19,999,186	62,210,093	58,468,119	28,212,872	27,451,417	22,170,165
18,047,072	41,892,960	21,732,340	97,363,010	90,859,939	109,078,978
-	-	-	2,213	-	-
18,319,213	21,654,817	23,230,021	24,348,447	22,480,084	14,404,502
30,750	96,321	120,370	600,533	885,447	246,859
6,046,541	5,383,144	6,119,089	5,893,963	6,269,820	6,398,386
147,375,182	289,935,539	260,956,944	395,822,845	320,408,552	314,330,978
(17,910,247)	(61,996,997)	(43,668,829)	(62,337,953)	(36,799,571)	(5,669,600)
44,836,345	50,882,684	54,472,194	48,878,815	52,242,771	77,212,104
(42,901,750)	(51,555,561)	(59,093,897)	(51,548,296)	(51,503,700)	(73,903,264)
-	-	5,000,000	-	-	-
9,679,655	34,612,492	33,250,000	37,901,296	32,510,923	9,815,000
-	-	-	-	-	-
-	-	412,012	-	-	-
1,580	465	3,503,923	-	363,450	286,768
36,280	27,414	76,404	1,320,812	1,674,956	427,721
-	-	-	-	-	-
1,000,000	-	-	-	-	-
438,912	364,958	149,016	2,211,393	1,485,034	549,670
-	-	-	-	-	(1,515,157)
13,091,022	34,332,452	37,769,652	38,764,020	36,773,434	12,872,842
-	-	-	-	-	-
\$ (4,819,225)	\$(27,664,545)	\$ (5,899,177)	\$(23,573,933)	\$ (26,137)	\$ 7,203,242
18.84%	10.90%	12.27%	10.13%	12.52%	10.80%



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2004	61,183,311	-	3,758,695	1,107,784	66,049,790
2005	64,514,591	-	3,236,022	3,234,993	70,985,606
2006	69,287,900	-	3,284,315	3,549,971	76,122,186
2007	73,821,833	-	3,502,383	3,961,070	81,285,286
2008	75,125,650	-	4,403,104	2,645,817	82,174,571
2009	77,738,578	4,254,513	4,565,736	2,977,830	89,536,657
2010	78,528,051	16,428,594	4,636,447	2,378,503	101,971,595
2011	78,171,178	19,554,638	4,298,978	2,724,770	104,749,564
2012	79,468,189	18,138,388	4,427,263	2,756,086	104,789,926
2013	78,595,788	17,939,752	4,478,487	2,895,232	103,909,259
Change 2004-2013	\$ 17,412,477	\$ 17,939,752	\$ 719,792	\$ 1,787,448	\$ 37,859,469

City of Cedar Rapids, Iowa

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Utilities	Military Exemptions
2004	2,146,087,222	1,733,645,880	364,594,542	370,701,611	(15,673,469)
2005	2,144,983,089	1,842,749,212	382,154,448	320,981,972	(15,361,691)
2006	2,180,463,141	1,848,668,075	376,992,223	309,661,130	(15,036,757)
2007	2,259,717,789	1,800,958,547	366,993,719	310,853,137	(14,698,025)
2008	2,298,223,104	1,839,730,231	291,308,103	364,350,089	(14,365,036)
2009	2,401,189,312	1,861,300,332	299,862,706	371,367,099	(14,054,086)
2010	2,562,190,937	1,849,166,324	308,831,292	372,569,883	(13,760,822)
2011	2,653,167,342	1,888,668,264	349,974,941	346,577,736	(13,435,611)
2012	2,906,858,541	1,938,181,514	358,896,829	352,988,808	(12,983,631)
2013	3,061,718,477	1,932,330,198	343,941,582	361,666,911	(12,511,278)

Source: Linn County Auditor's Office

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

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
4,599,355,786	4.43%	13.07	6,645,938,634	69.21%
4,675,507,030	1.66%	13.12	7,067,763,823	66.15%
4,700,747,812	0.54%	13.83	7,522,231,914	62.49%
4,723,825,167	0.49%	14.39	7,939,413,524	59.50%
4,779,246,491	1.17%	14.62	8,145,012,910	58.68%
4,919,665,363	2.94%	15.07	8,505,937,610	57.84%
5,078,997,614	3.24%	15.22	8,688,530,667	58.46%
5,224,952,672	2.87%	15.22	8,694,897,052	60.09%
5,543,942,061	6.11%	15.22	9,070,712,901	61.12%
5,687,145,890	2.58%	15.22	9,263,354,893	61.39%

City of Cedar Rapids, Iowa

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

Tax Year Levied	City Direct Rates							
	General Levy	Tort	Band	Library Book Levy	Memorial Fund	FICA/ IPERS	Fire & Police Pension Fund	Other Benefits
2004	8.10000	0.00000	0.01569	0.04000	0.45278	0.72388	0.24237	1.12145
2005	8.10000	0.00000	0.01459	0.03999	0.44422	0.72545	0.34237	1.07386
2006	8.10000	0.00000	0.01459	0.03999	0.17988	0.85847	0.49237	1.62927
2007	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.64237	2.20445
2008	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.79237	2.20445
2009	8.10000	0.18685	0.01667	0.04000	0.20082	0.75820	0.86000	2.20445
2010	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	2.08344
2011	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	1.85634
2012	8.10000	0.18530	0.01667	0.04000	0.20082	0.75997	0.76000	1.84928
2013	8.10000	0.14882	0.01667	0.04000	0.20082	0.75997	0.76000	1.74601

Source: Linn County Auditor's Office

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

City Direct Rates			Overlapping rates			
Debt Levy	Bus	Total Direct	C.R. Community School	College Community Schools	Linn Mar Community Schools	Marion Independent Schools
1.70746	0.66414	13.06777	15.36838	14.73088	16.89647	17.81127
1.74268	0.63481	13.11797	15.74784	15.11410	17.76825	16.82045
1.88100	0.63481	13.83038	15.25042	15.21947	17.99931	16.81459
1.81846	0.63481	14.38608	14.90212	17.33321	18.81657	16.80183
1.89848	0.63481	14.61610	14.37481	17.33382	19.39588	16.80516
1.95000	0.75377	15.07076	13.78107	16.84626	20.40133	15.31689
2.28224	0.78458	15.21621	13.91816	17.21168	20.22951	15.31673
2.46954	0.82438	15.21621	15.17046	17.20361	19.73839	16.30509
2.47979	0.82438	15.21621	15.16034	16.55788	18.54161	16.95941
2.63605	0.80787	15.21621	15.16089	15.80308	17.73099	17.06215



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	205,114,282	1	32.52%			
ADM Corn Processing	132,850,298	2	21.06%	97,435,210	1	22.84%
Aegon USA	69,059,256	3	10.95%	47,320,121	5	11.09%
International Paper	50,752,891	4	8.05%			
Rockwell International	37,466,066	5	5.94%	51,261,047	3	12.02%
SDG Macerich Properties (Lindale Mall)	35,412,858	6	5.61%	40,159,489	6	9.42%
Hy-Vee Food Stores	25,654,390	7	4.07%	20,198,376	10	4.74%
Pepsi Co.	25,402,678	8	4.03%			
Casey's Marketing Co.	25,221,884	9	4.00%			
St Luke's Hospital & Clinics	23,893,584	10	3.79%			
HNW Associates (Westdale Mall)				50,385,542	4	11.81%
McLeodUSA Inc.				51,555,156	2	12.09%
PMX Industries, Inc.				25,840,293	7	6.06%
MCI Telecommunications Corporation				21,466,017	8	5.03%
Iowa Land and Building Company				20,892,653	9	4.90%
Total	<u>\$ 630,828,187</u>		<u>100.00%</u>	<u>\$426,513,904</u>		<u>100.00%</u>

Source: Linn County Auditor's Office

City of Cedar Rapids, Iowa

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

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2003	2002	64,140,778	63,942,346	99.69%
2004	2003	66,627,836	64,146,360	96.28%
2005	2004	69,200,064	68,926,266	99.60%
2006	2005	76,325,964	74,595,380	97.73%
2007	2006	79,669,807	78,598,114	98.65%
2008	2007	82,125,293	80,915,930	98.53%
2009	2008	85,572,337	85,349,775	99.74%
2010	2009	89,523,688	86,730,554	96.88%
2011	2010	86,841,975	83,845,156	96.55%
2012	2011	88,256,530	85,851,562	97.28%
2013	2012	96,206,027	93,008,191	96.68%

Source: Linn County Auditor's Office

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

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
917,683	64,860,029	101.12%
268,716	64,415,076	96.68%
591,755	69,518,021	100.46%
(80,354)	74,515,026	97.63%
110,973	78,709,087	98.79%
(180,942)	80,734,988	98.31%
835,090	86,184,865	100.72%
1,419,389	88,149,943	98.47%
971,955	84,817,111	97.67%
907,947	86,759,509	98.30%
727,055	93,735,246	97.43%

City of Cedar Rapids, Iowa

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

Fiscal Year	Governmental Activities		Net General Bonded Debt	Percentage of Actual Property Value ¹	Debt Per Capita ²
	General Obligation Bonds	Less Amount Available in Debt Service			
2004	97,605,580	3,017,892	94,587,688	1.42%	783
2005	104,255,774	2,674,063	101,581,711	1.44%	841
2006	106,482,574	2,864,262	103,618,312	1.47%	858
2007	132,865,974	29,354,194	103,511,780	1.38%	857
2008	124,047,916	20,418,788	103,629,128	1.31%	858
2009	138,605,532	13,028,667	125,576,865	1.54%	1,040
2010	148,625,511	4,782,670	143,842,841	1.69%	1,191
2011	162,178,361	5,187,825	156,990,536	1.81%	1,300
2012	172,209,200	4,664,444	167,544,756	1.93%	1,326
2013	167,619,698	2,881,794	164,737,904	1.89%	1,304

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

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

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

Business-type Activites				
General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capital	Per Capita
143,195,420	-	237,783,108	0.05%	120,758
144,581,176	-	246,162,887	0.05%	120,758
140,910,776	-	244,529,088	0.05%	120,758
181,212,276	-	284,724,056	0.04%	120,758
165,816,081	-	269,445,209	0.04%	120,758
142,470,271	-	268,047,136	0.05%	120,758
118,619,423	38,015,000	300,477,264	0.04%	120,758
112,907,013	43,065,000	312,962,549	0.04%	120,758
160,207,731	47,260,000	375,012,487	0.03%	126,326
174,024,270	57,845,000	396,607,174	0.03%	126,326



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2013
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	23,500,000	80.71%	18,966,850
College Community School District	71,040,000	67.49%	47,944,896
Kirkwood Community College	114,655,000	27.81%	31,885,556
Linn Mar Community School District	42,260,000	37.83%	15,986,958
Linn County	19,630,000	60.98%	11,970,374
Marion Community School District	10,345,000	6.21%	642,425
Subtotal, overlapping debt	281,430,000		127,397,058
City Direct Debt	164,306,334	100.00%	164,306,334
Total direct and overlapping debt	445,736,334		291,703,392

Source: Linn County Auditor's Office

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

City of Cedar Rapids, Iowa

Legal Debt Margin Information (in millions)

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2004	2005	2006	2007
Debt limit	343,152,268	367,235,948	375,359,758	396,235,775
Total net debt applicable to limit	250,985,000	257,235,000	252,140,000	320,010,000
Legal debt margin	92,167,268	110,000,948	123,219,758	76,225,775
Total net debt applicable to the limit as a percentage of debt limit	73.14%	70.05%	67.17%	80.76%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u>9,356,851,531</u>
Debt limit (5% of assessed value)	<u>467,842,577</u>
Debt applicable to limit:	
General obligation bonds	<u>341,480,000</u>
Legal debt margin	<u>\$ 126,362,577</u>

2008	2009	2010	2011	2012	2013
406,784,256	424,873,705	434,010,014	433,321,494	453,233,516	467,842,577
<u>255,595,000</u>	<u>264,425,000</u>	<u>274,705,000</u>	<u>282,045,000</u>	<u>337,485,000</u>	<u>341,480,000</u>
<u>151,189,256</u>	<u>160,448,705</u>	<u>159,305,014</u>	<u>151,276,494</u>	<u>115,748,516</u>	<u>126,362,577</u>
62.83%	62.24%	63.29%	65.09%	74.46%	72.99%

City of Cedar Rapids, Iowa

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Revenue Bonds					
	Utility Charges	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	2,913,465	3,510,880	(597,415)	820,000	20,711	(1,438,126)
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	67,405,284	51,460,279	15,945,005	38,015,000	19,733,802	(41,803,797)
2011	71,691,652	53,496,214	18,195,438	43,065,000	21,290,935	(46,160,497)
2012	74,545,987	54,261,534	20,284,453	47,260,000	21,626,324	(48,601,871)
2013	74,724,031	55,606,686	19,117,345	57,845,000	24,315,472	(63,043,127)

City of Cedar Rapids, Iowa

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Household Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)		Unemployment Rate (4)
					Public	Private	
2004	120,758	54,865	29,231	36.38	17,125	2,757	4.8
2005	120,758	55,100	29,433	36.54	17,051	2,905	4.4
2006	120,758	56,770	29,862	36.73	17,237	2,956	3.7
2007	120,758	52,419	28,169	36.76	17,263	3,197	3.8
2008	120,758	57,609	29,532	36.83	16,838	3,399	3.9
2009	120,758	57,262	29,640	36.94	16,386	2,568	6.0
2010	120,758	57,082	29,208	36.92	16,392	2,778	6.2
2011	126,326	56,609	29,016	36.92	16,397	2,262	6.0
2012	126,326	55,874	29,065	36.92	15,761	2,906	4.9
2013	126,326	57,222	28,967	35.3	16,728	2,672	4.2

Note: The demographic statistic is being added to the report

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



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8700	1	4.95%	7162	1	4.48%
Transamerica	3872	2	2.20%	2632	4	1.65%
St. Luke's Hospital	3184	3	1.81%	2400	5	1.50%
Cedar Rapids Community School District	2936	4	1.67%	2860	3	1.79%
Mercy Medical Center	2312	5	1.31%	2862	2	1.79%
Kirkwood Community College	1895	6	1.08%			0.00%
City of Cedar Rapids	1311	7	0.75%	1700	8	1.06%
Nordstrom Direct	1200	8	0.68%			0.00%
Quaker Foods and Snacks	1018	9	0.58%			0.00%
Linn-Mar Community School District	954	10	0.54%			0.00%
Amana Refrigeration Products				2300	6	1.44%
Alliant Energy				1650	10	1.03%
MCI				1880	7	1.18%
Hy-Vee Food Stores				1691	9	1.06%

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

Source: Priority One Cedar Rapids Largest Employers List

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

City of Cedar Rapids, Iowa

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

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2013	2012	2011	2010	2009
General Government:					
Animal Control	9.00	9.00	9.00	9.00	9.00
Attorney	6.00	6.00	6.00	6.00	6.00
Aviation	-	-	-	-	-
Code Enforcement	33.00	33.00	41.17	45.17	38.00
City Manager	18.75	9.75	10.00	8.00	7.00
Civil Rights	5.00	5.00	5.00	5.00	6.00
Clerk	5.50	6.00	6.00	6.00	6.00
Community Development	12.00	11.00	13.00	13.00	12.00
Council and Mayor	4.33	4.33	4.33	4.33	3.33
Public Works	162.25	163.25	162.00	157.00	149.00
Facilities Management	-	-	-	-	-
Finance	41.00	41.00	42.00	37.00	35.00
Fire Department	149.54	149.54	149.29	142.29	142.29
Human Resource	15.63	15.63	15.63	15.63	14.00
Information Technology	31.00	31.00	31.00	30.00	15.00
Library	48.36	46.86	47.36	50.54	53.30
Memorial	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	115.45	113.05	113.04	113.61	120.41
Police Department	229.00	229.00	227.00	227.00	227.00
Purchasing Services	4.75	4.75	3.75	3.75	3.75
Riverfront	-	-	-	-	-
Treasurer	-	-	-	-	-
Ushers Ferry	-	-	-	-	-
Positions to Eliminate	-	-	-	-	-
Total General Fund	899.97	887.57	894.98	882.73	856.49
Enterprise Funds					
Eastern Iowa Airport	40.50	39.50	42.00	41.00	45.00
Golf	30.83	31.04	30.59	30.66	30.86
Five Seasons Parking	6.00	10.52	10.52	13.52	17.52
Sewer Maintenance	29.35	29.35	33.00	31.00	29.00
Solid Waste & Recycling	55.54	57.84	66.30	56.30	57.40
Transit	55.00	55.00	51.00	51.75	51.75
Water Department	105.50	105.50	105.50	106.50	104.50
Water Pollution Control	88.00	88.32	88.32	87.32	86.98
Total Enterprise Funds	410.72	417.07	427.23	418.05	423.01
Special Revenue Fund					
H.O.M.E./CD	6.00	6.00	6.00	6.00	6.00
Leased Housing	14.75	14.75	12.00	12.00	12.50
Library	4.73	5.12	5.12	5.12	5.12
SSMID	-	-	-	-	-
Real Estate Disposal	1.00	1.00	1.00	1.00	-
Total Special Revenue Funds	26.48	26.87	24.12	24.12	23.62
Internal Service Funds					
Joint Communications	27.00	27.00	27.00	27.00	22.00
Facilities Maintenance	25.00	29.00	29.00	29.00	29.00
Fleet Maintenance	38.00	38.00	42.00	42.00	42.00
Total Internal Service Funds	90.00	94.00	98.00	98.00	93.00
Total FTE's	1,427.17	1,425.51	1,444.33	1,422.90	1,396.12

Source: City's Finance Department Budget

Full-Time Equivalent Employees as of June 30				
2008	2007	2006	2005	2004
9.00	10.00	10.00	10.00	10.00
6.00	6.00	6.00	6.00	6.00
-	3.00	3.00	3.00	3.00
23.00	24.00	23.00	24.00	24.00
6.00	5.00	-	-	-
5.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
21.75	21.75	20.75	21.25	21.25
3.33	3.33	13.10	13.10	13.10
182.36	183.36	183.36	196.06	205.08
1.00	1.00	1.00	1.00	1.00
13.00	13.00	13.00	13.00	14.00
154.29	154.00	153.00	154.00	155.00
13.75	14.75	14.75	15.00	16.00
14.00	14.00	13.00	14.00	15.00
52.19	57.19	57.19	57.19	59.69
9.41	9.41	9.41	9.41	9.41
123.59	125.41	128.18	128.70	125.33
239.00	239.00	239.00	239.00	238.00
3.75	3.75	3.75	3.38	3.38
-	-	1.27	4.25	4.74
4.00	4.00	4.00	4.00	4.00
4.19	4.81	4.67	4.67	4.67
(34.00)	-	-	-	-
860.61	907.76	912.43	932.01	943.65
45.00	45.00	46.00	45.00	52.00
37.68	36.19	37.41	38.34	36.78
30.52	31.02	33.02	33.02	34.78
29.00	27.00	27.00	27.00	28.00
58.80	58.80	61.00	61.00	63.00
68.50	72.25	72.25	72.25	72.25
115.50	117.50	117.50	117.50	117.50
89.48	89.48	89.48	83.48	83.48
474.48	477.24	483.66	477.59	487.79
6.00	6.00	6.00	6.00	5.00
13.00	13.00	13.00	13.00	13.00
5.12	5.12	5.12	5.00	5.50
-	2.00	2.00	2.00	2.00
-	-	-	-	-
24.12	26.12	26.12	26.00	25.50
23.00	22.00	22.00	22.00	24.00
10.25	10.25	10.25	10.25	10.25
-	-	-	-	-
33.25	32.25	32.25	32.25	34.25
1,392.46	1,443.37	1,454.46	1,467.85	1,491.19

City of Cedar Rapids, Iowa

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

Function/Program	2004	2005	2006	2007
Police:				
Calls for service	110,169	113,496	89,459	86,973 (1)
Adult arrest	8,919	8,932	6,662	6,583 (1)
Juvenile arrest	1,092	1,171	1,075	1,205 (1)
Speeding citations	7,570	7,922	7,763	3,233 (1)
Traffic citations	21,541	21,193	23,285	17,539 (1)
Fire:				
Total fire runs	3,720	3,691	3,572	3,192 (1)
Total rescue runs	3,923	4,410	4,858	3,988 (1)
Property loss	3,216,753	3,630,392	2,757,297	2,862,367 (1)
Building Safety:				
Total building permits	7,018	6,092	5,694	4,275 (1)
Total value all permits	153,813,966	173,012,680	191,227,753	238,236,142 (1)
Library, volumes in collection	292,951	304,212	290,524	297,680
Public Service:				
Garbage collected (ton)	19,957	19,870	19,920	20,050
Recycling collected (ton)	8,705	8,834	9,045	9,174
Yard Waste collected (ton)	13,316	12,993	12,864	13,876
Parks and Recreation:				
Recreation program attendance (2)	235,152	222,345	252,507	237,954
Aquatics program attendance (2)	273,749	230,504	302,291	264,749
Golf rounds played	155,654	162,542	138,171	113,732
Bever Park Zoo attendance	33,120	51,800	17,787	40,082
Street trees maintained	9,234	8,357	4,710	4,845

Source: Various City departments

Notes: (1) Jan - Sept 2007

2008	2009	2010	2011	2012	2013
128,802	124,090	118,547	124,416	125,525	128,352
8,142	8,548	8,379	8,786	7,585	8,133
1,454	1,303	1,124	1,175	1,161	1,131
3,917	3,296	3,268	1,679	1,913	1,952
16,464	15,420	12,163	11,809	12,644	10,303
4,035	3,377	4,128	4,386	4,526	4,944
5,068	5,024	5,166	5,376	5,722	5,182
1,274,613	2,828,217	6,523,396	3,602,446	4,994,408	1,562,885
5,092	12,690	5,887	6,372	6,471	4,822
295,815,305	289,212,117	197,580,294	243,569,602	267,908,682	130,622
294,291	88,407	105,676	103,182	102,078	94,268
20,144	19,416	19,701	19,201	18,529	18,695
9,405	8,534	8,669	8,059	8,302	7,967
15,674	14,380	14,709	14,326	13,027	12,128
115,147	88,950	100,181	109,050	142,358	162,789
232,984	245,990	241,955	247,856	264,246	228,649
101,337	107,120	107,725	107,264	123,225	102,493
36,547	44,517	36,656	35,027	41,465	46,415
8,679	9,925	4,500	4,316	4,644	5,258

City of Cedar Rapids, Iowa

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

Function/Program	2004	2005	2006
Police:			
Stations	1	1	1
Fire, Fire Stations	9	9	9
Refuse Collections:			
Collection Trucks	48	48	49
Street (Miles)	631	631	631
Parks and Recreation:			
Acreage	4,040	4,040	4,040
Parks	95	95	96
Golf Courses	4	4	4
Swimming Pools	6	6	6
Baseball/Softball Diamonds	37	37	37
Soccer/Football Fields	32	32	32
Tennis Courts	22	22	22
Recreation Centers	2	2	2
Library:			
Facilities	2	2	2
Volumes	292,951	304,212	290,524
Water:			
Storage Capacity (MGPD)	25	25	25
Average Daily Consumption (MGPD)	37	37	38
Peak Consumption (MGPD)	50	49	52
Wastewater:			
Sanitary Sewers (miles)	632	649	653
Storm Sewers (miles)	280	296	304

Source: Various City departments

2007	2008	2009	2010	2011	2012	2013
1	1	1	1	1	1	1
9	9	9	9	9	9	9
42	43	51	55	59	54	55
650	650	618	622	626	626	627
4,040	4,042	4,042	4,042	4,042	4,171	4,171
96	96	96	96	96	96	96
4	4	4	4	4	4	4
6	6	6	6	6	6	6
37	37	37	37	37	37	37
32	32	32	32	32	32	34
22	23	23	23	23	23	23
2	1	1	1	1	1	1
2	2	2	2	2	2	2
297,680	294,291	88,407	105,676	103,182	102,078	94,268
25	25	25	25	25	25	25
38	38	35	35	36	39	38
47	44	38	43	39	54	50
660	660	669	670	673	678	678
404	409	412	458	497	497	505



CEDAR RAPIDS

City of Five Seasons®

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED JUNE, 30, 2013

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Agriculture:				
Iowa Department of Public Health:				
WIC Grant	10.557	588-1P-101	37,500	\$ 26,859
FSNE Grant	10.561	588-1P-101	42,000	20,458
				<u>47,317</u>
Total U.S. Department of Agriculture				<u>47,317</u>
U.S. Department of Commerce:				
Direct:				
Economic Development Administration	11.307	05-79-04949	35,000,000	16,814,451
Economic Development Administration	11.307	05-79-04926	2,463,600	973,725
				<u>17,788,176</u>
Total U.S. Department of Commerce				<u>17,788,176</u>
U.S. Department of Housing and Urban Development:				
Direct:				
Community Development Block Grant	14.218	B-10/11/12-MC-190001	3,680,758	1,045,819
ARRA - Community Development Block - Recovery	14.253	B-09-MY-19-0001	350,616	16,016
HOME	14.239	B-11/12-MC-19-0204	816,378	352,423
CDG - Neighborhood Stabilization	14.256	08-NSP-020	1,193,337	55,617
Fair Housing Assistance Program	14.401	FF207K107012	32,225	32,225
	14.401	N/A	100,000	45,713
Leased Housing Authority Grant	14.871	IA024VO	5,903,915	5,903,915
				<u>7,451,728</u>
Iowa Department of Economic Development:				
Community Development Block Grant - Business Disaster Recovery	14.228	08-DRBSC-201	16,000,000	5,965,549
	14.228	08-DRB-201	71,010,321	5,087,707
Community Development Block Grant - Housing Disaster Recovery	14.228	08-DRH-208	51,485,393	3,255,961
	14.228	08-DRH-008	43,853,271	6,171,677
Community Development Block Grant - Disaster Recovery Infrastructure	14.228	08-DRI-213CR	6,495,400	101,436
	14.228	08-DRI-216CR	8,922,700	4,673,208
	14.228	08-DRIEF-297	7,370,000	1,953,583
	14.228	08-DRIEF-200CR	9,085,000	35,438
	14.228	08-DRIEF-293	395,285	27,888
Community Development Block Grant - Property Acquisition	14.228	08-DRHB-229	147,759,190	19,927,456
	14.228	08-DRMH-263	1,227,879	13,268
	14.228	08-DRPG-206	50,000	45,710
	14.228	08-DRI106-201	303,500	21,082
				<u>47,279,963</u>
Total U.S. Department of Housing and Urban Development				<u>54,731,691</u>
U.S. Department of Justice:				
Direct:				
COPS Universal Hiring Award	16.710	2009CKWX0059	135,000	19,507
	16.710	2010CKWX0197	300,000	300,000
	16.710	2010UMWX0098	235,132	77,595
				<u>397,102</u>
Governor's Office				
Interdiction	16.710	10-HotSpots/Interdiction-06	16,000	13,558
Linn County, Iowa:				
EUDL	16.727	JB-F09-06	10,000	1,592
JAG	16.738	2009-SB-B9-3372	185,724	8,411
	16.738	2011-H3265-IA-DJ	74,116	31,766
	16.738	2012-H1075-IA-DJ	56,436	27,311
				<u>69,080</u>
Iowa Department of Public Safety:				
ARRA - Internet Crimes Against Children	16.543	N/A		421
Equitable Sharing Program	16.922	N/A		16,768
Total U.S. Department of Justice				<u>496,929</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2013

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Transportation:				
Direct:				
Airport Improvement Program	20.106	3-19-0012-43	663,831	396,165
	20.106	3-19-0012-44	6,442,013	5,391,579
	20.106	3-19-0012-45	1,500,000	1,350,000
Bus Department Grants	20.500	IA-03-0096-00	9,049,069	407,616
	20.507	IA-90-X391-00	2,574,332	2,574,332
	20.507	IA-95-X015-00	658,410	658,410
	20.525	IA-04-0119-00	1,468,000	1,468,000
				<u>12,246,102</u>
Iowa Department of Transportation:				
Highway Planning and Construction	20.205	STP-A-1187(750)--86-57	252,000	16,123
	20.205	BRM-1187(665)--8N-57	1,500,000	22,351
	20.205	SRTS-U-1187(746)-8U-57	67,011	882
	20.205	SRTS-U-1187(755)-8U-57	132,353	62,435
	20.205	SRTS-U-1187(762)--8U-57	72,719	5,915
	20.205	SRTS-U-1187(756)--8U-57	117,220	111,374
	20.205	STP-U-1187(685)--70-57	864,000	16,334
	20.205	STP-U-1187(708)--70-57	753,000	13,650
	20.205	HDP-1187(689)--71-57	750,000	42,700
	20.205	NHSX-100-1(56)--8S-57	1,134,194	70,728
	20.205	NHSX-100-1(59)--3H-57	2,318,849	71,910
Bus Department Grants	20.513	IA-16-X002-118-13	85,432	85,432
	20.516	IA-37-X022-118-12	205,458	42,909
	20.516	IA-37-X022-118-13	294,963	172,639
	20.521	IA-57-X001-118-12	68,746	9,272
	20.521	IA-57-X008-118-13	59,820	47,808
	20.521	IA-57-X009-118-13	64,868	34,228
				<u>826,690</u>
Iowa Department of Public Safety:				
Alcohol Incentive Grant	20.600	12-410, Task 14	38,100	10,164
	20.600	13-410, Task 10	38,625	26,280
				<u>36,444</u>
Total U.S. Department of Transportation				<u>13,109,236</u>
Institute of Museum and Library Services				
National Leadership Grant	45.312	CL-00-10-0004-10	500,000	219,760
Total Institute of Museum and Library Services				<u>219,760</u>
U.S. Department of Energy:				
Direct:				
ARRA - Energy Efficiency Conservative Block Grant	81.128	DE-SC0002598	1,290,900	125,078
Office of Energy Independence:				
ARRA - Energy Efficiency Conservative Block Grant	81.128	SEP 11-47113	174,000	154,539
Total U.S. Department of Energy				<u>279,617</u>
U.S. Department of Health and Human Services:				
Iowa Department of Public Health:				
Disease Control & Prevention Grants	93.283	588-1P-101	20,400	17,269
Drug Abuse Information Grant	93.959	588-1P-101	284,000	273,217
STD Grant	93.977	588-1P-101	3,068	3,068
Diabetes	93.988	588-1P-101	984	791
Dental Grant	93.994	588-1P-101	14,567	14,566
				<u>308,911</u>
Division of Health Protection:				
Health Protection Grant/Immunization	93.268	588-1P-101	22,941	22,941
Health Protection Grant/Immunization	93.940/93.917	588-1P-101	5,000	1,520
				<u>24,461</u>
Total U.S. Department of Health and Human Services				<u>333,372</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2013

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Homeland Security:				
Iowa Homeland Security & Emergency Management:				
State Homeland Security Program	97.067	FY 2010	182,575	82,772
	97.067	FY 2011	200,000	194,689
	97.067	FY 2012	113,925	23,200
	97.067	Dayton, Iowa	5,686	5,686
	97.067	Iowa Flooding	18,449	18,449
	97.067	Bomb Squad	245,000	<u>215,063</u>
				<u>539,859</u>
Iowa Department of Economic Development:				
FEMA	97.036	FEMA-IA-DR1763	317,795,127	59,602,199
Hazard Mitigation Grant Program	97.039	HMGP-DR-1763-0063-01	7,438,879	39,803
	97.039	HMGP-DR-1763-0150-01	15,688,614	<u>1,558,033</u>
				<u>61,200,035</u>
Law Enforcement Officer Reimbursement Agreement				
	97.090	HSTS0208HSLR053	41,765	41,765
				<u>41,765</u>
Total U.S. Department of Homeland Security				<u>61,781,659</u>
Total Expenditures of Federal Awards				<u>\$ 148,787,757</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Cedar Rapids, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cedar Rapids, Iowa and the Eastern Iowa Airport, a discretely presented component unit for the year ended June 30, 2013. The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Cedar Rapids/Linn County Solid Waste Agency, a separately reported on discretely presented component unit. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to the revenue under the modified accrual basis for governmental funds and accrual basis for proprietary funds. Expenditures of federal awards are recognized in the accounting period when the liability is incurred for expenditures/expenses funded through federal awards.

Note 3. Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 234,567
Community Development Block Grant	14.228	16,360,333
HOME	14.239	116,555
Hazard Mitigation Grant Program	97.039	9,496

City of Cedar Rapids, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013**

Comment Number	Comment	Status	Corrective Action or Other Explanation
12-III-A	Inadequate system in place to accurately capture all the federal grant expenditures on the schedule of federal awards.	Corrected	Implemented procedures to improve timeliness of grant reconciliation.



CEDAR RAPIDS

City of Five Seasons®



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa (City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report includes a reference to other auditors who audited the financial statements of Cedar Rapids Public Library Foundation, a discretely presented component unit of the City, as described in our report on the City's financial statements. The financial statements of Cedar Rapids Public Library Foundation were not audited in accordance *Government Auditing Standards*.

The City of Cedar Rapids, Iowa's basic financial statements include the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit of the City. This report does not include the results of our testing of internal control over financial reporting and on compliance and other matters for the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit of the City, as these results are reported on separately by us.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Davenport, Iowa
December 20, 2013



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Scope

The City of Cedar Rapids, Iowa's basic financial statements include the operations of the Cedar Rapids/Linn County Solid Waste Agency (Solid Waste) and the Cedar Rapids Public Library Foundation (Foundation), discretely presented component units, and Courthouse II Parent, LLC and affiliated entities (Courthouse) and Paramount Theatre Manager LLC and affiliated entities (Paramount), blended component units. Our audit, described below, did not include the operations of Foundation, Courthouse or Paramount because they are not subject to the requirements described in OMB Circular A-133. Our audit, described below, does not include Solid Waste because it is reported in a separately issued financial and compliance report.

Report on Compliance for Each Major Federal Program

We have audited the City of Cedar Rapids, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Davenport, Iowa
December 20, 2013

City of Cedar Rapids, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

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: Unmodified

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
14.228	Community Development Block Grant
14.871	Vouchers Assistance Program
20.106	Airport Improvement Program

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

Auditee qualified as low-risk auditee?

Yes No

(Continued)

City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2013

II. Findings Related 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 Control

None reported

B. Compliance Findings

None reported

IV. Other Findings Related to Required Statutory Reporting

IV-A-13: Certified Budget: Expenditures for the year ended June 30, 2013 did not exceed the amount budgeted in any of the City's functions.

IV-B-13: Questionable Expenditures: We noted no expenditures for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as this is defined in the Attorney General's opinion dated April 25, 1979.

IV-C-13: Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-13: Business Transactions: No business transactions between the City and City officials or employees were noted.

IV-E-13: Bond Coverage: Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-F-13: Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-G-13: Deposits and Investments: We noted no instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.

IV-H-13: Revenue Notes: No instances of noncompliance with the outstanding revenue bonds provisions were noted.