



CITY OF CEDAR RAPIDS, IOWA



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014



About the Cover

Central Fire Station, 713 1st Avenue SE: The Central Fire Station is a 67,140 square-foot fire station that has leading-edge technology, training facilities and energy-efficient features. It was the first Central Fire Station in the United States to achieve Platinum LEED Certification – the top level for energy efficient buildings. The \$20 million building was funded with a Federal Emergency Management Agency Public Assistance Disaster Grant for \$15 million and an I-JOBS Grant for \$5 million.

The Central Fire Station has two distinct response functions. The Engine Company responds to emergency calls in the immediate area in and around downtown Cedar Rapids. The Truck Company and Rescue Unit, along with the Battalion Chiefs, need to respond to the entire City. This is why this central location with ready access to 1st Avenue and Interstate 380 was so important. There are specialty response vehicles and equipment that need to respond to a water or ice rescue or hazardous materials situation anywhere in the City – ideally within 8 minutes.

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF CEDAR RAPIDS, IOWA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

**PUBLISHED BY
FINANCE DEPARTMENT**

**CITY OF
CEDAR RAPIDS, IOWA**

CITY OF CEDAR RAPIDS, IOWA

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December 22, 2014

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, 2014 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 unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2014. 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 is finishing the rebuilding of its facilities and infrastructure that were damaged due to the flood. Overall, the community recovery costs are estimated to be \$5 billion dollars and it will take as long as 20 years to complete the demolition, reconstruction, and installation of adequate flood control system for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with finalizing 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 property buyouts and structures 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, City Services Building, Ground Transportation Center, and the Central Fire Station.

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 control system on both sides of the river which is currently estimated to cost \$570,430,000. The proposed flood control 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:

- The City was named a 2014 All-America City by the National Civic League (NCL). Each year, the NCL recognizes ten communities for outstanding civic accomplishments. To win, each community must demonstrate innovation, inclusiveness, civic engagement, and cross sector collaboration by describing successful efforts to address pressing local challenges.
- Cedar Rapids ranked #1 in Iowa for Top 100 Best Places to Live. The City was ranked 29th in the nation as a best place to live.
- Cedar Rapids ranked #9 for Top 10 Best Places to Retire 2013.

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: \$1,810,152,552

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 increased 0.3% to 4.5% for fiscal year ending 2014, which is slightly lower than the state unemployment rate of 4.6% and is lower than the national unemployment rate of 5.8% for the same time period.

The Cedar Rapids MSA mean household income in 2014 was \$57,520 as compared to \$57,222 in 2013. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2014 was approximately \$231.0 million. This compares with an amount of \$280.3 million for FY 2013. Although this amount represents a decrease of 17.6 percent from the previous fiscal year, \$213.0 million still represents 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 \$30.1 million or 76% 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, local option sales tax, 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 67 percent of its GO debt and over 64 percent of all debt within ten fiscal years. Moody's Investor Services rate the City's general obligation bonds Aa1 with a stable outlook. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base.

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 2014, 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 its health insurance and dental insurance in addition has purchased stop loss insurance to protect the health fund. Workers compensation is self-insured and does not use excess 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, 2014 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.

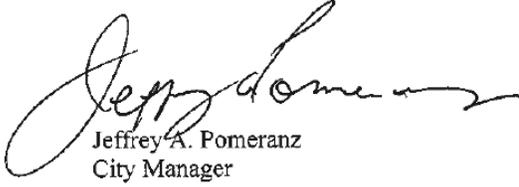
AWARDS AND ACKNOWLEDGEMENTS

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, 2013. This was the thirty-third 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 Finance Operations 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

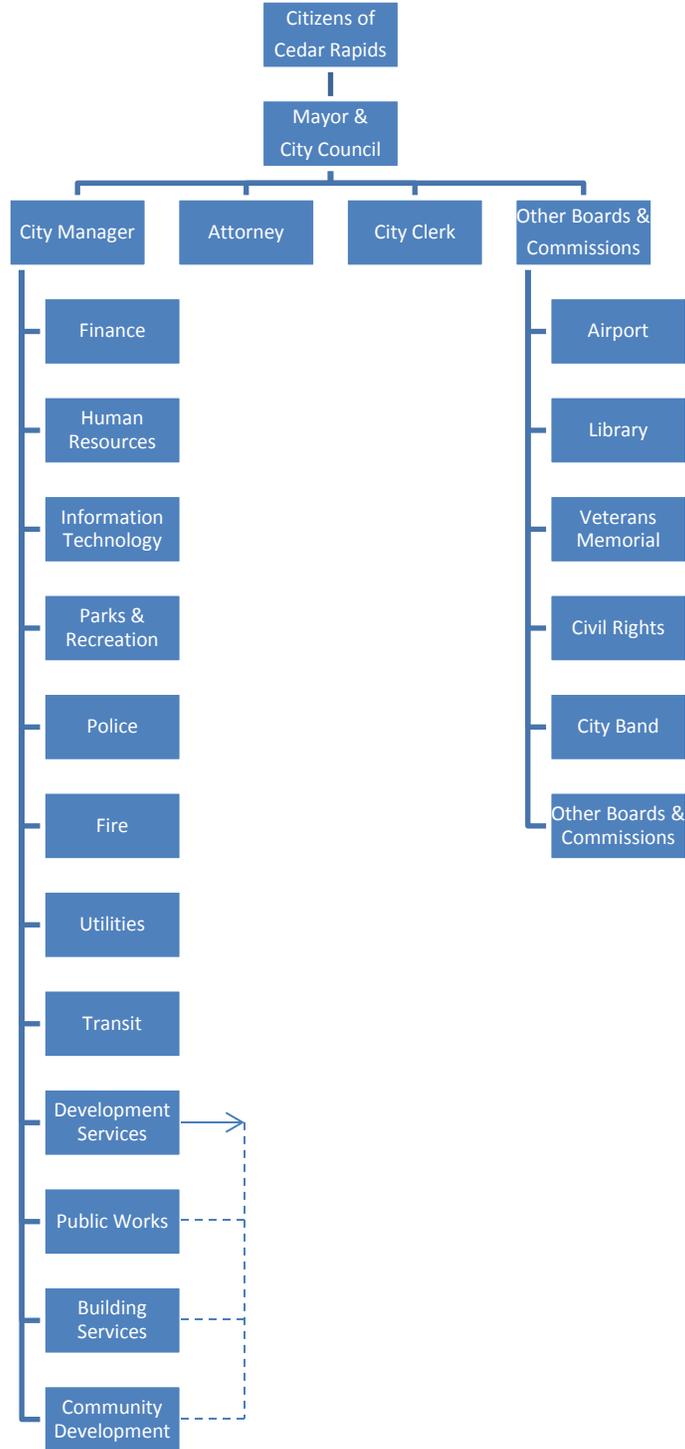
**City of Cedar Rapids
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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

Sussie Weinacht
At-Large

Ann Poe
At-Large

Ralph Russell
At-Large

Kris Gulick
District 1

Monica Vernon
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, 2014, 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 one of the discretely presented component units, Cedar Rapids Public Library Foundation, which represents 3 percent, 3 percent and 4 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 reports 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 City'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 City'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, 2014, 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 69-70 and the City of Cedar Rapids, Iowa retiree healthcare plan schedule of funding progress on page 72, 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. 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 22, 2014 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 22, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

Financial Highlights

- The assets of the City of Cedar Rapids exceeded its liabilities and deferred inflows of resources at the close of June 30, 2014, by \$1.0 billion (net position).
- The government's total assets increased by approximately \$84.3 million.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of \$101.3 million, which is an increase of 21.5% from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$38.5 million, or 33.3 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 2014 is \$28.2 million or 70.0% of total fund balance less nonspendable.
- Total debt increased by \$2.3 million during the current fiscal year. The City issued \$14.8 million of new general obligation bonds, issued \$1.8 million in notes payable, issued \$16.1 million of revenue bonds and retired \$30.4 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, and hotel. Included within others are a ground transportation system, parking system, solid waste management collection, storm sewer system, a theatre, 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, 2014 and 2013:

A condensed version of the Statement of Net Position as of June 30, 2014 and 2013 follows:

Table 1
Statement of Net Position
For Fiscal years Ending June 30, 2014 and 2013
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Cash and investments	\$ 164.1	\$ 119.8	\$ 76.0	\$ 74.0	\$ 240.1	\$ 193.8
Restricted assets	28.7	39.2	41.7	40.1	70.4	79.3
Other assets	146.2	175.5	23.2	22.7	169.4	198.2
Capital assets	660.5	597.0	538.9	526.7	1,199.4	1,123.7
Total assets	999.5	931.5	679.8	663.5	1,679.3	1,595.0
Other liabilities	99.7	111.2	35.6	40.8	135.3	152.0
Noncurrent liabilities	166.6	170.3	270.5	266.6	437.1	436.9
Total liabilities	266.3	281.5	306.1	307.4	572.4	588.9
Deferred inflows of resources	100.1	95.6	4.7	4.6	104.8	100.2
Net position:						
Net investment in capital assets	523.4	465.2	280.1	285.3	803.5	750.5
Restricted	46.4	22.6	-	-	46.4	22.6
Unrestricted	63.3	66.6	88.9	66.2	152.2	132.8
Total net position	\$ 633.1	\$ 554.4	\$ 369.0	\$ 351.5	\$1,002.1	\$ 905.9

Governmental Activities

Total net position increased \$78.7 million or 14.2 percent for fiscal year 2014. 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 \$17.5 million or 5.0 percent for fiscal year 2014. 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, 2014 and 2013:

A condensed version of the Statement of Activities as of June 30, 2014 and 2013 follows:

Table 2
Governmental and Business-type Activities
For Fiscal years Ending June 30, 2014 and 2013
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues						
Charges for services	\$ 40.2	\$ 35.1	\$ 111.1	\$ 94.5	\$ 151.3	\$ 129.6
Operating grants and contributions	55.3	79.5	3.9	3.8	59.2	83.3
Capital grants and contributions	61.6	64.4	9.4	29.8	71.0	94.2
General revenues:						
Property taxes	95.7	91.2	4.7	4.6	100.4	95.8
Hotel-Motel taxes	3.1	2.9	-	-	3.1	2.9
Local option sales taxes	18.5	17.9	-	-	18.5	17.9
Franchise taxes	7.0	3.9	-	-	7.0	3.9
Investment income	0.1	0.8	0.3	0.5	0.4	1.3
Total revenues	<u>281.5</u>	<u>295.7</u>	<u>129.4</u>	<u>133.2</u>	<u>410.9</u>	<u>428.9</u>
Expenses						
Public safety	62.8	64.6	-	-	62.8	64.6
Public works	42.0	43.3	-	-	42.0	43.3
Culture and recreation	19.3	21.8	-	-	19.3	21.8
Community and economic development	44.0	55.5	-	-	44.0	55.5
General government	22.1	10.8	-	-	22.1	10.8
Debt service	6.1	8.0	-	-	6.1	8.0
Water	-	-	27.9	27.0	27.9	27.0
Water pollution control	-	-	28.6	28.7	28.6	28.7
Sanitary sewer	-	-	7.1	8.4	7.1	8.4
U.S. cellular center	-	-	12.7	4.8	12.7	4.8
Doubletree by Hilton	-	-	10.3	3.2	10.3	3.2
Ground transportation system	-	-	9.0	9.2	9.0	9.2
Parking system	-	-	2.7	3.2	2.7	3.2
Solid waste management	-	-	9.6	10.0	9.6	10.0
Golf	-	-	3.4	3.3	3.4	3.3
Storm Sewer	-	-	1.5	-	1.5	-
Paramount theatre	-	-	4.0	1.1	4.0	1.1
Ice arena	-	-	1.6	1.7	1.6	1.7
Total expenses	<u>196.3</u>	<u>204.0</u>	<u>118.4</u>	<u>100.6</u>	<u>314.7</u>	<u>304.6</u>
Increase in net position before transfers	85.2	91.7	11.0	32.6	96.2	124.3
Transfers	<u>(6.5)</u>	<u>(24.3)</u>	<u>6.5</u>	<u>24.3</u>	<u>-</u>	<u>-</u>
Changes in net position	78.7	67.4	17.5	56.9	96.2	124.3
Beginning net position	554.4	487.0	351.5	294.6	905.9	781.6
Ending net position	<u>\$ 633.1</u>	<u>\$ 554.4</u>	<u>\$ 369.0</u>	<u>\$ 351.5</u>	<u>\$1,002.1</u>	<u>\$ 905.9</u>

Governmental Activities

Charges for services make up 14.3 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 41.5 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes & one-percent local option sales tax.

Business-type Activities

As expected, charges for services are the primary revenue source for business-type activities. Water fees, wastewater fees and sanitary sewer charges are the primary charges for services that make up 67.0 percent of charges for services. Operating and capital grants only make up 10.3 percent of overall revenue, grants for ground transportation system and sanitary sewer projects make up 66.2 percent of that 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 nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General fund, Infrastructure Construction fund, and Flood fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The General Fund revenues increased \$7.1 million and expenditures increased \$6.4 million over the prior year thus resulting in an increase in the change in fund balance of \$0.6 million in the past two fiscal years. Property tax revenue increased \$0.8 million or 1.7 percent due to property tax valuations increasing 1.16% to \$5.8 billion. Franchise tax revenue increased \$3.0 million or 76.7 percent due to the increase in franchise tax fees from 1 percent to 2 percent over the prior fiscal year. Personal services also increased \$3.4 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 2013 to 2014 from 26.12% to 30.12% 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 \$28.2 million and is 70% of total fund balance, less nonspendable fund balance. Infrastructure Construction Fund expenditures decreased by \$1.0 million or 5.2 percent due to decrease in streets improvements. Revenue increased in the Infrastructure Construction Fund by \$5.9 million, resulting in a decrease in fund balance of \$4.7 million as compared to a decrease of \$4.2 million in the prior year. The Flood Fund had a increase in fund balance of \$0.3 million, although the fund still has a negative fund balance of \$23.4 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, 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, and DoubleTree by Hilton as these are considered major funds of the City. Data from the other seven enterprise funds are combined into a single aggregate presentation. Individual fund data for each of the non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All Internal Service funds are combined into a single aggregate presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in this report.

Water operating revenues increased 2.6 percent over the prior year while operating expenses increased 8.1 percent thus maintaining net operating income at \$10.0 million the past two fiscal years. The change in net position increased \$7.2 million. Water Pollution Control's change in net position increased in the current year by \$0.4 million as compared to a decrease of \$10.7 million in fiscal year 2013. In the prior year the decrease was 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. That amount in fiscal year 2014 was only 0.5 million. Sanitary Sewer's change in net position is \$4.3 million compared to an increase of \$5.3 million in fiscal year 2013 mainly due to a decrease in charges for services of \$2.7 million. In fiscal year 2013 the City set up a storm sewer fund to track these revenues and expenses separately, and fiscal year 2014 was the first complete year of the new fund.

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 \$103.2 million to a total of \$604.7 million. This represented a 20.6 percent increase. Capital projects increased \$71.5 million mainly due to increase in public works storm sewer infrastructure projects and building of new fire station. In addition, capital improvements related to flood increased \$63.9 million which represented the completion of project and programs related to the 2008 flood. Business-type budget expenditures increased \$20.5 million due construction of the parking ramp and adding operating budget for convention center complex. Budgetary comparison can be found on pages 71-72 of this report.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2014, the City had invested \$1.2 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 126.9	\$ 130.2	\$ 21.9	\$ 21.8	\$ 148.8	\$ 152.0
Building and structures	106.4	42.9	218.1	208.7	324.5	251.6
Improvements other than buildings	288.3	281.8	257.0	254.8	545.3	536.6
Machinery and equipment	28.9	27.7	12.1	11.9	41.0	39.6
Construction in progress	110.0	114.4	29.8	29.5	139.8	143.9
Total	<u>\$ 660.5</u>	<u>\$ 597.0</u>	<u>\$ 538.9</u>	<u>\$ 526.7</u>	<u>\$ 1,199.4</u>	<u>\$ 1,123.7</u>

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is \$660.5 million that represents a 10.6 percent increase. For business type activities the amount is \$538.9 million that is a 2.3 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	
	2014	2013	2014	2013	2014	2013
Beginning Balance	\$ 597.0	\$ 513.4	\$ 526.7	\$ 405.0	\$ 1,123.7	\$ 918.4
Additions	91.4	134.9	32.8	139.8	124.2	274.7
Retirement	(10.8)	(34.2)	(2.2)	(8.9)	(13.0)	(43.1)
Depreciation, net	(17.1)	(17.1)	(18.4)	(9.2)	(35.5)	(26.3)
Ending Balance	<u>\$ 660.5</u>	<u>\$ 597.0</u>	<u>\$ 538.9</u>	<u>\$ 526.7</u>	<u>\$ 1,199.4</u>	<u>\$ 1,123.7</u>

Governmental Activities

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

- Flood recovery purchases, \$63.5 million or 69.4% of total additions
- Street Improvements, \$19.5 million or 21.1% of total additions
- Acquisition of flood damaged properties, \$2.9 million or 3.2% of total additions
- Fleet purchases \$2.2 million or 2.4% of total additions

Business-type Activities

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

- Improvements at Water Distribution plant, \$7.9 million or 24.0% of total additions
- Improvements at Water Pollution Control plant, \$3.8 million or 11.7% of total additions
- Sanitary Sewer improvements, \$7.6 million or 23.2% of total additions
- Construction of the South Parking Ramp, \$7.4 million or 22.6% 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 \$447.7 million as compared to \$445.4 million last fiscal year. The increase is due to the City issuing \$14.8 million of new general obligation bonds, \$1.8 million of notes payable and \$16.1 million of revenue bonds. Of the total debt outstanding, \$330.9 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	
	2014	2013
Governmental		
General obligation	\$ 162.6	\$ 167.6
Business-type		
General obligation		
Abated by:		
Water	28.0	32.1
Water Pollution Control	26.8	30.5
Sanitary Sewer	13.7	15.2
U.S. Cellular Center	46.0	42.5
Doubletree by Hilton	46.3	46.3
Other	7.2	7.3
Sub-totals	<u>168.0</u>	<u>173.9</u>
Notes Payable		
Abated by:		
Water	31.6	33.3
Water Pollution Control	13.5	12.3
Other	0.2	0.4
Sub-totals	<u>45.3</u>	<u>46.0</u>
Revenue		
Abated by:		
Water	36.9	33.7
Water Pollution Control	25.8	20.0
Sanitary Sewer	9.1	4.2
Sub-totals	<u>71.8</u>	<u>57.9</u>
Totals	<u>\$ 447.7</u>	<u>\$ 445.4</u>

Moody's Investor Services rated the City's general obligation bonds Aa1 with a stable 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 increased 0.3% to 4.5% for fiscal year ending 2014, which is slightly lower than the state unemployment rate of 4.6% and is lower than the national unemployment rate of 5.8% for the same time period.

The Cedar Rapids MSA mean household income in 2014 was \$57,520 as compared to \$57,222 in 2013. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2014 was approximately \$231.0 million. This compares with an amount of \$280.3 million for FY 2013. Although this amount represents a decrease of 17.6 percent from the previous fiscal year, \$231.0 million still represents one of the higher years of total value of building permits in the last ten years.

Next Year's Budget and Rates

Approximately 71.8 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 \$2.7 million or an increase of 3.4 percent.

Water, Sewer and Solid Waste fees combined are expected to increase approximately 3.6 percent in fiscal year 2015 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 \$30.36 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, 2014**

	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	\$ 164,095,798	\$ 75,984,078	\$ 240,079,876	\$ 19,566	\$ 3,386,567	\$ 5,594,462
Receivables:						
Taxes	104,438,162	4,772,546	109,210,708	-	-	-
Accounts and unbilled usage, net	-	-	-	-	-	-
\$4,416,252 of allowance for doubtful accounts	9,495,829	11,172,972	20,668,801	885,013	640,031	1,456,660
Special assessments	3,335,339	-	3,335,339	-	-	-
Interest	484,607	380,384	864,991	-	19,767	-
Internal balances, net	(3,540,173)	3,540,173	-	-	-	-
Due from primary government	-	-	-	44,933,890	-	-
Due from other governments	25,238,248	2,041,523	27,279,771	1,665,816	406,015	-
Inventories	789,998	823,949	1,613,947	-	-	-
Land held for resale	1,478,044	-	1,478,044	-	-	-
Prepaid items	1,708,928	208,223	1,917,151	3,000	121,628	2,461
Other assets	78,276	260,350	338,626	-	-	-
Total current assets	<u>307,603,056</u>	<u>99,184,198</u>	<u>406,787,254</u>	<u>47,507,285</u>	<u>4,574,008</u>	<u>7,053,583</u>
Noncurrent assets:						
Restricted cash and investments	28,691,799	41,705,533	70,397,332	-	19,898,028	-
Notes receivable	2,673,342	-	2,673,342	-	-	-
Land	126,875,698	21,920,293	148,795,991	8,938,208	5,872,991	-
Buildings and structures	137,459,942	370,452,603	507,912,545	84,139,933	12,187,286	-
Improvements other than buildings	471,902,603	400,653,710	872,556,313	122,555,274	29,298,921	-
Machinery and equipment	64,756,824	30,782,147	95,538,971	6,508,834	7,933,176	11,557
Accumulated depreciation	(250,534,777)	(314,669,628)	(565,204,405)	(96,644,058)	(14,052,322)	(10,457)
Construction in progress	110,042,206	29,757,668	139,799,874	8,283,424	8,710	-
Total noncurrent assets	<u>691,867,637</u>	<u>580,602,326</u>	<u>1,272,469,963</u>	<u>133,781,615</u>	<u>61,146,790</u>	<u>1,100</u>
Total assets	<u>999,470,693</u>	<u>679,786,524</u>	<u>1,679,257,217</u>	<u>181,288,900</u>	<u>65,720,798</u>	<u>7,054,683</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	18,120,441	7,637,131	25,757,572	3,350,972	1,075,498	468,398
Contracts payable	5,970,175	1,986,808	7,956,983	302,711	-	-
Claims and judgments payable	1,971,153	-	1,971,153	-	-	-
Accrued expenses	3,190,117	3,058,836	6,248,953	130,309	29,098	18,162
Revenues collected in advance	743,173	846,329	1,589,502	-	11,562	-
Due to component unit	44,933,890	-	44,933,890	-	-	-
Due to other governments	4,104,788	332,426	4,437,214	-	278,960	-
Due to general public	445,208	1,044	446,252	-	-	-
Security deposits	6,078	574,324	580,402	27,428	68,600	-
General obligation bonds payable, net	13,956,403	13,374,694	27,331,097	23,902	-	-
Revenue bonds payable, net	-	3,035,000	3,035,000	-	-	-
Interest payable	519,761	825,822	1,345,583	-	-	-
Closure/post closure landfill	-	-	-	-	332,519	-
Compensated absences	5,773,585	1,401,456	7,175,041	220,050	134,533	-
Note Payable	-	2,523,592	2,523,592	-	-	-
Total current liabilities	<u>99,734,772</u>	<u>35,597,462</u>	<u>135,332,234</u>	<u>4,055,372</u>	<u>1,930,770</u>	<u>486,560</u>
Noncurrent liabilities:						
Claims and judgments payable	9,257,563	-	9,257,563	-	-	-
General obligation bonds payable, net	151,839,081	158,327,234	310,166,315	3,693	-	-
Revenue bonds payable, net	-	68,616,422	68,616,422	-	-	-
Closure/post closure landfill	-	755,475	755,475	-	17,740,209	-
Note Payable	-	42,748,000	42,748,000	-	-	-
Post-employment liabilities	5,286,920	-	5,286,920	-	-	-
Compensated absences	234,609	58,913	293,522	-	-	-
Total noncurrent liabilities	<u>166,618,173</u>	<u>270,506,044</u>	<u>437,124,217</u>	<u>3,693</u>	<u>17,740,209</u>	<u>-</u>
Total liabilities	<u>266,352,945</u>	<u>306,103,506</u>	<u>572,456,451</u>	<u>4,059,065</u>	<u>19,670,979</u>	<u>486,560</u>
Deferred inflows of resources:						
Property taxes	100,079,342	4,740,466	104,819,808	-	-	-
NET POSITION						
Net investment in capital assets	523,398,811	280,051,202	803,450,013	133,754,020	41,248,762	1,100
Restricted for:						
Debt service	2,742,398	-	2,742,398	-	-	-
Donor restrictions - expendable	-	-	-	-	-	1,977,157
Donor restrictions - non-expendable	112,990	-	112,990	-	-	1,581,344
Community and economic development	9,104,960	-	9,104,960	-	-	-
General government	410,222	-	410,222	-	-	-
Employee benefits	3,297,406	-	3,297,406	-	-	-
Public safety	516,641	-	516,641	-	-	-
Culture and recreation	1,639,155	-	1,639,155	-	-	-
Public works	87,327	-	87,327	-	-	-
SSMID projects	750,229	-	750,229	-	-	-
Capital projects	14,216,431	-	14,216,431	-	-	-
Flood recovery	13,502,775	-	13,502,775	-	-	-
Unrestricted	<u>63,259,061</u>	<u>88,891,350</u>	<u>152,150,411</u>	<u>43,475,815</u>	<u>4,801,057</u>	<u>3,008,522</u>
	<u>\$ 633,038,406</u>	<u>\$ 368,942,552</u>	<u>\$ 1,001,980,958</u>	<u>\$ 177,229,835</u>	<u>\$ 46,049,819</u>	<u>\$ 6,568,123</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, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 62,794,319	\$ 12,516,149	\$ 2,688,446	\$ 4,140,177
Public works	42,027,298	5,044,318	9,501,460	32,112,469
Culture and recreation	19,276,563	3,101,233	4,118,634	2,677,520
Community and economic development	44,000,867	2,602,583	23,321,516	6,764,020
General government	22,137,547	16,904,005	15,711,105	15,901,863
Interest on long-term debt	6,128,343	-	-	-
Total governmental activities	<u>196,364,937</u>	<u>40,168,288</u>	<u>55,341,161</u>	<u>61,596,049</u>
Business-type activities:				
Water	27,838,023	34,196,231	-	875,824
Water pollution control	28,637,227	32,476,106	-	(76,375)
Sanitary sewer	7,059,463	7,810,972	-	5,521,562
U.S. Cellular Center	12,730,138	8,416,739	-	16,953
DoubleTree by Hilton	10,331,261	8,285,200	-	-
Ground transportation system	9,019,980	1,000,877	3,852,969	-
Parking system	2,711,534	299,505	-	-
Solid waste management	9,615,960	9,365,339	-	59,755
Golf	3,378,600	2,735,489	-	23,592
Storm sewer	1,519,395	3,680,772	-	36
Paramount Theatre	3,970,607	1,812,750	-	2,951,247
Ice arena	1,583,447	1,018,369	-	-
Total business-type activities	<u>118,395,635</u>	<u>111,098,349</u>	<u>3,852,969</u>	<u>9,372,594</u>
Total primary government	<u>314,760,572</u>	<u>151,266,637</u>	<u>59,194,130</u>	<u>70,968,643</u>
Component units:				
Airport	16,191,199	16,951,538	144,363	4,064,440
Cedar Rapids / Linn County Solid Waste Agency	6,629,799	8,206,858	91,150	-
Cedar Rapids Public Library Foundation	4,822,888	-	888,003	-
Total component units	<u>27,643,886</u>	<u>25,158,396</u>	<u>1,123,516</u>	<u>4,064,440</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
\$ (43,449,547)	\$ -	\$ (43,449,547)	\$ -	\$ -	\$ -
4,630,949	-	4,630,949	-	-	-
(9,379,176)	-	(9,379,176)	-	-	-
(11,312,748)	-	(11,312,748)	-	-	-
26,379,426	-	26,379,426	-	-	-
(6,128,343)	-	(6,128,343)	-	-	-
<u>(39,259,439)</u>	<u>-</u>	<u>(39,259,439)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,234,032	7,234,032	-	-	-
-	3,762,504	3,762,504	-	-	-
-	6,273,071	6,273,071	-	-	-
-	(4,296,446)	(4,296,446)	-	-	-
-	(2,046,061)	(2,046,061)	-	-	-
-	(4,166,134)	(4,166,134)	-	-	-
-	(2,412,029)	(2,412,029)	-	-	-
-	(190,866)	(190,866)	-	-	-
-	(619,519)	(619,519)	-	-	-
-	2,161,413	2,161,413	-	-	-
-	793,390	793,390	-	-	-
-	(565,078)	(565,078)	-	-	-
-	<u>5,928,277</u>	<u>5,928,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(39,259,439)</u>	<u>5,928,277</u>	<u>(33,331,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	4,969,142	-	-
-	-	-	-	1,668,209	-
-	-	-	-	-	(3,934,885)
-	-	-	<u>4,969,142</u>	<u>1,668,209</u>	<u>(3,934,885)</u>
95,741,367	4,666,154	100,407,521	-	-	-
3,103,713	-	3,103,713	-	-	-
18,457,259	-	18,457,259	-	-	-
6,962,603	-	6,962,603	-	-	-
99,203	336,493	435,696	(29,678)	67,868	210,884
(6,508,979)	<u>6,508,979</u>	-	-	-	-
<u>117,855,166</u>	<u>11,511,626</u>	<u>129,366,792</u>	<u>(29,678)</u>	<u>67,868</u>	<u>210,884</u>
78,595,727	17,439,903	96,035,630	4,939,464	1,736,077	(3,724,001)
554,442,679	351,502,649	905,945,328	172,290,371	44,313,742	10,292,124
<u>\$ 633,038,406</u>	<u>\$ 368,942,552</u>	<u>\$ 1,001,980,958</u>	<u>\$ 177,229,835</u>	<u>\$ 46,049,819</u>	<u>\$ 6,568,123</u>

**City of Cedar Rapids, Iowa
Balance Sheet
Governmental Funds
June 30, 2014**

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 83,192,279	\$ 14,090,815	\$ 51,531	\$ 45,198,375	\$ 142,533,000
Receivables:					
Taxes	50,032,414	-	-	54,405,748	104,438,162
Accounts and unbilled usage, net					
\$3,824,635 of allowance for doubtful accounts	6,849,751	72,714	-	94,788	7,017,253
Special assessments	341,908	2,927,643	-	65,788	3,335,339
Interest	335,196	-	-	148,267	483,463
Due from other funds	-	1,476,133	-	-	1,476,133
Advance from other funds	-	21,212,978	-	-	21,212,978
Due from other governments	122,017	1,806,730	16,610,812	6,686,109	25,225,668
Notes Receivable	-	-	-	2,673,342	2,673,342
Inventories	97,087	-	-	-	97,087
Land held for resale	-	-	1,399,475	78,569	1,478,044
Prepaid items	339,412	-	5,192	451,998	796,602
Total assets	<u>141,310,064</u>	<u>41,587,013</u>	<u>18,067,010</u>	<u>109,802,984</u>	<u>310,767,071</u>
LIABILITIES					
Vouchers payable	3,335,058	3,408,114	8,539,978	1,706,175	16,989,325
Contracts payable	-	647,108	5,090,817	232,250	5,970,175
Accrued expenditures	2,845,520	-	25,488	57,001	2,928,009
Revenues collected in advance	176,617	13,593	4,444	525,130	719,784
Due to other funds	-	-	-	211,633	211,633
Advance from other funds	-	-	21,212,978	244,714	21,457,692
Due to component unit	44,933,890	-	-	-	44,933,890
Due to general public	10	-	-	445,198	445,208
Due to other governments	684,541	222,982	1,404,769	1,792,496	4,104,788
Security deposits	2,660	-	-	2,800	5,460
Total liabilities	<u>51,978,296</u>	<u>4,291,797</u>	<u>36,278,474</u>	<u>5,217,397</u>	<u>97,765,964</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	49,696,056	-	-	50,383,286	100,079,342
Unavailable revenue - other taxes	-	-	-	2,397,605	2,397,605
Unavailable revenue - intergovernmental	41,417	895,316	5,201,653	113,648	6,252,034
Unavailable revenue - special assessments	46,762	2,928,883	-	-	2,975,645
Total deferred inflows of resources	<u>49,784,235</u>	<u>3,824,199</u>	<u>5,201,653</u>	<u>52,894,539</u>	<u>111,704,626</u>
FUND BALANCES (DEFICITS)					
Nonspendable	436,499	-	1,404,667	643,557	2,484,723
Restricted	436,777	12,695,076	-	45,850,787	58,982,640
Committed	-	-	-	5,244,838	5,244,838
Assigned	200,000	20,775,941	-	-	20,975,941
Unassigned	38,474,257	-	(24,817,784)	(48,134)	13,608,339
Total fund balances (deficits)	<u>39,547,533</u>	<u>33,471,017</u>	<u>(23,413,117)</u>	<u>51,691,048</u>	<u>101,296,481</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 141,310,064</u>	<u>\$ 41,587,013</u>	<u>\$ 18,067,010</u>	<u>\$ 109,802,984</u>	<u>\$ 310,767,071</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, 2014

Fund balances-total governmental funds		\$ 101,296,481
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.		620,593,972
Other long-term assets not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds		11,625,284
Internal service funds:		
Capital assets	39,908,524	
Other current assets	54,430,410	
Internal balances	244,714	
Other current liabilities	(3,678,939)	
Noncurrent liabilities	(14,544,483)	76,360,226
Internal service funds allocated to business-type activities		(4,804,673)
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(5,717,639)	
Bonds payable	(162,626,588)	
Bond premium	(3,419,700)	
Bond discount	250,804	
Accrued interest on long-term debt	(519,761)	(172,032,884)
Net position of governmental activities		<u>\$ 633,038,406</u>

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, 2014

	General	Infrastructure Construction	Flood	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes	\$ 48,954,562	\$ -	\$ -	\$ 46,786,805	\$ 95,741,367
Hotel-Motel taxes	-	-	-	3,035,261	3,035,261
Local option sales taxes	-	-	-	18,457,259	18,457,259
Franchise taxes	6,962,603	-	-	-	6,962,603
Licenses and permits	2,488,728	-	-	30,078	2,518,806
Intergovernmental	506,366	7,939,026	88,788,666	25,918,402	123,152,460
Charges for services	20,403,279	40,725	57	314,313	20,758,374
Fines and forfeits	8,052,714	-	-	68,797	8,121,511
Use of money and property	-	63,986	951	450,543	515,480
Rents and royalties	592,848	16,634	12	339,879	949,373
Miscellaneous	384,910	1,807,048	1,696,021	1,038,072	4,926,051
Total revenues	<u>88,346,010</u>	<u>9,867,419</u>	<u>90,485,707</u>	<u>96,439,409</u>	<u>285,138,545</u>
Expenditures:					
Current:					
Public safety	58,444,304	-	2,770,273	679,212	61,893,789
Public works	21,948,765	413,486	5,305,825	368,563	28,036,639
Culture and recreation	14,648,796	-	1,953,187	1,165,039	17,767,022
Community and economic development	4,026,462	-	18,221,257	14,170,129	36,417,848
General government	16,244,707	-	1,541,526	490,958	18,277,191
Debt service:					
Principal	-	-	-	14,653,110	14,653,110
Interest	-	-	-	6,237,128	6,237,128
Bond issuance costs	-	-	-	156,992	156,992
Capital outlay	357,161	16,987,184	62,781,229	7,074,661	87,200,235
Total expenditures	<u>115,670,195</u>	<u>17,400,670</u>	<u>92,573,297</u>	<u>44,995,792</u>	<u>270,639,954</u>
Excess (deficiency) of revenues over expenditures	<u>(27,324,185)</u>	<u>(7,533,251)</u>	<u>(2,087,590)</u>	<u>51,443,617</u>	<u>14,498,591</u>
Other Financing Sources (Uses):					
Long-term debt issued	-	2,035,000	350,000	7,275,000	9,660,000
Premium on bonds issued	-	-	-	60,896	60,896
Discount on bonds issued	-	-	-	(28,542)	(28,542)
Proceeds for sale of capital assets	192,346	-	705,034	632,609	1,529,989
Transfers in	31,627,758	1,026,902	14,870,863	10,226,056	57,751,579
Transfers (out)	(3,935,088)	(235,089)	(13,512,970)	(47,852,802)	(65,535,949)
Total other financing sources (uses)	<u>27,885,016</u>	<u>2,826,813</u>	<u>2,412,927</u>	<u>(29,686,783)</u>	<u>3,437,973</u>
Net change in fund balances	560,831	(4,706,438)	325,337	21,756,834	17,936,564
Fund balances - July 1, 2013	38,986,702	38,177,455	(23,738,454)	29,934,214	83,359,917
Fund balances - June 30, 2014	<u>\$ 39,547,533</u>	<u>\$ 33,471,017</u>	<u>\$ (23,413,117)</u>	<u>\$ 51,691,048</u>	<u>\$ 101,296,481</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, 2014**

Net change in fund balances-total governmental funds		\$ 17,936,564
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlay	87,200,235	
Contributions of capital assets	1,630,464	
Depreciation expense	<u>(18,198,037)</u>	70,632,662
Governmental funds reported proceeds from sale of capital assets		(1,529,989)
Loss on sale of capital assets		(4,677,894)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(10,956,660)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Payments of bond principal	14,653,110	
Premium on bond issued	(60,896)	
Discount on bond issued	28,542	
Issuance of debt	(9,660,000)	
Accrued interest	29,270	
Amortization	240,931	5,230,957
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.		(290,401)
Internal service funds net change reported in governmental activities		2,129,982
Change in internal service funds activities allocated to business-type activities		120,506
Change in net position - governmental activities		<u><u>\$ 78,595,727</u></u>

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, 2014**

	Business-type Activities - Enterprise Funds				
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center	DoubleTree by Hilton
ASSETS					
Current assets:					
Cash and investments	\$ 25,014,810	\$ 23,802,179	\$ 9,838,052	\$ 949,266	\$ 1,618,912
Receivables:					
Taxes	-	-	-	-	-
Accounts and unbilled usage, net					
\$526,195 of allowance for doubtful accounts	3,470,501	5,030,250	456,324	84,193	255,804
Interest	380,384	-	-	-	-
Due from other governments	2	1,239	2,018,546	-	-
Inventories	574,270	-	-	17,075	43,156
Prepaid items	2,634	5,231	233	44,982	70,389
Other assets	-	-	-	-	6,000
Total current assets	<u>29,442,601</u>	<u>28,838,899</u>	<u>12,313,155</u>	<u>1,095,516</u>	<u>1,994,261</u>
Noncurrent assets:					
Restricted cash and investments	17,288,150	10,666,908	5,666,364	484,519	4,274,710
Advance to other funds	-	-	-	-	-
Land	520,557	1,361,147	1,051,379	9,345,794	-
Buildings and structures	55,189,706	88,843,323	-	102,035,019	39,743,487
Improvements other than buildings	173,140,946	85,513,787	128,162,999	709,948	-
Machinery and equipment	7,115,010	3,995,347	2,265,737	1,059,559	308,950
Accumulated depreciation	(83,090,198)	(123,330,823)	(46,741,566)	(11,678,329)	(1,341,932)
Construction in progress	8,043,462	11,380,325	-	-	-
Total noncurrent assets	<u>178,207,633</u>	<u>78,430,014</u>	<u>90,404,913</u>	<u>101,956,510</u>	<u>42,985,215</u>
Total assets	<u>207,650,234</u>	<u>107,268,913</u>	<u>102,718,068</u>	<u>103,052,026</u>	<u>44,979,476</u>
LIABILITIES					
Current liabilities:					
Vouchers payable	1,623,114	2,303,624	471,661	277,534	256,627
Claims and judgments payable	-	-	-	-	-
Contracts payable	139,751	569,846	470,771	340,775	-
Accrued expenses	328,723	279,686	93,539	1,847,617	17,343
Compensated absences	525,044	364,521	78,610	-	-
Revenues collected in advance	132,009	340	-	287,630	-
Due to other funds	-	-	-	-	-
Due to other governments	241,188	-	-	84,645	-
Due to general public	1,044	-	-	-	-
Security deposits	573,324	-	-	-	-
Notes payable	1,699,000	641,427	-	-	-
General obligation bonds payable, net	4,101,365	3,684,069	1,474,867	1,186,000	1,970,000
Revenue bonds payable, net	1,580,000	1,100,000	355,000	-	-
Matured bonds interest payable	289,005	207,455	64,992	122,033	120,913
Total current liabilities	<u>11,233,567</u>	<u>9,150,968</u>	<u>3,009,440</u>	<u>4,146,234</u>	<u>2,364,883</u>
Noncurrent liabilities:					
Claims and judgments payable	-	-	-	-	-
General obligation bonds payable, net	25,216,751	23,874,060	12,457,526	45,674,249	44,816,601
Revenue bonds payable, net bond discount	35,309,283	24,527,763	8,779,376	-	-
Notes payable	29,908,000	12,840,000	-	-	-
Post-employment liability	-	-	-	-	-
Closure/post closure landfill	-	755,475	-	-	-
Compensated absences	37,383	-	-	-	-
Total noncurrent liabilities	<u>90,471,417</u>	<u>61,997,298</u>	<u>21,236,902</u>	<u>45,674,249</u>	<u>44,816,601</u>
Total liabilities	<u>101,704,984</u>	<u>71,148,266</u>	<u>24,246,342</u>	<u>49,820,483</u>	<u>47,181,484</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	74,711,870	6,978,626	65,508,276	59,552,257	(5,668,543)
Unrestricted	31,233,380	29,142,021	12,963,450	(6,320,714)	3,466,535
	<u>\$ 105,945,250</u>	<u>\$ 36,120,647</u>	<u>\$ 78,471,726</u>	<u>\$ 53,231,543</u>	<u>\$ (2,202,008)</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.

Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 14,760,859	\$ 75,984,078	\$ 50,254,597
4,772,546	4,772,546	-
1,875,900	11,172,972	2,478,576
-	380,384	1,144
21,736	2,041,523	12,580
189,448	823,949	692,911
84,754	208,223	912,326
254,350	260,350	78,276
<u>21,959,593</u>	<u>95,644,025</u>	<u>54,430,410</u>
3,324,882	41,705,533	-
-	-	244,714
9,641,416	21,920,293	1,016,663
84,641,068	370,452,603	15,998,195
13,126,030	400,653,710	1,876,747
16,037,544	30,782,147	25,876,588
(48,486,780)	(314,669,628)	(18,347,423)
10,333,881	29,757,668	13,487,754
<u>88,618,041</u>	<u>580,602,326</u>	<u>40,153,238</u>
<u>110,577,634</u>	<u>676,246,351</u>	<u>94,583,648</u>
2,704,571	7,637,131	1,131,116
-	-	1,971,153
465,665	1,986,808	-
491,928	3,058,836	262,108
433,281	1,401,456	290,555
426,350	846,329	23,389
1,264,500	1,264,500	-
6,593	332,426	-
-	1,044	-
1,000	574,324	618
183,165	2,523,592	-
958,393	13,374,694	-
-	3,035,000	-
21,424	825,822	-
<u>6,956,870</u>	<u>36,861,962</u>	<u>3,678,939</u>
-	-	9,257,563
6,288,047	158,327,234	-
-	68,616,422	-
-	42,748,000	-
-	-	5,286,920
-	755,475	-
21,530	58,913	-
<u>6,309,577</u>	<u>270,506,044</u>	<u>14,544,483</u>
<u>13,266,447</u>	<u>307,368,006</u>	<u>18,223,422</u>
4,740,466	4,740,466	-
<u>4,740,466</u>	<u>4,740,466</u>	<u>-</u>
78,968,716	280,051,202	39,908,524
13,602,005	84,086,677	36,451,702
<u>\$ 92,570,721</u>	<u>\$ 364,137,879</u>	<u>\$ 76,360,226</u>
	\$ 364,137,879	
	<u>4,804,673</u>	
	<u>\$ 368,942,552</u>	

City of Cedar Rapids, Iowa
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
Operating revenues:				
Charges for services	\$ 33,691,157	\$ 32,406,495	\$ 7,810,588	\$ 8,093,811
Use of money and property	376,626	-	-	-
Rents and royalties	40,174	-	-	-
Miscellaneous	88,274	69,611	384	322,928
Total operating revenues	<u>34,196,231</u>	<u>32,476,106</u>	<u>7,810,972</u>	<u>8,416,739</u>
Operating expenses:				
Personal services	9,124,941	7,352,288	2,015,208	-
Purchased services	6,754,820	8,477,809	1,642,486	7,206,107
Supplies and materials	3,057,282	3,878,915	194,271	1,789,752
Other	310,883	124,059	82,783	283,613
Depreciation	5,081,893	6,271,487	2,264,924	1,976,965
Total operating expenses	<u>24,329,819</u>	<u>26,104,558</u>	<u>6,199,672</u>	<u>11,256,437</u>
Operating income (loss)	<u>9,866,412</u>	<u>6,371,548</u>	<u>1,611,300</u>	<u>(2,839,698)</u>
Nonoperating revenues (expenses):				
Intergovernmental	39,744	-	4,840,999	-
Investment earnings	242,683	85,827	5,941	785
Property tax revenue	-	-	-	-
Gain (loss) on sale of capital assets	(20,467)	(76,375)	285	16,953
Issuance costs	(113,543)	(122,103)	(94,892)	(47,310)
Interest expense	(3,362,067)	(2,380,130)	(756,769)	(1,426,391)
Total nonoperating revenue (expenses)	<u>(3,213,650)</u>	<u>(2,492,781)</u>	<u>3,995,564</u>	<u>(1,455,963)</u>
Income (loss) before transfers and capital contributions	<u>6,652,762</u>	<u>3,878,767</u>	<u>5,606,864</u>	<u>(4,295,661)</u>
Capital contributions	856,547	-	680,278	-
Transfers in	211,545	681,530	1,397,912	4,112,162
Transfers out	(546,415)	(4,205,992)	(3,352,329)	-
Change in net position	<u>7,174,439</u>	<u>354,305</u>	<u>4,332,725</u>	<u>(183,499)</u>
Total net position, beginning	<u>98,770,811</u>	<u>35,766,342</u>	<u>74,139,001</u>	<u>53,415,042</u>
Total net position, ending	<u>\$ 105,945,250</u>	<u>\$ 36,120,647</u>	<u>\$ 78,471,726</u>	<u>\$ 53,231,543</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 position of business-type activities

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

DoubleTree by Hilton	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 8,269,949	\$ 17,542,571	\$ 107,814,571	\$ 42,865,705
-	-	376,626	-
2,550	1,035,409	1,078,133	2,154,925
12,701	1,335,121	1,829,019	535,102
<u>8,285,200</u>	<u>19,913,101</u>	<u>111,098,349</u>	<u>45,555,732</u>
-	10,588,812	29,081,249	8,584,964
5,904,219	11,760,539	41,745,980	27,311,187
1,858,925	2,650,856	13,430,001	5,685,806
229,440	1,962,462	2,993,240	203,692
906,803	4,021,731	20,523,803	3,449,287
<u>8,899,387</u>	<u>30,984,400</u>	<u>107,774,273</u>	<u>45,234,936</u>
<u>(614,187)</u>	<u>(11,071,299)</u>	<u>3,324,076</u>	<u>320,796</u>
-	3,934,841	8,815,584	-
-	1,257	336,493	1,230
-	4,666,154	4,666,154	-
-	1,511	(78,093)	(107,634)
-	-	(377,848)	-
<u>(1,427,208)</u>	<u>(770,443)</u>	<u>(10,123,008)</u>	<u>(4,424)</u>
<u>(1,427,208)</u>	<u>7,833,320</u>	<u>3,239,282</u>	<u>(110,828)</u>
(2,041,395)	(3,237,979)	6,563,358	209,968
-	2,951,247	4,488,072	644,623
450,000	9,618,910	16,472,059	2,021,458
<u>(698,525)</u>	<u>(1,159,819)</u>	<u>(9,963,080)</u>	<u>(746,067)</u>
<u>(2,289,920)</u>	<u>8,172,359</u>	<u>17,560,409</u>	<u>2,129,982</u>
87,912	84,398,362	346,577,470	74,230,244
<u>\$ (2,202,008)</u>	<u>\$ 92,570,721</u>	<u>\$ 364,137,879</u>	<u>\$ 76,360,226</u>
		17,560,409	
		<u>(120,506)</u>	
		<u>\$ 17,439,903</u>	

City of Cedar Rapids, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	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	\$ 34,231,485	\$ 32,542,810	\$ 7,840,823	\$ 9,967,570	\$ 8,376,174
Cash paid to employees	(9,024,620)	(7,292,594)	(2,029,589)	-	-
Cash paid to suppliers	(9,986,014)	(12,662,030)	(2,184,527)	(15,410,347)	(8,399,543)
Net cash flows provided by (used in) operating activities	<u>15,220,851</u>	<u>12,588,186</u>	<u>3,626,707</u>	<u>(5,442,777)</u>	<u>(23,369)</u>
Cash flows from non-capital financing activities:					
Borrowing from other funds	-	-	-	6,399,068	1,868,095
Loans to other funds	-	-	-	(12,329,463)	(4,006,174)
Closure/post-closure landfill costs	-	(35,546)	-	-	-
Intergovernmental	39,744	-	4,498,563	4,320,949	-
Transfers in	211,545	681,530	1,397,912	4,112,162	450,000
Transfers out	(546,415)	(4,205,992)	(3,352,329)	-	(698,525)
Property taxes	-	-	-	-	-
Net cash flows provided by (used in) non-capital financing activities	<u>(295,126)</u>	<u>(3,560,008)</u>	<u>2,544,146</u>	<u>2,502,716</u>	<u>(2,386,604)</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(3,169,343)	(7,510,420)	(6,911,910)	(5,441,553)	(1,398,367)
Proceeds from disposition of capital assets	5,567	9,407	285	16,953	-
Capital contributions	-	-	-	-	-
Revenue bonds issued	4,570,000	6,510,000	5,060,000	-	-
Notes payable issued	-	1,790,448	-	-	-
General obligation bonds issued	-	-	-	4,075,000	-
Premium on bonds	66,751	60,620	47,111	-	-
Discount on bonds	-	-	-	(26,714)	-
Principal paid	(7,065,390)	(5,131,556)	(1,679,464)	(568,000)	-
Issuance costs paid	(113,543)	(122,103)	(94,892)	(47,310)	-
Interest paid	(3,468,058)	(2,447,007)	(779,898)	(1,464,397)	(1,451,122)
Purchase of investments	(27,567,413)	(25,933,756)	(10,585,263)	-	(1,693,571)
Net cash flows (used in) capital and related financing activities	<u>(36,741,429)</u>	<u>(32,774,367)</u>	<u>(14,944,031)</u>	<u>(3,456,021)</u>	<u>(4,543,060)</u>
Cash flows from investing activities:					
Interest on investments	118,031	85,827	5,941	785	-
Net cash flows provided by investing activities	<u>118,031</u>	<u>85,827</u>	<u>5,941</u>	<u>785</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(21,697,673)	(23,660,362)	(8,767,237)	(6,395,297)	(6,953,033)
Cash and cash equivalents, July 1, 2013	36,433,220	32,195,693	13,686,390	7,829,082	11,153,084
Cash and cash equivalents, June 30, 2014	<u>\$ 14,735,547</u>	<u>\$ 8,535,331</u>	<u>\$ 4,919,153</u>	<u>\$ 1,433,785</u>	<u>\$ 4,200,051</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities					
Operating income (loss)	\$ 9,866,412	\$ 6,371,548	\$ 1,611,300	\$ (2,839,698)	\$ (614,187)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:					
Depreciation expense	5,081,893	6,271,487	2,264,924	1,976,965	906,803
Change in assets and liabilities:					
(Increase) decrease in prepaid items	6,425	19,197	1,438	(3,660)	(64,389)
Increase (decrease) in vouchers payable	148,632	(200,485)	(271,521)	(6,110,140)	220,124
Increase (decrease) in accrued expenses	53,195	51,735	9,303	1,232,288	(554,068)
Increase (decrease) in compensated absences	47,126	7,959	(23,684)	-	(2,244)
(Increase) decrease in accounts receivable	(103,911)	66,707	29,851	486,268	95,115
(Increase) decrease in other assets	-	-	-	-	(4,141)
(Increase) decrease in inventories	(18,086)	41	5,096	(17,075)	(6,382)
(Increase) decrease in due from other governments	351	(3)	-	-	-
Increase (decrease) in due to other governments	36,399	-	-	-	-
Increase (decrease) in revenues collected in advance	21,050	-	-	(167,725)	-
Increase (decrease) in security deposit	81,365	-	-	-	-
Increase in post-employment liability	-	-	-	-	-
(Decrease) in open claims payable	-	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ 15,220,851</u>	<u>\$ 12,588,186</u>	<u>\$ 3,626,707</u>	<u>\$ (5,442,777)</u>	<u>\$ (23,369)</u>
Schedule of noncash capital and related financing activities:					
Acquisition of capital assets through accounts and contracts payable	\$ 195,016	\$ 354,769	\$ 85,067	\$ (2,849,092)	\$ -
Acquisition of capital assets through private contributions	<u>\$ 856,547</u>	<u>\$ -</u>	<u>\$ 680,278</u>	<u>\$ -</u>	<u>\$ -</u>

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

Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 20,953,331	\$ 113,912,193	\$ 43,711,507
(10,512,867)	(28,859,670)	(8,196,833)
(16,737,545)	(65,380,006)	(33,665,447)
<u>(6,297,081)</u>	<u>19,672,517</u>	<u>1,849,227</u>
825,377	9,092,540	80,488
(511,714)	(16,847,351)	-
-	(35,546)	-
5,335,030	14,194,286	-
9,950,078	16,803,227	2,021,458
(1,159,819)	(9,963,080)	(746,067)
4,673,572	4,673,572	-
<u>19,112,524</u>	<u>17,917,648</u>	<u>1,655,879</u>
(9,457,460)	(33,889,053)	(2,612,934)
1,511	33,723	6,700
-	-	644,623
-	16,140,000	-
-	1,790,448	-
1,020,000	5,095,000	-
-	174,482	-
-	(26,714)	-
(1,307,516)	(15,751,926)	-
-	(377,848)	-
(779,639)	(10,390,121)	-
(13,676,027)	(79,456,030)	(45,383,504)
<u>(24,199,131)</u>	<u>(116,658,039)</u>	<u>(47,345,115)</u>
1,257	211,841	(2,744)
1,257	211,841	(2,744)
(8,431,184)	(78,856,033)	(43,842,753)
12,840,898	114,138,367	48,713,846
<u>\$ 4,409,714</u>	<u>\$ 35,282,334</u>	<u>\$ 4,871,093</u>
\$ (11,071,299)	\$ 3,324,076	\$ 320,796
4,021,731	20,523,803	3,449,287
6,059	(34,930)	183,204
(427,453)	(6,640,843)	(585,487)
108,797	901,250	29,398
(32,852)	(3,695)	(25,417)
449,955	1,023,985	(1,842,140)
952,567	948,426	(58,136)
57,586	21,180	(6,795)
1,712	2,060	37,318
(26,490)	9,909	-
(336,099)	(482,774)	18,733
(1,295)	80,070	-
-	-	392,150
-	-	(63,684)
<u>\$ (6,297,081)</u>	<u>\$ 19,672,517</u>	<u>\$ 1,849,227</u>
\$ 331,168	\$ (1,883,072)	\$ -
\$ -	\$ 1,536,825	\$ -

**City of Cedar Rapids, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2014**

	<u>Agency Funds</u>
ASSETS	
Accounts receivable	\$ 287
Due from other governments	830,830
Total assets	<u>\$ 831,117</u>
 LIABILITIES	
Vouchers payable	\$ 41,346
Due to other governments	279,518
Security deposits	510,253
Total liabilities	<u>\$ 831,117</u>

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 ongoing financial interest as a result of this agreement can be found in Note 14 Closure and Post closure 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:

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 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.

Neither Courthouse nor Paramount publishes 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 segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 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, 2014

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.

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 only assets and liabilities and do not involve measurement of the results of operations. The City has the following agency funds: developers security deposit, contractors permit deposit, regional planning, and metropolitan coalition.

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

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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 investments with maturities of less than a year of when purchased 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.

Property taxes levied by the Linn County Auditor for the year ended June 30, 2014, were due by July 1, 2013, with the first half installment being delinquent after September 30, 2013, and the second half installment being delinquent after March 31, 2014. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The tax receivable represents the 2014 levy certified on March 15, 2014, based on 2013 assessed valuations. As the levy is intended for use in the 2015 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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, no interest expense was added to the cost of assets acquired in the business-type activities.

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

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

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

Reclassification

Certain items disclosed in Note 7 as of June 30, 2013 have been reclassified to be consistent with classification adopted as of June 30, 2014. The reclassification had no effect on net position for the City.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, are as follows:

Governmental	\$	14,664,945
Business-type		3,474,388
Subtotal		18,139,333
Component Units		471,828
Total	\$	18,611,161

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 modified 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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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. The general and infrastructure fund amounts were constrained for the intent to be used for a specific purpose as approved through the budgeting process approved by City Council.

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 \$3,836,496, Water fund of \$11,606,786, Water Pollution Control fund of \$5,882,839, U.S. Cellular Center fund of \$4,940,515, DoubleTree by Hilton fund of \$2,407,554, Parking System Fund of \$1,104,503, Golf Fund of \$659 and \$28,691,799 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 \$2,742,398 for debt service, \$410,222 for general government, \$26,931,529 for capital projects, \$9,104,960 for community and economic development, \$516,641 for public safety, \$1,639,155 for culture and recreation, \$3,297,406 for employee benefits, \$87,327 for public works, \$13,502,775 for flood recovery, and \$750,229 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, were:

	<u>Receivables</u>	<u>Payables</u>
Due to/from other funds:		
Governmental:		
Infrastructure Construction Fund	\$ 1,476,133	\$ -
Nonmajor Funds	-	211,633
Total Governmental	<u>1,476,133</u>	<u>211,633</u>
Business-type:		
Nonmajor Funds	-	1,264,500
Total Business-type	<u>-</u>	<u>1,264,500</u>
Total due to/from other funds	<u>\$ 1,476,133</u>	<u>\$ 1,476,133</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.

	<u>Advances to/Receivable</u>	<u>Advances from/Payable</u>
Governmental:		
Infrastructure Fund	\$ 21,212,978	\$ -
Flood Fund	-	21,212,978
Nonmajor Funds	-	244,714
Internal Service Fund		
Risk Management	<u>244,714</u>	<u>-</u>
Total advance to/from other funds	<u>\$ 21,457,692</u>	<u>\$ 21,457,692</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. 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 advance to the Infrastructure Construction fund represents the amount advance from the Flood Fund.

Primary government and component unit Receivables and Payables:

	<u>Receivables</u>	<u>Payables</u>
Governmental:		
General	\$ -	\$ 44,933,890
Component Unit:		
Airport	44,933,890	-
Total primary government and component unit	<u>\$ 44,933,890</u>	<u>\$ 44,933,890</u>

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 3: Fund Transfer Reconciliation

Transfers in and out for the year ended June 30, 2014, were:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental:		
General Fund	\$ 31,627,758	\$ 3,935,088
Infrastructure Construction Fund	1,026,902	235,089
Flood Fund	14,870,863	13,512,970
Nonmajor Funds	10,226,056	47,852,802
Internal Service Funds	<u>2,021,458</u>	<u>746,067</u>
Total Governmental	<u>59,773,037</u>	<u>66,282,016</u>
Business-type:		
Water	211,545	546,415
Water Pollution Control	681,530	4,205,992
Sanitary Sewer	1,397,912	3,352,329
US Cellular Center	4,112,162	-
DoubleTree by Hilton	450,000	698,525
Nonmajor Funds	<u>9,618,910</u>	<u>1,159,819</u>
Total Business-Type	<u>16,472,059</u>	<u>9,963,080</u>
Total	<u>\$ 76,245,096</u>	<u>\$ 76,245,096</u>

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

Note 4: Self-Supported Municipal Improvement District

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

The amount of property taxes received for SSMID during the year ended June 30, 2014, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

SSMID only	\$ 276,152
SSMID within TIF	<u>88,886</u>
	<u>\$ 365,038</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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 5: Construction Commitments

The total outstanding construction commitments of the City at June 30, 2014 amount to \$110,484,652. The majority of these commitments relate to road construction and flood recovery. Of these commitments, \$56,675,572 will be funded by federal and state grants. The total outstanding construction commitments of the Airport, a discretely presented component unit, at June 30, 2014 amount to \$11,257,982. Of these commitments, \$5,211,297 will be funded by federal and state grants.

Note 6: Cash and Investments

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

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

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

As of June 30, 2014, the City had the following investments with the following maturities:

Investment Type:	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Totals
US Agencies	\$ 85,842	\$ -	\$ -	\$ -	\$ 85,842	\$ 85,842
GNMA'S	793,855	-	18,999	267,493	507,363	793,855
IPAIT	69,429,520	69,429,520	-	-	-	69,429,520
FFCB	12,024,054	-	12,024,054	-	-	12,024,054
FHLB	67,965,091	-	67,965,091	-	-	67,965,091
FHLMC	30,011,610	-	30,011,610	-	-	30,011,610
FNMA	14,838,780	-	14,838,780	-	-	14,838,780
Total	\$ 195,148,752	\$ 69,429,520	\$ 124,858,534	\$ 267,493	\$ 593,205	\$ 195,148,752

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment in IPAIT is unrated. GNMA's are fully backed by the United States Government.

As of June 30, 2014 the City had the following ratings:

Investment Type:	Moody's	Standard & Poor's
U.S. Agencies	AAA	AAA
FFCB	AAA Stable	AA+ Stable
FHLB	AAA Stable	AA+ Stable
FHLMC	AAA Stable	AA+ Stable
FNMA	AAA Stable	AA+ Stable

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, 2014, 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, 2014 as they are held by financial institutions in the name of the City.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consist of deposits, including certificates of deposit and an investment in U.S. Treasury Bills. As of June 30, 2014, 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 \$19,566 in cash and in petty cash, which are not subject to custodial credit risk.

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 130,240,429	\$ 2,755,595	\$ (6,120,326)	\$ 126,875,698
Construction in progress	114,394,700	53,238,835	(57,591,329)	110,042,206
Total capital assets, not being depreciated	<u>244,635,129</u>	<u>55,994,430</u>	<u>(63,711,655)</u>	<u>236,917,904</u>
Capital assets, being depreciated:				
Buildings	71,053,238	66,406,704	-	137,459,942
Improvements other than buildings	451,733,482	20,227,551	(58,430)	471,902,603
Machinery and equipment	63,021,518	6,406,277	(4,670,971)	64,756,824
Total capital assets being depreciated	<u>585,808,238</u>	<u>93,040,532</u>	<u>(4,729,401)</u>	<u>674,119,369</u>
Less accumulated depreciation for:				
Buildings	(28,162,560)	(2,852,904)	-	(31,015,464)
Improvements other than buildings	(169,934,298)	(13,707,106)	58,430	(183,582,974)
Machinery and equipment	(35,318,106)	(5,087,314)	4,469,081	(35,936,339)
Total accumulated depreciation	<u>(233,414,964)</u>	<u>(21,647,324)</u>	<u>4,527,511</u>	<u>(250,534,777)</u>
Total capital assets, being depreciated, net	<u>352,393,274</u>	<u>71,393,208</u>	<u>(201,890)</u>	<u>423,584,592</u>
Governmental activities capital assets, net	<u>\$ 597,028,403</u>	<u>\$ 127,387,638</u>	<u>\$ (63,913,545)</u>	<u>\$ 660,502,496</u>

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

Governmental activities:	
Public safety	\$ 889,407
Public works	14,689,508
Culture and recreation	1,510,896
Community and economic development	72,827
General government	1,035,399
Internal service funds	3,449,287
Total depreciation expense - governmental activities	<u>\$ 21,647,324</u>

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

	<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	\$ 21,808,445	\$ 111,848	\$ -	\$ 21,920,293
Construction in progress	<u>29,510,076</u>	<u>15,754,360</u>	<u>(15,506,768)</u>	<u>29,757,668</u>
Total capital assets, not being depreciated	<u>51,318,521</u>	<u>15,866,208</u>	<u>(15,506,768)</u>	<u>51,677,961</u>
Capital assets, being depreciated:				
Buildings	352,187,793	18,264,810	-	370,452,603
Improvements other than buildings	388,447,076	12,206,634	-	400,653,710
Machinery and equipment	<u>30,986,501</u>	<u>1,990,721</u>	<u>(2,195,075)</u>	<u>30,782,147</u>
Total capital assets being depreciated	<u>771,621,370</u>	<u>32,462,165</u>	<u>(2,195,075)</u>	<u>801,888,460</u>
Less accumulated depreciation for:				
Buildings	(143,481,678)	(8,920,617)	-	(152,402,295)
Improvements other than buildings	(133,636,661)	(10,007,837)	-	(143,644,498)
Machinery and equipment	<u>(19,110,746)</u>	<u>(1,595,349)</u>	<u>2,083,260</u>	<u>(18,622,835)</u>
Total accumulated depreciation	<u>(296,229,085)</u>	<u>(20,523,803)</u>	<u>2,083,260</u>	<u>(314,669,628)</u>
Total capital assets, being depreciated, net	<u>475,392,285</u>	<u>11,938,362</u>	<u>(111,815)</u>	<u>487,218,832</u>
Business-type activities capital assets, net	<u>\$ 526,710,806</u>	<u>\$ 27,804,570</u>	<u>\$ (15,618,583)</u>	<u>\$ 538,896,793</u>
Business-type activities:				
Water			5,081,893	
Water Pollution Control			6,271,487	
Sanitary Sewer			2,264,924	
Storm Sewer			1,075	
U.S. Cellular Center			1,976,965	
DoubleTree by Hilton			906,803	
Paramount Theatre			2,154,606	
Transit System			550,828	
Parking System			555,665	
Solid Waste Management			120,003	
Golf			206,374	
Ice Arena			<u>433,180</u>	
Total depreciation expense - business-type activities			<u>\$ 20,523,803</u>	

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Activity for the Airport for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	\$ 8,938,208	\$ -	\$ -	\$ 8,938,208
Construction in progress	9,542,017	7,441,702	(8,700,295)	8,283,424
Total capital assets, not being depreciated	<u>18,480,225</u>	<u>7,441,702</u>	<u>(8,700,295)</u>	<u>17,221,632</u>
Capital assets, being depreciated:				
Buildings	75,412,372	8,727,561	-	84,139,933
Improvements other than buildings	121,889,599	665,675	-	122,555,274
Machinery and equipment	6,386,399	122,435	-	6,508,834
Total capital assets being depreciated	<u>203,688,370</u>	<u>9,515,671</u>	<u>-</u>	<u>213,204,041</u>
Less accumulated depreciation for:				
Buildings	(32,228,212)	(2,170,878)	-	(34,399,090)
Improvements other than buildings	(51,826,069)	(5,563,950)	-	(57,390,019)
Machinery and equipment	(4,567,106)	(287,843)	-	(4,854,949)
Total accumulated depreciation	<u>(88,621,387)</u>	<u>(8,022,671)</u>	<u>-</u>	<u>(96,644,058)</u>
Total capital assets, being depreciated, net	<u>115,066,983</u>	<u>1,493,000</u>	<u>-</u>	<u>116,559,983</u>
Airport capital assets, net	<u>\$ 133,547,208</u>	<u>\$ 8,934,702</u>	<u>\$ (8,700,295)</u>	<u>\$ 133,781,615</u>

Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	\$ 3,808,070	\$ 2,064,921	\$ -	\$ 5,872,991
Construction in progress	14,295,758	5,836,794	(20,123,842)	8,710
Total capital assets, not being depreciated	<u>18,103,828</u>	<u>7,901,715</u>	<u>(20,123,842)</u>	<u>5,881,701</u>
Capital assets, being depreciated:				
Buildings and structures	2,308,958	10,431,729	(553,401)	12,187,286
Improvements other than buildings	20,767,333	8,531,588	-	29,298,921
Machinery and equipment	8,280,438	605,674	(952,936)	7,933,176
Total capital assets being depreciated	<u>31,356,729</u>	<u>19,568,991</u>	<u>(1,506,337)</u>	<u>49,419,383</u>
Less accumulated depreciation for:				
Buildings and structures	(1,184,078)	(357,602)	403,735	(1,137,945)
Improvements other than buildings	(5,964,110)	(1,132,043)	-	(7,096,153)
Machinery and equipment	(6,139,578)	(619,867)	941,221	(5,818,224)
Total accumulated depreciation	<u>(13,287,766)</u>	<u>(2,109,512)</u>	<u>1,344,956</u>	<u>(14,052,322)</u>
Total capital assets, being depreciated, net	<u>18,068,963</u>	<u>17,459,479</u>	<u>(161,381)</u>	<u>35,367,061</u>
CRLCSWA capital assets, net	<u>\$ 36,172,791</u>	<u>\$ 25,361,194</u>	<u>\$ (20,285,223)</u>	<u>\$ 41,248,762</u>

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Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	\$ 11,557	\$ -	\$ -	\$ 11,557
Accumulated depreciation	(9,729)	(728)	-	(10,457)
Total capital assets, being depreciated, net	<u>\$ 1,828</u>	<u>\$ (728)</u>	<u>\$ -</u>	<u>\$ 1,100</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 5.95% of their annual covered salary and the City is required to contribute 8.93% of annual covered payroll except for airport safety employees, in which case the percentages are 6.76% and 10.14%, respectively. Contribution requirements are established by State statute.

The City contributions to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$4,865,675, \$4,573,986 and \$4,177,954, 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 30.12% of annual covered payroll. Contribution requirements are established by State statute. The City contributions to MFPRSI for the years ended June 30, 2014, 2013 and 2012 were \$7,154,324, \$6,017,024 and \$5,613,649, respectively, equal to the required contributions for each year.

CITY OF CEDAR RAPIDS, IOWA
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Note 9: Long-Term Liabilities

Bonded Debt

General Obligation Bonds

There was \$330,846,098 of general obligation bonds outstanding as of June 30, 2014. Un-matured general obligation bonds to be paid by governmental funds totaled \$162,626,588. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total \$168,219,510. 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 \$23,902.

During the year ended June 30, 2014, the City issued \$14,755,000 of general obligation bonds. These bonds were issued to pay the costs for construction, reconstruction, and repair of streets, curbing, and related street, storm sewer and streetscape improvements. Also, the construction and repair of sidewalks, trails and bike paths; improvement and repair of bridges; the acquisition, installation and repair of traffic control devices and traffic signals and signs; the replacement of trees and the rehabilitation and improvement of City parks, including the replacement and construction of recreational facilities, equipment, trails, buildings, and other park improvements. They will also be used for the acquisition of a fire aerial truck for the Fire Department; Police Department facility improvements, including renovations of the outdoor range; improvement and continued extension and enhancement of the City's enterprise communications and data management systems; repair and construction of the Ushers Ferry Lodge; and aiding in the planning, undertaking of the urban renewal project activities. The average lives of the issues are 12.75 years for Series A and 10.38 years for Series B. These bonds bear interest at 1.0% to 4.125% per annum and mature in varying annual amounts ranging from \$190,000 to \$830,000 with the final payment due in the year ending June 30, 2034.

Revenue Bonds

Water Pollution Control:

There was \$25,620,000 of revenue bonds outstanding as of June 30, 2014 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 \$35,699,461. Principal and interest paid for the current year and total customer net revenues were \$1,662,180 and \$12,643,035, respectively.

Sanitary Sewer:

There was \$9,095,000 of revenue bonds outstanding as of June 30, 2014 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 \$12,479,620. Interest paid for the current year and total customer net revenues were \$303,400 and \$3,876,224, respectively.

Water:

There was \$36,890,000 of revenue bonds outstanding as of June 30, 2014 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 \$51,352,932. Principal and interest paid for the current year and total customer net revenues were \$2,653,237 and \$14,948,305, respectively.

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During the year ended June 30, 2014 the City issued \$4,570,000 in water revenue bonds, \$5,060,000 in sewer revenue bonds, and \$6,510,000 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 \$165,000 to \$335,000 through fiscal year ending June 30, 2034 and bear interest at 2.0% to 3.5%. The sewer and water pollution control revenue bonds are due in annual principal installments of \$165,000 to \$845,000 through fiscal year ending June 30, 2034 and bear interest at 2.0% 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. Total outstanding as of June 30, 2014 was \$31,607,000. 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 \$39,714,410. Principal and interest paid for the current year and total customer net revenues were \$2,647,710 and \$14,948,305, 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, 2014 was \$8,408,000. 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 \$10,576,010. Principal and interest paid for the current year and total customer net revenues were \$695,140 and \$12,643,035, 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, 2014 was \$5,073,427. 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 FY2014, 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 \$6,740,796. Interest paid for the current year and total customer net revenues were \$339,554 and \$3,876,224, respectively.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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Changes in long-term liabilities:

Long-term debt activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Primary government:				
Governmental				
General obligation:	\$ 167,619,698	\$ 9,660,000	\$ 14,653,110	\$ 162,626,588
Plus: unamortized premium	3,628,430	60,896	269,626	3,419,700
Less: unamortized discount	250,957	28,542	28,695	250,804
Total General Obligation	<u>170,997,171</u>	<u>9,692,354</u>	<u>14,894,041</u>	<u>165,795,484</u>
Business-type activities				
General obligation:				
Water pollution control	30,551,729	-	3,692,556	26,922,173
Sanitary Sewer	15,265,033	-	1,532,463	13,732,570
Water	32,062,403	-	4,045,390	28,017,013
US Cellular Center	42,540,000	4,075,000	568,000	46,047,000
DoubleTree by Hilton	46,335,000	-	-	46,335,000
Other business-type funds	7,270,105	1,020,000	1,124,351	7,165,754
Notes Payable:				
Water Pollution Control	12,329,980	1,790,447	639,000	13,481,427
Water	33,257,000	-	1,650,000	31,607,000
Other business-type funds	366,330	-	183,165	183,165
Revenue Bonds:				
Water pollution control revenue	19,973,000	6,510,000	863,000	25,620,000
Water revenue	33,690,000	4,570,000	1,370,000	36,890,000
Sewer revenue	4,182,000	5,060,000	147,000	9,095,000
Plus: unamortized premium	3,908,047	174,482	279,482	3,803,047
Less: unamortized discounts	274,830	26,714	27,337	274,207
Total business-type activities	<u>281,455,797</u>	<u>23,173,215</u>	<u>16,004,070</u>	<u>288,624,942</u>
Total primary government	<u>452,452,968</u>	<u>32,865,570</u>	<u>30,898,111</u>	<u>454,420,426</u>
Component unit:				
General obligation for Airport:	46,032	-	22,130	23,902
Plus: unamortized premiums	18,441	-	3,070	15,371
Less: unamortized discounts	12,940	-	1,263	11,677
Total component unit	<u>51,533</u>	<u>-</u>	<u>23,937</u>	<u>27,596</u>
Total Long-Term Debt	<u>\$ 452,504,501</u>	<u>\$ 32,865,570</u>	<u>\$ 30,922,048</u>	<u>\$ 454,448,022</u>

CITY OF CEDAR RAPIDS, IOWA
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	Due within one year
Primary government:	
Governmental activities:	
General obligation	\$ 13,956,403
Business-type activities:	
Water pollution control	5,425,496
Sanitary Sewer	1,829,867
Water	7,380,365
US Cellular Center	1,186,000
Other business-type funds	3,111,558
Total primary government	32,889,689
Component unit:	
General obligations for Airport	23,902
Total general obligation for Airport	23,902
Total current portion of long-term debt	\$ 32,913,591

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, 2014, 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	330,870,000
Legal Debt Margin	\$ 136,972,577

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

Year Ending	Governmental General Obligation		Business-type activities General Obligation		General Obligation Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30:						
2015	\$ 13,956,403	\$ 6,042,726	\$ 13,374,694	\$ 6,023,299	\$ 27,331,098	\$ 12,066,025
2016	14,193,706	5,602,064	12,851,295	5,571,513	27,045,000	11,173,577
2017	14,644,470	5,119,978	12,890,530	5,125,068	27,535,000	10,245,046
2018	13,230,095	4,594,170	12,829,905	4,670,079	26,060,000	9,264,249
2019	13,032,626	4,120,185	12,027,374	4,217,222	25,060,000	8,337,407
2020-2024	44,801,988	14,730,424	45,563,012	15,678,303	90,365,000	30,408,726
2025-2029	30,295,200	7,261,530	31,439,800	8,687,987	61,735,000	15,949,517
2030-2034	13,857,100	2,195,838	21,502,900	3,177,042	35,360,000	5,372,880
2035-2039	3,465,000	724,991	3,210,000	935,535	6,675,000	1,660,526
2040-2044	1,150,000	67,344	2,530,000	233,063	3,680,000	300,407
	\$ 162,626,588	\$50,459,250	\$ 168,219,510	\$ 54,319,110	\$ 330,846,098	\$104,778,360

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Year Ending June 30:	Revenue Bonds	
	Principal	Interest
2015	\$ 3,035,000	\$ 2,631,342
2016	3,120,000	2,565,476
2017	3,225,000	2,472,269
2018	3,330,000	2,369,464
2019	3,435,000	2,254,394
2020-2024	19,280,000	9,342,030
2025-2029	23,900,000	5,244,919
2030-2034	12,280,000	1,047,119
	\$ 71,605,000	\$ 27,927,013

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

Year Ending June 30:	Note Payable	
	Principal	Interest
2015	\$ 2,523,592	\$ 1,352,819
2016	2,412,000	1,282,440
2017	2,486,000	1,210,080
2018	2,563,000	1,135,500
2019	2,641,000	1,058,610
2020-2024	14,473,000	4,054,770
2025-2029	16,834,000	1,746,540
2030-2034	1,339,000	102,030
	\$ 45,271,592	\$ 11,942,789

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
2015	\$ 23,902	\$ 661
	\$ 23,902	\$ 661

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Changes in other long-term liabilities:

Other long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Claims and Judgments	\$ 11,292,400	\$ 10,190,705	\$ 10,254,389	\$ 11,228,716	\$ 1,971,153
Compensated absences	5,743,210	4,970,183	4,705,199	6,008,194	5,773,585
Governmental activity					
Long-term liabilities	<u>\$ 17,035,610</u>	<u>\$ 15,160,888</u>	<u>\$ 14,959,588</u>	<u>\$ 17,236,910</u>	<u>\$ 7,744,738</u>
Business-type activities:					
Compensated absences	\$ 1,464,064	\$ 1,294,781	\$ 1,298,475	\$ 1,460,370	\$ 1,401,457
Closure/post closure landfill	791,021	-	35,546	755,475	-
Business-type activity					
Long-term liabilities	<u>\$ 2,255,085</u>	<u>\$ 1,294,781</u>	<u>\$ 1,334,021</u>	<u>\$ 2,215,845</u>	<u>\$ 1,401,457</u>
Component Units:					
Airport					
Compensated absences	<u>\$ 260,160</u>	<u>\$ 181,523</u>	<u>\$ 221,634</u>	<u>\$ 220,050</u>	<u>\$ 220,050</u>
CRLCSWA					
Compensated absences	\$ 142,346	\$ 219,986	\$ 227,799	\$ 134,533	\$ 134,533
Closure/post closure landfill	21,593,598	6,726	3,527,596	18,072,728	332,519
Long-term liabilities	<u>\$ 21,735,944</u>	<u>\$ 226,712</u>	<u>\$ 3,755,395</u>	<u>\$ 18,207,261</u>	<u>\$ 467,052</u>

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 judgment 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 judgment costs; no other individual fund is charged more than 9% of the total amount.

Industrial Revenue Bonds

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

As of June 30, 2014, 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.

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The aggregate principal balance as of June 30, 2014 due on bonds issued after July 1, 1995, is \$74,050,000.

Note 10: Deficit Fund Equity

At June 30, 2014, individual funds with deficit fund balances were as follows:

Special Revenue:	
Flood	\$ 23,413,117
Community Development Block Grants	46,558
Flood Mitigation	31
DoubleTree by Hilton	2,202,008

The Flood fund is funded by Flood Mitigation federal and state revenues that have not been received but expenditures were incurred. Non-exchange revenues for the FEMA and Community Development Block Grants programs are subject to deferral, thus causing a deficit fund balance for the year ended June 30, 2014. 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.

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 2014, 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 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 2014 was determined according to independent actuarial projections for ultimate limited liability losses, liability expenses and premiums for separate

CITY OF CEDAR RAPIDS, IOWA
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insurance policies. An estimated outstanding liability of \$2,536,195 as of June 30, 2014 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>
7/12 – 6/13	\$3,604,000	\$2,735,668	(\$3,568,668)	\$2,771,000
7/13 – 6/14	\$2,771,000	\$146,904	(\$381,709)	\$2,536,195

Theft of, damage to, or destruction of assets:

The City purchased property insurance with a \$250,000 per occurrence deductible. In 2014 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, 2014 claims liability of \$7,326,971 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>
7/12 – 6/13	\$7,100,000	\$1,484,454	(\$1,740,454)	\$6,844,000
7/13 – 6/14	\$6,844,000	\$2,426,600	(\$1,943,630)	\$7,326,971

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. The City does 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 \$1,333,000 claims liability for incurred but unpaid medical bills as of June 30, 2014 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>
7/12 – 6/13	\$1,270,000	\$19,329,715	(\$18,962,715)	\$1,637,000
7/13 – 6/14	\$1,637,000	\$20,026,536	(\$20,330,536)	\$1,333,000

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JUNE 30, 2014

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, 2014 to be \$32,550. Changes in the Dental Fund's claims liability amount are as follows:

	Beginning Fiscal Year	Additions & Change in		Ending Fiscal Year
	<u>Liability</u>	<u>Accrual</u>	<u>Claims Paid</u>	<u>Liability</u>
7/12 – 6/13	\$40,400	\$819,669	(\$819,669)	\$40,400
7/13 – 6/14	\$40,400	\$855,992	(\$863,842)	\$32,550

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 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.

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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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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, 2014, is summarized below.

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2014. 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	\$ 8,134,037	\$ 14,306,450	\$ 22,440,487
Care costs remaining to be recognized attributable to unutilized capacity	-	(4,367,759)	(4,367,759)
Care costs recognized attributable to utilized capacity	\$ 8,134,037	\$ 9,938,691	\$ 18,072,728
Capacity utilized	100.00%	69.47%	
Estimated remaining life	0 years	8.9 years	

The City operates an ash sanitary landfill consisting of two lagoons at the City's Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2014, was estimated by a professional engineer and is \$755,475. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

Note 15: Operating Leases

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

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

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

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Fiscal Year	Amount
2015	\$ 3,555,873
2016	3,290,488
2017	2,545,165
2018	1,714,095
2019	267,678
2020-2024	1,338,391
2025-2029	1,338,391
2030-2034	360,828
2035-2039	5,350
2040-2044	4,913
2045-2049	977
Total lease payments	\$ 14,422,149

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 (10% or less) share of the health insurance premium. The City pays the remainder of the health insurance premium for employees. Retirees may elect to stay on the City's group health plan until they reach age 65. Retirees pay 102% of the group rates calculated on the expected costs based on the entire group of actives, COBRA participants, and retirees. COBRA participants may elect to stay on the City's group health plan and dental plan by paying 102% of the group rates.

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$392,150. Retiree and COBRA participants receiving benefits contributed \$412,917 through their required contribution of:

Plan	Retiree	Retiree & Spouse	Retiree & Children	Family
Traditional	\$618	\$ -	\$ -	\$1,469
Choice	587	903	1,173	1,586

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:

CITY OF CEDAR RAPIDS, IOWA
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JUNE 30, 2014

Annual required contribution	\$	890,885
Interest on net OPEB obligation		171,317
Adjustment to annual required contribution		(257,135)
Annual OPEB cost (expense)		805,067
Contributions made		(412,917)
Increase in net OPEB obligation		392,150
Net OPEB obligation – July 1, 2013		4,894,770
Net OPEB obligation – June 30, 2014	\$	5,286,920

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
6/30/12	\$ 760,236	35.5%	\$4,741,609
6/30/13	\$ 839,262	81.7%	\$4,894,770
6/30/14	\$ 805,067	51.3%	\$5,286,920

Funded Status and Funding Progress

Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2013, the most recent actuarial valuation date:

	Total	Members
Actuarial Accrued Liability		
Future Retirees	\$ 5,039,670	1,232
Retirees	3,766,328	40
Total Actuarial Accrued Liability (AAL)	8,805,998	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	\$8,805,998	

The covered payroll (annual payroll of active employees covered by the plan) was \$73,191,696 and the ratio of the UAAL to the covered payroll was 12.0%. There is not a separate, audited GAAP-basis postemployment benefit plan report for the City.

Actuarial Methods and Assumptions

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

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB 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 3.5%. Expenses are assumed to increase with inflation at 3.0%. Salary increases are anticipated to increase 3.5%.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2014 is shown below and is assumed to increase by the HCCT shown below.

Plan	Retiree	Retiree & Spouse	Retiree & Children	Family
Traditional	\$618	\$ -	\$ -	\$1,469
Choice	587	903	1,173	1,586

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

Fiscal Year Beginning Change Over Prior	Medical Trend
2014	9.00%
2015	8.50%
2016	8.00%
2017	7.50%
2018	7.00%
2019	6.50%
2020	6.00%
2021	5.50%
2022+	5.00%

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, 2013 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, 2014

	General	Infrastructure Construction	Flood	Other Governmental	Total
Fund Balances:					
Nonspendable:					
Corpus of principal	\$ -	\$ -	\$ -	\$ 112,990	\$ 112,990
Inventories	97,087	-	-	-	97,087
Land held for resale	-	-	1,399,475	78,569	1,478,044
Prepaid items	339,412	-	5,192	451,998	796,602
Total Nonspendable	436,499	-	1,404,667	643,557	2,484,723
Restricted:					
Capital projects	20,021	12,695,076	-	14,216,431	26,931,528
Community and economic development	-	-	-	9,104,960	9,104,960
Culture and recreation	70,960	-	-	1,568,195	1,639,155
Debt service	-	-	-	2,742,398	2,742,398
Employee benefits	-	-	-	3,297,406	3,297,406
Flood recovery	-	-	-	13,502,775	13,502,775
General government	258,469	-	-	151,753	410,222
Public safety	-	-	-	516,640	516,640
Public works	87,327	-	-	-	87,327
SSMID	-	-	-	750,229	750,229
Total Restricted	436,777	12,695,076	-	45,850,787	58,982,640
Committed:					
Culture and recreation	-	-	-	606,128	606,128
Economic development	-	-	-	2,806,838	2,806,838
General government	-	-	-	1,455,584	1,455,584
Public safety services	-	-	-	376,288	376,288
Total Committed	-	-	-	5,244,838	5,244,838
Assigned:					
Capital improvements and equipment	-	20,775,941	-	-	20,775,941
Encumbrances	200,000	-	-	-	200,000
Total Assigned	200,000	20,775,941	-	-	20,975,941
Unassigned:					
	38,474,257	-	(24,817,784)	(48,134)	13,608,339
Total fund balances	\$ 39,547,533	\$ 33,471,017	\$ (23,413,117)	\$ 51,691,048	\$ 101,296,481

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.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, issued November 2013, will be effective for the City beginning with its year ending June 30, 2015. This Statement eliminates a potential source of understatement of restated beginning net position and expense in government's first year of implementing GASB Statement No. 68, *Accounting and Financial Report for Pensions*. To correct this potential understatement, Statement 71 requires a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amount of all other deferred outflows of resources and deferred inflows of resources related to pensions.

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

City of Cedar Rapids, Iowa
Required Supplementary Information
Budgetary Comparison Schedule of Receipts,
Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds,
and Discretely Presented Component Units
Year ended June 30, 2014

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
Revenues:			
Property taxes	\$ 84,710,297	\$ 4,666,154	\$ -
TIF revenues	11,031,070	-	-
Other taxes	28,455,123	-	-
Licenses and permits	2,518,806	-	6,660
Use of money and property	515,480	376,626	12,378,011
Intergovernmental	123,152,460	8,815,584	4,356,419
Charges for services	21,707,747	150,680,276	11,168,229
Special assessments	1,896,174	-	27,102
Miscellaneous	11,151,388	2,364,121	1,515,503
Total revenues	<u>285,138,545</u>	<u>166,902,761</u>	<u>29,451,924</u>
Expenditures:			
Current:			
Public safety	59,294,320	-	-
Public works	22,015,931	-	-
Culture and recreation	15,640,113	-	-
Community and economic development	17,887,134	-	-
General government	16,502,944	-	-
Debt service	21,007,771	-	-
Capital projects	120,500,789	-	-
Business-type	-	186,569,574	23,102,732
Total expenditures	<u>272,849,002</u>	<u>186,569,574</u>	<u>23,102,732</u>
Excess (deficiency) of revenues over (under) expenditures	12,289,543	(19,666,813)	6,349,192
Other financing sources, net	5,647,021	38,949,299	-
Net change in fund balances, net assets	17,936,564	19,282,486	6,349,192
Fund balances, budgetary basis net position - July 1, 2013	83,359,917	316,191,141	163,273,568
Fund balances, budgetary basis net position - June 30, 2014	<u>\$ 101,296,481</u>	<u>\$ 335,473,627</u>	<u>\$ 169,622,760</u>
Adjustments not budgeted:			
Other accrued liabilities	-	(17,134)	(2,472)
Sale of capital assets	-	706,605	25,023
Bond proceeds	-	(109,005,895)	-
Accrued bond interest	-	(10,452,969)	(1,873,712)
Capital outlay variance from depreciation	-	223,793,871	55,508,055
Fund balances, net position - June 30, 2014 GAAP basis	<u>\$ 101,296,481</u>	<u>\$ 440,498,105</u>	<u>\$ 223,279,654</u>

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

Net	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 89,376,451	\$ 84,532,340	\$ 84,532,340	\$ 4,844,111
11,031,070	11,197,684	11,197,684	(166,614)
28,455,123	32,265,034	32,265,034	(3,809,911)
2,525,466	2,519,727	2,526,727	(1,261)
13,270,117	16,005,612	16,474,445	(3,204,328)
136,324,463	116,197,459	155,897,423	(19,572,960)
183,556,252	147,578,833	163,158,092	20,398,160
1,923,276	1,853,300	554,129	1,369,147
15,031,012	34,024,780	41,275,976	(26,244,964)
<u>481,493,230</u>	<u>446,174,769</u>	<u>507,881,850</u>	<u>(26,388,620)</u>
59,294,320	54,307,835	60,605,905	1,311,585
22,015,931	22,361,973	23,326,916	1,310,985
15,640,113	14,534,774	16,629,131	989,018
17,887,134	30,017,275	30,947,239	13,060,105
16,502,944	17,354,816	18,252,929	1,749,985
21,007,771	21,089,479	21,074,530	66,759
120,500,789	113,439,253	184,939,492	64,438,703
209,672,306	228,442,154	248,933,712	39,261,406
<u>482,521,308</u>	<u>501,547,559</u>	<u>604,709,854</u>	<u>122,188,546</u>
(1,028,078)	(55,372,790)	(96,828,004)	95,799,926
44,596,320	41,170,949	32,106,001	12,490,319
43,568,242	(14,201,841)	(64,722,003)	108,290,245
562,824,626	281,634,132	192,676,877	370,147,749
<u>\$ 606,392,868</u>	<u>\$ 267,432,291</u>	<u>\$ 127,954,874</u>	<u>\$ 478,437,994</u>

CITY OF CEDAR RAPIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information – Budgetary Reporting
June 30, 2014

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 \$103,162,295. 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)
7/1/2011	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%
7/1/2013	6/30/2014	\$ -	\$ 8,805,998	\$ 8,805,998	0.00%	\$ 73,191,696	12.03%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2013. 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 5.0-9.0%; discount rate of 3.5%
- 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, 2014**

	Special Revenue Funds							
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Growth Reinvestment	Leased Housing
ASSETS								
Cash and investments	\$ -	\$ 31,512	\$ 800,002	\$ 9,904,849	\$ 5,471,426	\$ 4,612,158	\$ -	\$ 743,673
Receivables:								
Taxes	-	-	-	3,688,237	13,999,911	-	-	-
Accounts and unbilled usage, net	-	-	-	-	-	-	-	-
\$538,724 of allowance for doubtful accounts	2,109	26,283	-	-	-	-	-	56,776
Interest	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Due from other governments	224,479	107,375	840,807	-	-	2,407,680	1,556,798	-
Notes receivable	-	-	-	-	2,673,342	-	-	-
Land held for resale	-	-	-	78,569	-	-	-	-
Prepaid items	1,545	-	-	-	-	-	-	355,733
Total assets	228,133	165,170	1,640,809	13,671,655	22,144,679	7,019,838	1,556,798	1,156,182
LIABILITIES								
Vouchers payable	43,612	108,060	480	90,311	41,660	-	-	15,049
Contracts payable	-	-	-	-	-	-	-	-
Accrued expenditures	19,477	2,281	-	-	-	-	-	19,512
Revenues collected in advance	-	266	-	-	-	-	-	-
Advance from other funds	-	-	244,714	-	-	-	-	-
Due to other funds	211,602	-	-	-	-	-	-	-
Due to general public	-	-	-	-	-	-	-	220,701
Due to other governments	-	-	-	-	-	-	-	200,938
Security deposits	-	-	2,500	-	300	-	-	-
Total liabilities	274,691	110,607	247,694	90,311	41,960	-	-	456,200
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	13,909,638	-	-	-
Unavailable revenue - other taxes	-	-	840,807	-	-	-	1,556,798	-
Unavailable revenue - intergovernmental	-	31,283	-	-	-	-	-	-
Total deferred inflows of resources	-	31,283	840,807	-	13,909,638	-	1,556,798	-
FUND BALANCES (DEFICITS)								
Nonspendable	1,545	-	-	78,569	-	-	-	355,733
Restricted	-	23,280	552,308	13,502,775	8,193,081	7,019,838	-	344,249
Committed	-	-	-	-	-	-	-	-
Unassigned	(48,103)	-	-	-	-	-	-	-
Total fund balances (deficits)	(46,558)	23,280	552,308	13,581,344	8,193,081	7,019,838	-	699,982
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 228,133	\$ 165,170	\$ 1,640,809	\$ 13,671,655	\$ 22,144,679	\$ 7,019,838	\$ 1,556,798	\$ 1,156,182

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Flood Mitigation	Debt Service	
\$ 780,185	\$ 4,167,234	\$ 826,975	\$ 188,990	\$ 7,875,571	\$ 35,402,575	\$ 7,149,078	\$ -	\$ 2,646,722	\$ 45,198,375
506,435	14,804,245	1,842,569	2,881,896	1,588	37,724,881	-	-	16,680,867	54,405,748
-	2,207	-	-	1,994	89,369	5,419	-	-	94,788
-	-	3,848	144,336	83	148,267	-	-	-	148,267
-	-	-	-	-	-	65,788	-	-	65,788
-	-	-	-	322,535	5,459,674	1,226,435	-	-	6,686,109
-	-	-	-	-	2,673,342	-	-	-	2,673,342
-	-	-	-	-	78,569	-	-	-	78,569
-	-	-	-	28,857	386,135	65,863	-	-	451,998
<u>1,286,620</u>	<u>18,973,686</u>	<u>2,673,392</u>	<u>3,215,222</u>	<u>8,230,628</u>	<u>81,962,812</u>	<u>8,512,583</u>	<u>-</u>	<u>19,327,589</u>	<u>109,802,984</u>
30,910	165,612	3,374	6,566	185,847	691,481	998,650	-	16,044	1,706,175
-	-	-	-	-	-	232,250	-	-	232,250
-	-	-	-	15,731	57,001	-	-	-	57,001
-	243	-	-	518,894	519,403	5,727	-	-	525,130
-	-	-	-	-	244,714	-	-	-	244,714
-	-	-	-	-	211,602	-	31	-	211,633
-	-	-	-	224,497	445,198	-	-	-	445,198
-	805,691	785,867	-	-	1,792,496	-	-	-	1,792,496
-	-	-	-	-	2,800	-	-	-	2,800
<u>30,910</u>	<u>971,546</u>	<u>789,241</u>	<u>6,566</u>	<u>944,969</u>	<u>3,964,695</u>	<u>1,236,627</u>	<u>31</u>	<u>16,044</u>	<u>5,217,397</u>
505,481	14,704,734	1,830,772	2,863,514	-	33,814,139	-	-	16,569,147	50,383,286
-	-	-	-	-	2,397,605	-	-	-	2,397,605
-	-	-	-	68,865	100,148	13,500	-	-	113,648
<u>505,481</u>	<u>14,704,734</u>	<u>1,830,772</u>	<u>2,863,514</u>	<u>68,865</u>	<u>36,311,892</u>	<u>13,500</u>	<u>-</u>	<u>16,569,147</u>	<u>52,894,539</u>
-	-	-	-	141,847	577,694	65,863	-	-	643,557
750,229	3,297,406	53,379	345,142	1,830,109	35,911,796	7,196,593	-	2,742,398	45,850,787
-	-	-	-	5,244,838	5,244,838	-	-	-	5,244,838
-	-	-	-	-	(48,103)	-	(31)	-	(48,134)
<u>750,229</u>	<u>3,297,406</u>	<u>53,379</u>	<u>345,142</u>	<u>7,216,794</u>	<u>41,686,225</u>	<u>7,262,456</u>	<u>(31)</u>	<u>2,742,398</u>	<u>51,691,048</u>
<u>\$ 1,286,620</u>	<u>\$ 18,973,686</u>	<u>\$ 2,673,392</u>	<u>\$ 3,215,222</u>	<u>\$ 8,230,628</u>	<u>\$ 81,962,812</u>	<u>\$ 8,512,583</u>	<u>\$ -</u>	<u>\$ 19,327,589</u>	<u>\$ 109,802,984</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, 2014

	Special Revenue Funds							
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Growth Reinvestment	Leased Housing
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 11,031,070	\$ -	\$ -	\$ -
Hotel-Motel taxes	-	-	3,035,261	-	-	-	-	-
Local option sales tax	-	-	-	18,457,259	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,247,158	584,555	-	-	-	12,762,359	-	5,978,782
Charges for services	4,205	-	-	-	-	-	-	246,558
Fines and forfeits	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-
Rents and royalties	-	-	-	-	-	-	-	-
Miscellaneous	16,434	44,373	-	-	-	-	-	22
Total revenues	1,267,797	628,928	3,035,261	18,457,259	11,031,070	12,762,359	-	6,225,362
Expenditures:								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community and economic development	1,253,853	633,992	1,829,664	686,753	2,300,912	-	-	6,114,231
General government	-	-	-	-	-	3,616	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	211,585	-	-	-	-
Total expenditures	1,253,853	633,992	1,829,664	898,338	2,300,912	3,616	-	6,114,231
Excess (deficiency) of revenues over expenditures	13,944	(5,064)	1,205,597	17,558,921	8,730,158	12,758,743	-	111,131
Other Financing Sources (Uses):								
Long-term debt issued	-	-	-	-	5,000,000	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-
Discount on debt issued	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	125	-	-	-
Transfers (out)	-	-	(1,238,392)	(8,119,944)	(4,321,631)	(11,573,827)	-	-
Total other financing sources (uses)	-	-	(1,238,392)	(8,119,944)	678,494	(11,573,827)	-	-
Net change in fund balances	13,944	(5,064)	(32,795)	9,438,977	9,408,652	1,184,916	-	111,131
Fund balances (deficits) - July 1, 2013	(60,502)	28,344	585,103	4,142,367	(1,215,571)	5,834,922	-	588,851
Fund balances (deficits) - June 30, 2014	\$ (46,558)	\$ 23,280	\$ 552,308	\$ 13,581,344	\$ 8,193,081	\$ 7,019,838	\$ -	\$ 699,982

SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
						Other Construction	Flood Mitigation	Debt Service	
\$ 537,265	\$ 14,474,229	\$ 1,715,972	\$ 2,673,694	\$ 231,031	\$ 30,663,261	\$ -	\$ -	\$ 16,123,544	\$ 46,786,805
-	-	-	-	-	3,035,261	-	-	-	3,035,261
-	-	-	-	-	18,457,259	-	-	-	18,457,259
-	-	-	-	30,078	30,078	-	-	-	30,078
-	-	-	-	1,025,437	21,598,291	4,320,111	-	-	25,918,402
-	-	-	-	61,789	312,552	1,761	-	-	314,313
-	-	-	-	68,797	68,797	-	-	-	68,797
-	-	5,105	63,012	25,264	93,381	-	-	357,162	450,543
-	-	-	-	339,879	339,879	-	-	-	339,879
251,500	135	-	-	182,108	494,572	543,500	-	-	1,038,072
<u>788,765</u>	<u>14,474,364</u>	<u>1,721,077</u>	<u>2,736,706</u>	<u>1,964,383</u>	<u>75,093,331</u>	<u>4,865,372</u>	<u>-</u>	<u>16,480,706</u>	<u>96,439,409</u>
-	-	137,916	227,838	311,771	677,525	1,687	-	-	679,212
-	-	-	-	-	-	368,532	31	-	368,563
-	-	-	-	950,723	950,723	214,316	-	-	1,165,039
618,405	-	-	-	236,916	13,674,726	495,403	-	-	14,170,129
-	1,332	-	-	124,305	129,253	361,705	-	-	490,958
-	-	-	-	-	-	-	-	14,653,110	14,653,110
-	-	-	-	-	-	-	-	156,992	156,992
-	-	-	-	-	-	-	-	6,237,128	6,237,128
-	-	-	-	56,948	268,533	6,806,128	-	-	7,074,661
<u>618,405</u>	<u>1,332</u>	<u>137,916</u>	<u>227,838</u>	<u>1,680,663</u>	<u>15,700,760</u>	<u>8,247,771</u>	<u>31</u>	<u>21,047,230</u>	<u>44,995,792</u>
<u>170,360</u>	<u>14,473,032</u>	<u>1,583,161</u>	<u>2,508,868</u>	<u>283,720</u>	<u>59,392,571</u>	<u>(3,382,399)</u>	<u>(31)</u>	<u>(4,566,524)</u>	<u>51,443,617</u>
-	-	-	-	-	5,000,000	1,780,000	-	495,000	7,275,000
-	-	-	-	-	-	-	-	60,896	60,896
-	-	-	-	-	-	-	-	(28,542)	(28,542)
-	-	-	-	632,609	632,609	-	-	-	632,609
159,182	5,533	-	406,950	1,245,302	1,817,092	2,515,243	-	5,893,721	10,226,056
-	(14,374,328)	(1,587,931)	(2,916,567)	(1,379,193)	(45,511,813)	(347,042)	-	(1,993,947)	(47,852,802)
<u>159,182</u>	<u>(14,368,795)</u>	<u>(1,587,931)</u>	<u>(2,509,617)</u>	<u>498,718</u>	<u>(38,062,112)</u>	<u>3,948,201</u>	<u>-</u>	<u>4,427,128</u>	<u>(29,686,783)</u>
329,542	104,237	(4,770)	(749)	782,438	21,330,459	565,802	(31)	(139,396)	21,756,834
420,687	3,193,169	58,149	345,891	6,434,356	20,355,766	6,696,654	-	2,881,794	29,934,214
<u>\$ 750,229</u>	<u>\$ 3,297,406</u>	<u>\$ 53,379</u>	<u>\$ 345,142</u>	<u>\$ 7,216,794</u>	<u>\$ 41,686,225</u>	<u>\$ 7,262,456</u>	<u>\$ (31)</u>	<u>\$ 2,742,398</u>	<u>\$ 51,691,048</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
ASSETS				
Current assets:				
Cash and investments	\$ 5,800,935	\$ -	\$ 5,145,919	\$ 9,465
Receivables:				
Taxes	4,772,546	-	-	-
Accounts and unbilled usage, net				
\$186,777 of allowance for doubtful accounts	64,375	104,211	1,502,327	11,827
Due from other governments	21,736	-	-	-
Inventories	-	-	-	173,659
Prepaid items	-	-	1,028	44,429
Other assets	-	33,512	-	-
Total current assets	<u>10,659,592</u>	<u>137,723</u>	<u>6,649,274</u>	<u>239,380</u>
Noncurrent assets:				
Restricted cash and investments	-	1,104,503	2,189,093	659
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	4,315,409	-	5,378,920
Machinery and equipment	8,424,838	1,502,085	3,255,878	913,861
Accumulated depreciation	(13,536,346)	(19,419,643)	(3,308,438)	(3,984,585)
Construction in progress	-	10,333,881	-	-
Total noncurrent assets	<u>9,338,019</u>	<u>26,052,607</u>	<u>2,378,599</u>	<u>4,086,687</u>
Total assets	<u>19,997,611</u>	<u>26,190,330</u>	<u>9,027,873</u>	<u>4,326,067</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	422,843	329,478	712,661	185,788
Contracts payable	56	465,609	-	-
Accrued expenses	139,864	11,809	118,179	58,842
Compensated absences	156,539	29,645	143,482	103,615
Revenues collected in advance	14,410	12,330	125	-
Due to other funds	-	-	-	1,264,500
Due to other governments	-	-	-	5,589
Security deposits	1,000	-	-	-
Notes payable	183,165	-	-	-
General obligation bonds payable, net	-	170,950	-	244,118
Matured bonds interest payable	-	4,605	-	6,015
Total current liabilities	<u>917,877</u>	<u>1,024,426</u>	<u>974,447</u>	<u>1,868,467</u>
Noncurrent liabilities:				
General obligation bonds payable, net	-	2,458,450	-	1,509,628
Compensated absences	10,765	10,765	-	-
Total noncurrent liabilities	<u>10,765</u>	<u>2,469,215</u>	<u>-</u>	<u>1,509,628</u>
Total liabilities	<u>928,642</u>	<u>3,493,641</u>	<u>974,447</u>	<u>3,378,095</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	4,740,466	-	-	-
Total deferred inflows of resources	<u>4,740,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,154,854	23,423,207	189,506	2,332,941
Unrestricted (deficit)	5,173,649	(726,518)	7,863,920	(1,384,969)
Total net position	<u>\$ 14,328,503</u>	<u>\$ 22,696,689</u>	<u>\$ 8,053,426</u>	<u>\$ 947,972</u>

Storm Sewer	Paramount Theatre	Ice Arena	Total
\$ 1,673,177	2,107,029	\$ 24,334	\$ 14,760,859
-	-	-	4,772,546
89,862	11,532	91,766	1,875,900
-	-	-	21,736
-	15,789	-	189,448
-	31,858	7,439	84,754
-	220,838	-	254,350
<u>1,763,039</u>	<u>2,387,046</u>	<u>123,539</u>	<u>21,959,593</u>
-	-	30,627	3,324,882
-	655,993	-	9,641,416
-	42,317,735	9,802,126	84,641,068
-	-	252,534	13,126,030
11,290	-	1,929,592	16,037,544
(1,075)	(2,508,296)	(5,728,397)	(48,486,780)
-	-	-	10,333,881
<u>10,215</u>	<u>40,465,432</u>	<u>6,286,482</u>	<u>88,618,041</u>
<u>1,773,254</u>	<u>42,852,478</u>	<u>6,410,021</u>	<u>110,577,634</u>
11,841	1,001,994	39,966	2,704,571
-	-	-	465,665
-	133,915	29,319	491,928
-	-	-	433,281
-	328,718	70,767	426,350
-	-	-	1,264,500
-	-	1,004	6,593
-	-	-	1,000
-	-	-	183,165
-	73,325	470,000	958,393
-	991	9,813	21,424
<u>11,841</u>	<u>1,538,943</u>	<u>620,869</u>	<u>6,956,870</u>
-	217,247	2,102,722	6,288,047
-	-	-	21,530
-	217,247	2,102,722	6,309,577
<u>11,841</u>	<u>1,756,190</u>	<u>2,723,591</u>	<u>13,266,447</u>
-	-	-	4,740,466
-	-	-	4,740,466
10,215	40,174,860	3,683,133	78,968,716
1,751,198	921,428	3,297	13,602,005
<u>\$ 1,761,413</u>	<u>\$ 41,096,288</u>	<u>\$ 3,686,430</u>	<u>\$ 92,570,721</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	\$ 904,445	\$ 4	\$ 9,352,116	\$ 1,809,892
Rents and royalties	86,724	-	-	646,166
Miscellaneous	9,708	299,501	13,223	279,431
Total operating revenues	<u>1,000,877</u>	<u>299,505</u>	<u>9,365,339</u>	<u>2,735,489</u>
Operating expenses:				
Personal services	4,043,948	356,163	3,789,963	1,448,364
Purchased services	2,352,525	1,641,693	4,782,961	973,026
Supplies and materials	938,376	19	874,915	661,698
Other	1,112,297	97,357	28,981	19,296
Depreciation	550,828	555,665	120,003	206,374
Total operating expenses	<u>8,997,974</u>	<u>2,650,897</u>	<u>9,596,823</u>	<u>3,308,758</u>
Operating income (loss)	<u>(7,997,097)</u>	<u>(2,351,392)</u>	<u>(231,484)</u>	<u>(573,269)</u>
Nonoperating revenues (expenses):				
Intergovernmental	3,852,969	-	59,755	22,081
Investment earnings	-	147	-	1,110
Property tax revenue	4,666,154	-	-	-
Gain (loss) on sale of capital assets	-	-	-	1,511
Interest expense	(1,912)	(55,129)	(4,430)	(65,471)
Total nonoperating revenue (expenses)	<u>8,517,211</u>	<u>(54,982)</u>	<u>55,325</u>	<u>(40,769)</u>
Income (loss) before transfers and capital contributions	520,114	(2,406,374)	(176,159)	(614,038)
Capital contributions	-	-	-	-
Transfers in	37,764	7,722,742	704,372	318,559
Transfers out	(123,761)	(459,440)	(8,080)	-
Change in net position	<u>434,117</u>	<u>4,856,928</u>	<u>520,133</u>	<u>(295,479)</u>
Total net position, beginning	13,894,386	17,839,761	7,533,293	1,243,451
Total net position, ending	<u>\$ 14,328,503</u>	<u>\$ 22,696,689</u>	<u>\$ 8,053,426</u>	<u>\$ 947,972</u>

<u>Storm Sewer</u>	<u>Paramount Theatre</u>	<u>Ice Arena</u>	<u>Total</u>
\$ 3,680,772	\$ 1,281,750	\$ 513,592	\$ 17,542,571
-	-	302,519	1,035,409
-	531,000	202,258	1,335,121
<u>3,680,772</u>	<u>1,812,750</u>	<u>1,018,369</u>	<u>19,913,101</u>
-	559,399	390,975	10,588,812
1,193,506	241,312	575,516	11,760,539
118,859	-	56,989	2,650,856
204,160	494,938	5,433	1,962,462
1,075	2,154,606	433,180	4,021,731
<u>1,517,600</u>	<u>3,450,255</u>	<u>1,462,093</u>	<u>30,984,400</u>
<u>2,163,172</u>	<u>(1,637,505)</u>	<u>(443,724)</u>	<u>(11,071,299)</u>
36	-	-	3,934,841
-	-	-	1,257
-	-	-	4,666,154
-	-	-	1,511
<u>(1,795)</u>	<u>(520,352)</u>	<u>(121,354)</u>	<u>(770,443)</u>
<u>(1,759)</u>	<u>(520,352)</u>	<u>(121,354)</u>	<u>7,833,320</u>
2,161,413	(2,157,857)	(565,078)	(3,237,979)
-	2,951,247	-	2,951,247
-	122,718	712,755	9,618,910
<u>(400,000)</u>	<u>-</u>	<u>(168,538)</u>	<u>(1,159,819)</u>
1,761,413	916,108	(20,861)	8,172,359
-	40,180,180	3,707,291	84,398,362
<u>\$ 1,761,413</u>	<u>\$ 41,096,288</u>	<u>\$ 3,686,430</u>	<u>\$ 92,570,721</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	\$ 1,026,078	\$ 1,544,492	\$ 9,214,243	\$ 2,737,489
Cash paid to employees	(4,074,599)	(351,782)	(3,780,514)	(1,439,330)
Cash paid to suppliers	(4,205,473)	(2,575,224)	(5,234,330)	(1,647,725)
Net cash flows provided by (used in) operating activities	<u>(7,253,994)</u>	<u>(1,382,514)</u>	<u>199,399</u>	<u>(349,566)</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	-	-	-	825,377
Loans to other funds	-	-	-	(511,714)
Intergovernmental	5,253,158	-	59,755	22,081
Capital contributions	-	-	-	-
Transfers in	37,764	8,053,910	704,372	318,559
Transfers out	(123,761)	(459,440)	(8,080)	-
Property taxes	4,673,572	-	-	-
Net cash flows provided by non-capital financing activities	<u>9,840,733</u>	<u>7,594,470</u>	<u>756,047</u>	<u>654,303</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(7,594,435)	(11,405)	(9,200)
Proceeds from disposition of capital assets	-	-	-	1,511
General obligation bonds issued	-	1,020,000	-	-
Notes payable issued	-	-	-	-
Principal paid	(183,165)	(322,150)	-	(246,379)
Interest paid	(1,912)	(55,256)	(4,430)	(72,180)
Purchase of investments	(5,259,112)	-	(6,654,403)	-
Net cash flows provided by (used in) capital financing activities	<u>(5,444,189)</u>	<u>(6,951,841)</u>	<u>(6,670,238)</u>	<u>(326,248)</u>
Cash flows from investing activities:				
Interest on investments	-	147	-	1,110
Net cash flows provided by investing activities	<u>-</u>	<u>147</u>	<u>-</u>	<u>1,110</u>
Net increase (decrease) in cash and cash equivalents	(2,857,450)	(739,738)	(5,714,792)	(20,401)
Cash and cash equivalents, July 1, 2013	3,399,273	1,844,241	6,395,401	30,525
Cash and cash equivalents, June 30, 2014	<u>\$ 541,823</u>	<u>\$ 1,104,503</u>	<u>\$ 680,609</u>	<u>\$ 10,124</u>
Reconciliation of operating (loss) to net cash flows provided by (used in) operating activities				
Operating (loss)	\$ (7,997,097)	\$ (2,351,392)	\$ (231,484)	\$ (573,269)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	550,828	555,665	120,003	206,374
Change in assets and liabilities:				
(Increase) decrease in prepaid items	1,717	18,361	622	913
Increase (decrease) in vouchers payable	194,459	(854,535)	434,562	(26,705)
Increase (decrease) in accrued expenses	3,137	1,683	13,109	7,136
Increase (decrease) in compensated absences	(33,788)	2,698	(3,660)	1,898
(Increase) decrease in accounts receivable	25,201	99,742	(151,096)	23,865
(Increase) decrease in other assets	-	1,145,268	-	-
Decrease in inventories	1,429	19	17,343	32,087
Decrease due from other governments	-	-	-	1,712
(Decrease) due to other governments	-	-	-	(23,577)
Increase (decrease) in revenues collected in advance	120	(23)	-	-
(Decrease) in security deposits	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ (7,253,994)</u>	<u>\$ (1,382,514)</u>	<u>\$ 199,399</u>	<u>\$ (349,566)</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	<u>\$ -</u>	<u>\$ 331,168</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Storm Sewer</u>	<u>Paramount Theatre</u>	<u>Ice Arena</u>	<u>Total</u>
\$ 3,590,910	\$ 1,783,561	\$ 1,056,558	\$ 20,953,331
-	(459,169)	(407,473)	(10,512,867)
(1,518,784)	(803,123)	(752,886)	(16,737,545)
<u>2,072,126</u>	<u>521,269</u>	<u>(103,801)</u>	<u>(6,297,081)</u>
-	-	-	825,377
-	-	-	(511,714)
36	-	-	5,335,030
-	2,951,247	-	2,951,247
-	122,718	712,755	9,950,078
(400,000)	-	(168,538)	(1,159,819)
-	-	-	4,673,572
<u>(399,964)</u>	<u>3,073,965</u>	<u>544,217</u>	<u>22,063,771</u>
(11,290)	(1,825,151)	(5,979)	(9,457,460)
-	-	-	1,511
-	-	-	1,020,000
-	-	-	-
-	(110,822)	(445,000)	(1,307,516)
(1,795)	(525,782)	(118,284)	(779,639)
<u>(1,517,925)</u>	<u>(217,637)</u>	<u>(26,950)</u>	<u>(13,676,027)</u>
<u>(1,531,010)</u>	<u>(2,679,392)</u>	<u>(596,213)</u>	<u>(24,199,131)</u>
-	-	-	1,257
-	-	-	1,257
141,152	915,842	(155,797)	(8,431,184)
14,100	973,550	183,808	12,840,898
<u>\$ 155,252</u>	<u>\$ 1,889,392</u>	<u>\$ 28,011</u>	<u>\$ 4,409,714</u>
\$ 2,163,172	\$ (1,637,505)	\$ (443,724)	\$ (11,071,299)
1,075	2,154,606	433,180	4,021,731
-	(14,759)	(795)	6,059
(2,259)	(58,822)	(114,153)	(427,453)
-	100,230	(16,498)	108,797
-	-	-	(32,852)
(89,862)	484,169	57,936	449,955
-	(192,701)	-	952,567
-	6,708	-	57,586
-	-	-	1,712
-	-	(2,913)	(26,490)
-	(320,657)	(15,539)	(336,099)
-	-	(1,295)	(1,295)
<u>\$ 2,072,126</u>	<u>\$ 521,269</u>	<u>\$ (103,801)</u>	<u>\$ (6,297,081)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,168</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,118,983	\$ 3,154,809	\$ 2,194,224	\$ 42,786,581	\$ -	\$ 50,254,597
Receivables:						
Accounts and unbilled usage, net	414,776	1,996,784	103	66,913	-	2,478,576
Interest	-	-	-	1,144	-	1,144
Due from other governments	-	12,571	9	-	-	12,580
Inventories	-	692,911	-	-	-	692,911
Prepaid items	2,794	438	72,354	836,740	-	912,326
Other assets	-	-	-	-	78,276	78,276
Total current assets	<u>2,536,553</u>	<u>5,857,513</u>	<u>2,266,690</u>	<u>43,691,378</u>	<u>78,276</u>	<u>54,430,410</u>
Noncurrent assets:						
Advance to other funds	-	-	-	244,714	-	244,714
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	24,750,691	1,009,678	-	-	25,876,588
Accumulated depreciation	(6,407,019)	(10,412,806)	(736,254)	-	(791,344)	(18,347,423)
Construction in progress	-	-	13,487,754	-	-	13,487,754
Total noncurrent assets	<u>2,651,542</u>	<u>14,371,460</u>	<u>13,781,884</u>	<u>244,714</u>	<u>9,103,638</u>	<u>40,153,238</u>
Total assets	<u>5,188,095</u>	<u>20,228,973</u>	<u>16,048,574</u>	<u>43,936,092</u>	<u>9,181,914</u>	<u>94,583,648</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	72,274	522,486	162,826	373,530	-	1,131,116
Claims and judgments payable	-	-	-	1,971,153	-	1,971,153
Accrued expenses	63,639	104,368	80,800	2,634	10,667	262,108
Revenues collected in advance	-	-	-	23,389	-	23,389
Compensated absences	92,672	114,925	82,958	-	-	290,555
Security deposits	-	-	-	618	-	618
Total current liabilities	<u>228,585</u>	<u>741,779</u>	<u>326,584</u>	<u>2,371,324</u>	<u>10,667</u>	<u>3,678,939</u>
Noncurrent liabilities:						
Claims and judgments payable	-	-	-	9,257,563	-	9,257,563
Post-employment liability	-	-	-	5,286,920	-	5,286,920
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,544,483</u>	<u>-</u>	<u>14,544,483</u>
Total liabilities	<u>228,585</u>	<u>741,779</u>	<u>326,584</u>	<u>16,915,807</u>	<u>10,667</u>	<u>18,223,422</u>
NET POSITION						
Investment in capital assets	2,651,542	14,371,460	13,781,884	-	9,103,638	39,908,524
Unrestricted	2,307,968	5,115,734	1,940,106	27,020,285	67,609	36,451,702
	<u>\$ 4,959,510</u>	<u>\$ 19,487,194</u>	<u>\$ 15,721,990</u>	<u>\$ 27,020,285</u>	<u>\$ 9,171,247</u>	<u>\$ 76,360,226</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Operating revenues:						
Charges for services	\$ 1,424,856	\$ 12,794,715	\$ 3,189,635	\$ 25,456,499	\$ -	\$ 42,865,705
Rents and royalties	2,154,925	-	-	-	-	2,154,925
Miscellaneous	626	451,841	-	24,499	58,136	535,102
Total operating revenues	<u>3,580,407</u>	<u>13,246,556</u>	<u>3,189,635</u>	<u>25,480,998</u>	<u>58,136</u>	<u>45,555,732</u>
Operating expenses:						
Personal services	1,860,231	3,029,812	2,056,345	1,638,576	-	8,584,964
Purchased services	979,887	1,056,700	509,826	24,764,774	-	27,311,187
Supplies and materials	262,915	5,374,273	48,485	133	-	5,685,806
Other	4,932	10,283	21,494	158,983	8,000	203,692
Depreciation	204,785	2,640,536	88,053	-	515,913	3,449,287
Total operating expenses	<u>3,312,750</u>	<u>12,111,604</u>	<u>2,724,203</u>	<u>26,562,466</u>	<u>523,913</u>	<u>45,234,936</u>
Operating income (loss)	<u>267,657</u>	<u>1,134,952</u>	<u>465,432</u>	<u>(1,081,468)</u>	<u>(465,777)</u>	<u>320,796</u>
Nonoperating revenues (expenses):						
Investment earnings	-	-	-	1,230	-	1,230
Gain (Loss) on sale of capital assets	-	(64,341)	(43,293)	-	-	(107,634)
Interest expense	(1,411)	(1,658)	(1,355)	-	-	(4,424)
Total nonoperating revenue (expenses)	<u>(1,411)</u>	<u>(65,999)</u>	<u>(44,648)</u>	<u>1,230</u>	<u>-</u>	<u>(110,828)</u>
Income (loss) before transfers and capital contributions	266,246	1,068,953	420,784	(1,080,238)	(465,777)	209,968
Capital contributions	-	-	644,623	-	-	644,623
Transfers in	231,738	534,003	9,588	1,246,129	-	2,021,458
Transfers out	(188,757)	-	(7,450)	(549,860)	-	(746,067)
Change in net position	309,227	1,602,956	1,067,545	(383,969)	(465,777)	2,129,982
Total net position, beginning	4,650,283	17,884,238	14,654,445	27,404,254	9,637,024	74,230,244
Total net position, ending	<u>\$ 4,959,510</u>	<u>\$ 19,487,194</u>	<u>\$ 15,721,990</u>	<u>\$ 27,020,285</u>	<u>\$ 9,171,247</u>	<u>\$ 76,360,226</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Cash flows from operating activities:						
Cash received from users	\$ 3,252,442	\$ 11,822,210	\$ 3,189,594	\$ 25,447,261	\$ -	\$ 43,711,507
Cash paid to employees	(1,854,148)	(3,042,154)	(2,054,918)	(1,245,613)	-	(8,196,833)
Cash paid to suppliers	(1,264,961)	(6,636,869)	(538,562)	(25,225,055)	-	(33,665,447)
Net cash flows provided by (used in) operating activities	<u>133,333</u>	<u>2,143,187</u>	<u>596,114</u>	<u>(1,023,407)</u>	<u>-</u>	<u>1,849,227</u>
Cash flows from non-capital financing activities:						
Borrowing from other funds	-	-	-	80,488	-	80,488
Loans to other funds	-	-	-	-	-	-
Intergovernmental	-	-	300,000	-	-	300,000
Transfers in	231,738	534,003	9,588	1,246,129	-	2,021,458
Transfers out	(188,757)	-	(7,450)	(549,860)	-	(746,067)
Net cash flows provided by (used in) non-capital financing activities	<u>42,981</u>	<u>534,003</u>	<u>302,138</u>	<u>776,757</u>	<u>-</u>	<u>1,655,879</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(2,177,432)	(435,502)	-	-	(2,612,934)
Proceeds from disposition of capital assets	-	6,700	-	-	-	6,700
Capital contributions	-	-	644,623	-	-	644,623
Purchase of investments	(1,922,364)	(2,861,941)	(1,990,624)	(38,608,575)	-	(45,383,504)
Net cash flows provided by (used in) capital financing activities	<u>(1,922,364)</u>	<u>(5,032,673)</u>	<u>(1,781,503)</u>	<u>(38,608,575)</u>	<u>-</u>	<u>(47,345,115)</u>
Cash flows from investing activities:						
Interest on investments	(1,411)	(1,658)	(1,355)	1,680	-	(2,744)
Net cash flows provided by (used in) investing activities	<u>(1,411)</u>	<u>(1,658)</u>	<u>(1,355)</u>	<u>1,680</u>	<u>-</u>	<u>(2,744)</u>
Net decrease in cash and cash equivalents	(1,747,461)	(2,357,141)	(884,606)	(38,853,545)	-	(43,842,753)
Cash and cash equivalents, July 1, 2013	1,944,080	2,650,009	1,088,206	43,031,551	-	48,713,846
Cash and cash equivalents, June 30, 2014	<u>\$ 196,619</u>	<u>\$ 292,868</u>	<u>\$ 203,600</u>	<u>\$ 4,178,006</u>	<u>\$ -</u>	<u>\$ 4,871,093</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities						
Operating income (loss)	\$ 267,657	\$ 1,134,952	\$ 465,432	\$ (1,081,468)	\$ (465,777)	\$ 320,796
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities						
Depreciation expense	204,785	2,640,536	88,053	-	515,913	3,449,287
Change in assets and liabilities:						
(Increase) decrease in prepaid items	(1,270)	(438)	(68,842)	253,754	-	183,204
(Increase) in other assets	-	-	-	-	(58,136)	(58,136)
Increase (decrease) in vouchers payable	(15,957)	(188,380)	110,085	(491,235)	-	(585,487)
Increase in accrued expenses	7,577	10,771	2,237	813	8,000	29,398
(Decrease) in compensated absences	(1,494)	(23,113)	(810)	-	-	(25,417)
(Increase) in accounts receivable	(343,975)	(1,445,663)	(32)	(52,470)	-	(1,842,140)
(Increase) in inventories	-	(6,795)	-	-	-	(6,795)
(Increase) decrease in due from other governments	16,010	21,317	(9)	-	-	37,318
Increase in revenues collected in advance	-	-	-	18,733	-	18,733
Increase post-employment liability	-	-	-	392,150	-	392,150
(Decrease) in open claims payable	-	-	-	(63,684)	-	(63,684)
Net cash flows provided by (used in) operating activities	<u>\$ 133,333</u>	<u>\$ 2,143,187</u>	<u>\$ 596,114</u>	<u>\$ (1,023,407)</u>	<u>\$ -</u>	<u>\$ 1,849,227</u>

City of Cedar Rapids, Iowa
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2014

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Metropolitan Coalition	Total
ASSETS					
Receivables:					
Accounts receivable	\$ -	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	498,748	11,279	275,643	45,160	830,830
Total Assets	<u>\$ 498,748</u>	<u>\$ 11,566</u>	<u>\$ 275,643</u>	<u>\$ 45,160</u>	<u>\$ 831,117</u>
LIABILITIES					
Vouchers payable	\$ -	\$ 61	\$ 38,035	\$ 3,250	\$ 41,346
Due to other governments	-	-	237,608	41,910	279,518
Security deposits	498,748	11,505	-	-	510,253
Total liabilities	<u>\$ 498,748</u>	<u>\$ 11,566</u>	<u>\$ 275,643</u>	<u>\$ 45,160</u>	<u>\$ 831,117</u>

**CITY OF CEDAR RAPIDS, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED June 30, 2014**

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Developers Security Deposit				
Assets:				
Due from other governments	\$ 505,936	\$ -	\$ 7,188	\$ 498,748
Liabilities:				
Security deposits	\$ 505,936	\$ -	\$ 7,188	\$ 498,748
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	\$ 273,962	\$ 317,063	\$ 315,382	\$ 275,643
Liabilities:				
Vouchers payable	\$ 5,375	\$ 153,728	\$ 121,068	\$ 38,035
Due to other governments	268,587	316,986	347,965	237,608
Total liabilities	\$ 273,962	\$ 470,714	\$ 469,033	\$ 275,643
Metropolitan Coalition				
Assets:				
Due from other governments	\$ -	\$ 77,881	\$ 32,721	\$ 45,160
Liabilities:				
Vouchers payable	\$ -	\$ 35,971	\$ 32,721	\$ 3,250
Due to other governments	-	77,881	35,971	41,910
Total liabilities	\$ -	\$ 113,852	\$ 68,692	\$ 45,160
Total				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	791,177	394,944	355,291	830,830
Total assets	\$ 791,464	\$ 394,944	\$ 355,291	\$ 831,117
Liabilities:				
Vouchers payable	\$ 5,436	\$ 189,699	\$ 153,789	\$ 41,346
Due to other governments	268,587	394,867	383,936	279,518
Security deposits	517,441	-	7,188	510,253
Total liabilities	\$ 791,464	\$ 584,566	\$ 544,913	\$ 831,117

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, 2014

	<u>Airport</u>	<u>Cedar Rapids/ Linn County Solid Waste Agency</u>
Operating revenues:		
Charges for services	\$ 4,546,895	\$ 6,621,334
Licenses and permits	6,660	-
Use of money and property	2,282	29,419
Rents and royalties	12,323,403	11,819
Miscellaneous	<u>72,298</u>	<u>1,544,286</u>
Total operating revenues	<u>16,951,538</u>	<u>8,206,858</u>
Operating expenses:		
Personal services	3,553,841	2,817,570
Purchased services	3,117,436	2,108,972
Supplies and materials	1,375,048	1,350,741
Closure and post closure care	-	(1,963,483)
Other	122,750	206,487
Depreciation	<u>8,022,672</u>	<u>2,109,512</u>
Total operating expenses	<u>16,191,747</u>	<u>6,629,799</u>
Operating income (loss)	<u>759,791</u>	<u>1,577,059</u>
Nonoperating revenues (expenses):		
Intergovernmental	144,363	192,231
Investment income (loss)	(29,678)	67,868
Gain (loss) on sale of assets	44,615	(101,081)
Interest expense	<u>548</u>	<u>-</u>
Total nonoperating revenue	<u>159,848</u>	<u>159,018</u>
Capital contributions	<u>4,019,825</u>	<u>-</u>
Change in net position	4,939,464	1,736,077
Total net position, beginning	<u>172,290,371</u>	<u>44,313,742</u>
Total net position, ending	<u>\$ 177,229,835</u>	<u>\$ 46,049,819</u>

City of Cedar Rapids, Iowa
Statements of Cash Flows
Discretely Presented Component Units
For the Year Ended June 30, 2014

	Airport	Cedar Rapids/ Linn County Solid Waste Agency
Cash flows from operating activities:		
Cash received from users	\$ 15,732,812	\$ 8,488,699
Cash paid to employees	(3,571,126)	(2,823,406)
Cash paid to suppliers	(2,159,014)	(7,870,325)
Net cash flows provided by (used in) operating activities	10,002,672	(2,205,032)
Cash flows from non-capital financing activities:		
Borrowing from other funds	462,481	-
Loans to other funds	(6,332,817)	-
Intergovernmental	144,363	192,231
Net cash flows provided by (used in) non-capital financing activities	(5,725,973)	192,231
Cash flows from capital and related financing activities:		
Purchase of capital assets	(8,311,807)	(7,346,864)
Capital contributions	4,019,825	-
Proceeds from disposition of capital assets	44,615	60,300
Principal paid	(22,130)	-
Interest paid	(1,261)	-
Net cash flows (used in) financing activities	(4,270,758)	(7,286,564)
Cash flows from investing activities:		
Interest on investments	(29,678)	72,161
Net increase (decrease) in cash and cash equivalents	(23,737)	(9,227,204)
Cash and cash equivalents, July 1, 2013	43,303	32,511,799
Cash and cash equivalents, June 30, 2014	\$ 19,566	\$ 23,284,595
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 759,791	\$ 1,577,059
Adjustments to reconcile operating income to net cash flows provided by (used in) operating activities:		
Depreciation expense	8,022,672	2,109,512
Change in assets and liabilities:		
(Increase) decrease in prepaid items	(3,000)	29,789
Increase (decrease) in vouchers payable	2,459,220	(2,676,527)
(Decrease) in compensated absences	(40,110)	(7,813)
Increase in accrued expenses	22,825	1,977
Decrease in accounts receivable	245,326	541,542
(Increase) in due from other governments	(1,465,962)	(218,484)
(Decrease) in due to other governments	-	(43,817)
Increase in security deposits	1,910	2,600
(Decrease) in closure/postclosure payable	-	(3,520,870)
Net cash flows provided by (used in) operating activities	\$ 10,002,672	\$ (2,205,032)
Schedule of noncash capital and related financing activities:		
Acquisition of capital assets through accounts and contracts payable	\$ 54,729	\$ -

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2014

Governmental funds capital assets:	
Land	\$ 125,859,035
Building	121,461,747
Improvements other than Building	470,025,856
Machinery and equipment	38,880,236
Construction in progress	96,554,452
Total governmental funds capital assets	<u>\$ 852,781,326</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 117,196,513
Special revenue funds	9,497,965
Capital projects funds	701,047,108
Donations	25,039,740
Total governmental funds capital assets	<u>\$ 852,781,326</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, 2014

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	\$ 2,017,808	\$ 358,696	\$ 14,598,365
Flood Control	-	-	10,616	-	-	10,616
Fire	1,012,318	7,486,064	89,535	8,721,863	-	17,309,780
Building Inspections	-	266,930	-	13,664	-	280,594
Animal Control	-	211,963	14,630	127,165	-	353,758
Total Public Safety	<u>2,069,369</u>	<u>18,533,905</u>	<u>710,643</u>	<u>10,880,500</u>	<u>358,696</u>	<u>32,553,113</u>
Public Works:						
Roads, Bridges, Sidewalks	17,616,335	-	377,992,555	472,367	-	396,081,257
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	413,653	-	7,195,356	-	7,609,009
Flood Recovery	89,607,681	68,299,212	6,555,827	6,181,833	77,208,678	247,853,231
Other Public Works	1,014	449,774	39,692,499	114,658	-	40,257,945
Total Public Works	<u>107,237,507</u>	<u>69,172,378</u>	<u>434,905,997</u>	<u>15,139,659</u>	<u>77,208,678</u>	<u>703,664,219</u>
Culture & Recreation:						
Library Services	1,596,854	109,952	-	871,525	-	2,578,331
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,289,262	4,611,764	15,108,433	2,318,545	6,962,022	34,290,026
Recreation	1,643,423	8,738,439	6,445,744	4,398,015	-	21,225,621
Other Culture and Recreation	-	-	-	-	-	-
Total Culture and Recreation	<u>8,529,539</u>	<u>13,460,155</u>	<u>21,554,177</u>	<u>7,601,095</u>	<u>6,962,022</u>	<u>58,106,988</u>
Community & Economic Development:						
Community Beautification	10,500	-	-	501,295	-	511,795
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>666,293</u>	<u>-</u>	<u>9,497,965</u>
General Government:						
Mayor and Council	-	-	-	10,389	-	10,389
Clerk, Treasurer, Finance	-	-	1,370,769	368,416	-	1,739,185
City Attorney	-	-	-	13,222	-	13,222
City Hall and Other Buildings	85,100	17,743,393	4,293,755	219,186	81,195	22,422,629
Other General Government	1,173,153	2,551,916	5,123,210	3,981,476	11,943,861	24,773,616
Total General Government	<u>1,258,253</u>	<u>20,295,309</u>	<u>10,787,734</u>	<u>4,592,689</u>	<u>12,025,056</u>	<u>48,959,041</u>
Total governmental funds capital assets	<u><u>\$ 125,859,035</u></u>	<u><u>\$ 121,461,747</u></u>	<u><u>\$ 470,025,856</u></u>	<u><u>\$ 38,880,236</u></u>	<u><u>\$ 96,554,452</u></u>	<u><u>\$ 852,781,326</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, 2014

Function and Activity	Governmental Funds Capital Assets July 1, 2013	Additions	Deletions	Governmental Funds Capital Assets June 30, 2014
Public Safety:				
Police	15,787,253	\$ 423,090	\$ (1,611,978)	\$ 14,598,365
Flood Control	10,616	-	-	10,616
Fire	15,075,202	3,443,777	(1,209,199)	17,309,780
Building Inspections	328,085	-	(47,491)	280,594
Animal Control	344,353	15,000	(5,595)	353,758
Total Public Safety	<u>31,545,509</u>	<u>3,881,867</u>	<u>(2,874,263)</u>	<u>32,553,113</u>
Public Works:				
Roads, Bridges, Sidewalks	376,195,492	19,885,765	-	396,081,257
Traffic Control and Safety	11,862,777	-	-	11,862,777
Street Cleaning	8,205,939	67,165	(664,095)	7,609,009
Flood	191,082,726	117,851,869	(61,081,364)	247,853,231
Other Public Works	40,074,042	183,903	-	40,257,945
Total Public Works	<u>627,420,976</u>	<u>137,988,702</u>	<u>(61,745,459)</u>	<u>703,664,219</u>
Culture & Recreation:				
Library Services	2,543,582	271,523	(236,774)	2,578,331
Museum, Band, Theater	13,010	-	-	13,010
Parks	33,488,711	1,062,965	(261,650)	34,290,026
Recreation	21,185,438	74,064	(33,881)	21,225,621
Other Culture and Recreation	-	-	-	-
Total Culture and Recreation	<u>57,230,741</u>	<u>1,408,552</u>	<u>(532,305)</u>	<u>58,106,988</u>
Community & Economic Development:				
Community Beautification	535,745	-	(23,950)	511,795
Economic Development	6,949,126	-	-	6,949,126
Housing and Urban Renewal	150,497	-	-	150,497
Other Community and Economic Development	1,886,547	-	-	1,886,547
Total Community and Economic Development	<u>9,521,915</u>	<u>-</u>	<u>(23,950)</u>	<u>9,497,965</u>
General Government:				
Mayor and council	10,389	-	-	10,389
Clerk, Treasurer, Finance	2,257,242	-	(518,057)	1,739,185
City Attorney	13,222	-	-	13,222
City Hall and Other Buildings	22,213,352	222,554	(13,277)	22,422,629
Other General Government	23,831,929	2,920,351	(1,978,664)	24,773,616
Total General Government	<u>48,326,134</u>	<u>3,142,905</u>	<u>(2,509,998)</u>	<u>48,959,041</u>
Total governmental funds capital assets	<u>\$ 774,045,275</u>	<u>\$ 146,422,026</u>	<u>\$ (67,685,975)</u>	<u>\$ 852,781,326</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.	95
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).	108
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.	117
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.	124
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.	127

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			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 182,522,603	\$ 188,024,772	\$ 166,859,345	\$ 215,756,562
Restricted	22,186,515	22,186,515	53,058,213	46,336,187
Unrestricted	95,704,733	103,526,477	109,830,961	80,101,208
Total governmental activities net position	300,413,851	313,737,764	329,748,519	342,193,957
Business-type activities:				
Net investment in capital assets	163,821,373	171,583,350	189,931,481	156,641,036
Restricted	-	-	-	211,003
Unrestricted	70,100,125	65,769,024	54,103,299	62,908,340
Total business-type activities net position	233,921,498	237,352,374	244,034,780	219,760,379
Primary government:				
Net investment in capital assets	346,343,976	359,608,122	356,790,826	372,397,598
Restricted	-	-	-	211,003
Unrestricted	165,804,858	169,295,501	163,934,260	143,009,548
Total primary government assets net position	\$ 534,335,349	\$ 551,090,138	\$ 573,783,299	\$ 561,954,336

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 202,547,673	\$ 255,357,514	\$ 401,632,078	\$ 386,996,425	\$ 465,240,456	\$ 523,398,811
34,927,581	21,925,801	67,552,110	19,394,024	22,617,041	46,380,534
131,561,029	103,425,016	(53,497,147)	80,551,197	66,585,182	63,259,061
369,036,283	380,708,331	415,687,041	486,941,646	554,442,679	633,038,406
151,831,976	162,423,211	186,833,485	199,197,171	285,342,887	280,051,202
39,979	3,575,519	10,253,520	-	-	-
71,434,828	67,228,295	65,009,584	95,412,859	66,159,762	88,891,350
223,306,783	233,227,025	262,096,589	294,610,030	351,502,649	368,942,552
354,379,649	417,780,725	588,465,563	586,193,596	750,583,343	803,450,013
39,979	3,575,519	77,805,630	19,394,024	22,617,041	46,380,534
202,995,857	170,653,311	11,512,437	175,964,056	132,744,944	152,150,411
\$ 592,343,066	\$ 613,935,356	\$ 677,783,630	\$ 781,551,676	\$ 905,945,328	\$ 1,001,980,958

City of Cedar Rapids, Iowa

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

	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
Public safety	\$ 36,598,588	\$ 39,604,205	\$ 41,827,493	\$ 45,079,704	\$ 52,957,555
Public Works	23,476,595	24,486,391	25,633,415	26,490,183	31,597,955
Culture and recreation	14,448,265	14,403,753	14,150,160	14,947,142	18,600,493
Community and economic development	17,737,847	15,124,554	17,316,122	16,743,324	69,037,194
General government	9,620,708	8,470,505	10,671,203	26,964,118	62,868,795
Interest on long-term debt	4,736,327	5,051,146	4,965,549	6,090,164	5,499,749
Total governmental activities expenses	106,618,330	107,140,554	114,563,942	136,314,635	240,561,741
Business -type activities:					
Water	20,183,395	20,292,696	19,981,289	20,928,498	22,260,320
Water pollution control	21,155,005	23,457,134	25,013,567	40,419,439	24,761,524
Sanitary sewer	5,212,436	5,483,443	5,521,451	6,221,906	6,844,499
U.S. Cellular center	2,322,972	1,995,824	2,450,662	1,920,761	2,075,918
Doubletree by Hilton	-	-	-	-	-
Ground transportation system	7,941,027	8,591,187	8,710,141	14,411,599	8,477,644
Parking system	4,028,604	3,542,614	3,614,899	5,477,383	3,736,096
Solid waste management	5,381,234	5,549,469	5,978,733	6,783,763	7,497,821
Golf	2,765,321	2,763,139	2,854,476	3,087,089	3,045,868
Storm Sewer	-	-	-	-	-
Paramount theatre	835,535	805,021	1,106,828	4,521,021	469,615
Ice arena	1,785,060	1,755,007	1,800,805	1,748,772	1,765,892
Total business-type activities expenses	71,610,589	74,235,534	77,032,851	105,520,231	80,935,197
Total primary government expenses	178,228,919	181,376,088	191,596,793	241,834,866	321,496,938
Program revenue:					
Governmental activities:					
Charges for services:					
Public safety	2,680,541	2,890,022	3,494,651	3,196,635	3,457,851
Public works	1,224,718	2,268,030	1,031,583	917,932	3,153,404
Culture and recreation	2,798,179	2,816,206	2,911,609	2,721,975	2,202,798
Community and economic development	905,983	922,365	1,934,766	583,379	1,236,449
General government	1,915,122	2,220,615	2,313,792	5,240,941	12,418,618
Operating grants and contributions:					
Public safety	809,715	1,061,761	669,139	606,657	2,481,375
Public works	10,417,038	10,030,359	11,296,337	20,396,467	15,519,134
Culture and recreation	796,327	767,141	813,981	868,402	3,374,928
Community development	10,606,097	5,759,726	9,402,242	8,771,933	21,909,102
General government	150,078	397,655	1,053,915	1,820,576	52,367,301
Capital grants and contributions					
Public safety	34,795	57,070	19,264	39,170	20,576
Public works	6,747,161	7,153,621	6,739,142	10,676,970	9,595,543
Culture and recreation	1,017,806	238,773	686,758	135,476	596,528
Community and economic development	10,987	303,597	106,404	58,634	44,114,704
General government	40,518	53,809	1,008,250	433,984	152,098
Total governmental activities program revenue	40,155,065	36,940,750	43,481,833	56,469,131	172,600,409
Business-type activities:					
Charges for services:					
Water	20,062,822	21,237,980	21,630,046	22,048,658	23,902,932
Water pollution control	17,614,839	20,692,758	22,131,342	22,267,080	25,191,014
Sanitary sewer	6,211,361	6,727,767	7,171,948	8,046,981	9,190,139
U.S. Cellular center	2,145,149	1,822,931	2,161,352	1,767,484	2,105,960
Doubletree by Hilton	-	-	-	-	-
Ground transportation system	1,055,043	1,155,707	1,136,814	1,126,602	542,621
Parking system	2,989,577	2,935,889	2,992,440	3,083,142	1,953,982
Solid waste management	6,544,751	6,724,886	6,977,774	7,033,832	6,832,953
Golf	2,550,384	2,656,282	2,708,739	2,544,561	2,536,505
Storm Sewer	-	-	-	-	-
Paramount theatre	1,182,730	614,984	698,640	782,525	2,386
Ice arena	1,085,718	1,087,155	1,046,058	960,531	954,920

2010	2011	2012	2013	2014
\$ 59,391,790	\$ 73,568,130	\$ 67,668,522	\$ 64,563,475	\$ 62,794,319
50,639,010	46,638,652	45,309,184	43,318,705	42,027,298
17,245,024	20,070,392	17,472,656	21,816,032	19,276,563
59,446,440	116,005,506	58,864,942	55,455,365	44,000,867
33,347,735	31,734,760	21,780,113	10,772,562	22,137,547
6,026,574	5,957,388	6,438,172	7,989,633	6,128,343
226,096,573	293,974,828	217,533,589	203,915,772	196,364,937

23,839,346	25,401,153	25,282,580	27,001,814	27,838,023
27,472,489	27,676,541	27,132,586	28,662,649	28,637,227
7,198,507	7,785,423	7,499,398	8,377,852	7,059,463
3,152,069	3,078,305	1,429,022	4,821,315	12,730,138
-	-	-	3,244,013	10,331,261
8,077,409	8,652,380	8,285,590	9,213,123	9,019,980
4,107,165	2,701,165	3,624,409	3,223,761	2,711,534
9,984,132	8,854,718	10,313,496	9,985,620	9,615,960
3,158,393	3,119,178	3,230,817	3,265,523	3,378,600
-	-	-	-	1,519,395
439,704	483,718	363,978	1,061,472	3,970,607
1,493,771	1,588,030	1,982,137	1,750,803	1,583,447
88,922,985	89,340,611	89,144,013	100,607,945	118,395,635
315,019,558	383,315,439	306,677,602	304,523,717	314,760,572

835,599	11,318,305	13,136,896	11,722,447	12,516,149
2,326,266	3,396,104	4,626,331	3,845,305	5,044,318
14,861,450	2,480,024	3,057,587	2,437,373	3,101,233
4,639,257	1,625,977	217,349	1,952,364	2,602,583
6,836,575	16,130,840	15,476,313	15,165,249	16,904,005
4,967,874	3,003,469	3,696,732	9,916,262	2,688,446
16,241,210	29,474,263	19,318,970	27,251,228	9,501,460
3,230,934	6,999,625	6,104,311	12,985,707	4,118,634
39,842,167	64,449,258	51,031,154	12,567,912	23,321,516
31,797,943	12,945,768	9,564,494	16,783,494	15,711,105
92,884	116,644	155,485	494,318	4,140,177
6,119,048	64,927,982	43,519,392	13,710,269	32,112,469
203,041	625,020	1,676,722	9,562,622	2,677,520
1,271,224	884,461	3,429,185	27,333,099	6,764,020
62,977	5,127,725	4,185,250	13,285,778	15,901,863
133,328,449	223,505,465	179,196,171	179,013,427	157,105,498

26,955,880	29,919,795	32,337,249	33,344,490	34,196,231
30,659,963	31,444,246	31,737,883	30,880,420	32,476,106
9,789,441	10,327,611	10,470,855	10,499,121	7,810,972
2,675,075	2,574,438	968,051	2,285,466	8,416,739
-	-	-	519,598	8,285,200
778,911	961,549	990,746	979,196	1,000,877
3,116,673	2,320,222	3,279,137	3,222,487	299,505
7,344,847	7,725,667	8,373,693	8,759,734	9,365,339
2,586,913	2,567,468	3,006,215	2,654,474	2,735,489
-	-	-	-	3,680,772
-	861	-	299,122	1,812,750
952,433	914,011	1,279,162	1,105,312	1,018,369

City of Cedar Rapids, Iowa

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

	2005	2006	2007	2008	2009
Operating grants and contributions:					
Water	-	37,761	-	-	-
Water pollution control	-	-	-	-	-
Sanitary sewer	-	-	-	-	461
U.S. Cellular center	-	-	-	-	-
Doubletree by Hilton	-	-	-	-	-
Paramount theatre	-	-	-	-	-
Ground transportation system	2,115,981	2,947,652	2,844,586	3,214,133	3,380,960
Solid waste management	48,564	49,417	685	10,707	926
Golf	3,175	4,619	-	4,862	-
Storm Sewer	-	-	-	-	-
Parking system	-	-	-	-	-
Ice arena	-	-	-	-	-
Capital grants and contributions					
Water	766,990	1,133,306	4,413,811	920,951	892,198
Water pollution control	2,628	7,011	5,202	214	1,017
Sanitary sewer	962,370	1,218,319	1,818,977	696,432	665,071
U.S. Cellular center	12,071	25	-	-	-
Doubletree by Hilton	-	-	-	-	-
Ground transportation system	850,198	1,637,058	969,200	398,045	184,491
Parking system	12,613	457,750	676,759	77,802	1,094,279
Solid waste management	25,185	161,000	204,888	48,000	23,641
Golf	3,926	7,798	-	39,691	9,287
Storm Sewer	-	-	-	-	-
Paramount theatre	-	-	-	-	-
Ice arena	-	85	-	-	-
Total business-type activities program revenues	66,246,075	73,318,140	79,589,261	75,072,233	79,465,743
Total primary government program revenues	106,401,140	110,258,890	123,071,094	131,541,364	252,066,152
Net (expense) revenue					
Governmental activities	(66,463,265)	(70,199,804)	(71,082,109)	(79,845,504)	(67,961,332)
Business-type activities	(5,364,514)	(917,394)	2,556,410	(30,447,998)	(1,469,454)
Total primary government net expense	(71,827,779)	(71,117,198)	(68,525,699)	(110,293,502)	(69,430,786)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	67,750,613	72,572,215	77,333,284	78,166,150	82,304,313
Hotel-Motel taxes	2,044,472	2,466,054	2,662,816	1,375,315	2,922,240
Local option sales taxes	-	-	-	-	4,254,513
Franchise taxes	1,190,521	1,248,496	1,298,253	2,645,817	1,422,897
Gain on sale of capital assets	366,958	240,860	491,285	425,323	26,159
Investment Earnings	2,881,115	5,124,109	6,220,908	7,564,677	2,958,322
Loss on Investments	-	-	(1,144,096)	-	-
Transfers	1,750,165	1,871,983	230,414	2,113,660	915,214
Total governmental activities	75,983,844	83,523,717	87,092,864	92,290,942	94,803,658
Business-type activities					
Taxes:					
Property taxes	2,960,123	2,964,142	3,008,087	2,988,927	3,724,950
Gain on sale of capital assets	-	-	-	-	-
Investment earnings	1,817,105	3,256,111	3,850,562	5,315,604	2,206,122
Retirement employee payouts	(137,948)	-	(1,981,523)	(17,274)	-
Loss on Investments	-	-	(520,716)	-	-
Transfers	(1,750,165)	(1,871,983)	(230,414)	(2,113,660)	(915,214)
Total business-type activities	2,889,115	4,348,270	4,125,996	6,173,597	5,015,858
Total primary government	78,872,959	87,871,987	91,218,860	98,464,539	99,819,516
Changes in net position:					
Governmental activities	9,520,579	13,323,913	16,010,755	12,445,438	26,842,326
Business-type activities	(2,475,399)	3,430,876	6,682,406	(24,274,401)	3,546,404
Total primary government	\$ 7,045,180	\$ 16,754,789	\$ 22,693,161	\$(11,828,963)	\$ 30,388,730

2010	2011	2012	2013	2014
-	-	-	-	-
-	-	-	-	-
86,659	234,861	-	-	-
-	-	-	-	-
-	-	-	-	-
3,759,714	4,355,409	2,862,335	3,778,301	3,852,969
59,547	57,940	36,554	-	-
-	65,190	2,859	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,260,882	728,964	707,601	1,030,011	875,824
294,410	1,885,020	990,903	132,847	(76,375)
150,086	730,674	1,494,994	5,149,858	5,521,562
-	10,688,791	17,077,836	22,474,298	16,953
-	-	-	-	-
707,768	-	1,487,191	933,180	-
-	-	-	-	-
-	-	-	16,403	59,755
12,448	-	-	8,916	23,592
-	-	-	-	36
-	-	-	-	2,951,247
-	-	-	-	-
91,191,650	107,502,717	117,103,264	128,073,234	124,323,912
224,520,099	331,008,182	296,299,435	307,086,661	281,429,410
(92,768,124)	(70,469,363)	(38,337,418)	(24,902,345)	(39,259,439)
2,268,665	18,162,106	27,959,251	27,465,289	5,928,277
(90,499,459)	(52,307,257)	(10,378,167)	2,562,944	(33,331,162)
83,235,371	82,470,156	83,895,452	91,246,237	95,741,367
2,378,503	2,753,315	2,835,100	2,862,393	3,103,713
16,428,594	19,554,638	18,138,388	17,939,752	18,457,259
3,323,638	3,747,200	3,353,064	3,940,424	6,962,603
84,916	-	-	-	-
1,870,320	2,856,104	761,437	741,413	99,203
-	-	-	-	-
(2,881,170)	(2,616,912)	608,582	(24,326,841)	(6,508,979)
104,440,172	108,764,501	109,592,023	92,403,378	117,855,166
3,891,767	4,296,415	4,586,363	4,587,431	4,666,154
-	-	-	-	-
878,640	477,703	576,409	513,058	336,493
-	-	-	-	-
-	-	-	-	-
2,881,170	2,616,912	(608,582)	24,326,841	6,508,979
7,651,577	7,391,030	4,554,190	29,427,330	11,511,626
112,091,749	116,155,531	114,146,213	121,830,708	129,366,792
11,672,048	38,295,138	71,254,605	67,501,033	78,595,727
9,920,242	25,553,136	32,513,441	56,892,619	17,439,903
\$ 21,592,290	\$ 63,848,274	\$ 103,768,046	\$ 124,393,652	\$ 96,035,630

City of Cedar Rapids, Iowa

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Public safety	\$ 3,525,051	\$ 4,008,853	\$ 4,183,054	\$ 3,842,462
Public works	18,388,917	19,452,010	19,067,062	31,991,369
Culture and recreation	4,612,312	3,822,120	4,412,348	3,725,853
Community and economic development	11,523,067	6,985,688	11,443,412	9,413,946
General government	2,105,718	2,672,079	4,375,957	7,495,501
Total governmental activities	40,155,065	36,940,750	43,481,833	56,469,131
Business-type activities:				
Water	20,829,812	22,409,047	26,043,857	22,969,609
Water pollution control	17,617,467	20,699,769	22,136,544	22,267,294
Sanitary sewer	7,173,731	7,946,086	8,990,925	8,743,413
U.S. Cellular center	2,157,220	1,822,956	2,161,352	1,767,484
Doubltree by Hilton	-	-	-	-
Ground transportation system	3,002,190	5,740,417	4,950,600	4,738,780
Parking system	4,021,222	3,393,639	3,669,199	3,160,944
Solid waste management	6,618,500	6,935,303	7,183,347	7,092,539
Golf	2,557,485	2,668,699	2,708,739	2,589,114
Storm Sewer	-	-	-	-
Paramount theatre	1,182,730	614,984	698,640	782,525
Ice arena	1,085,718	1,087,240	1,046,058	960,531
Total business-type activities	66,246,075	73,318,140	79,589,261	75,072,233
Total primary government	\$ 106,401,140	\$ 110,258,890	\$ 123,071,094	\$ 131,541,364

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 5,959,802	\$ 5,896,357	\$ 14,438,418	\$ 16,989,113	\$ 22,133,027	\$ 19,344,772
28,268,081	24,686,524	97,798,349	67,464,693	44,806,802	46,658,247
6,174,254	18,295,425	10,104,669	10,838,620	24,985,702	9,897,387
67,260,255	45,752,648	66,959,696	54,677,688	41,853,375	32,688,119
64,938,017	38,697,495	34,204,333	29,226,057	45,234,521	48,516,973
172,600,409	133,328,449	223,505,465	179,196,171	179,013,427	157,105,498
24,795,130	28,216,762	30,648,759	33,044,850	34,374,501	35,072,055
25,192,031	30,954,373	33,329,266	32,728,786	31,013,267	32,399,731
9,855,671	10,026,186	11,293,146	11,965,849	15,648,979	13,332,534
2,105,960	2,675,075	13,263,229	18,045,887	24,759,764	8,433,692
-	-	-	-	519,598	8,285,200
4,108,072	5,246,393	5,316,958	5,340,272	5,690,677	4,853,846
3,048,261	3,116,673	2,320,222	3,279,137	3,222,487	299,505
6,857,520	7,404,394	7,783,607	8,410,247	8,776,137	9,425,094
2,545,792	2,599,361	2,632,658	3,009,074	2,663,390	2,759,081
-	-	-	-	-	3,680,808
2,386	-	861	-	299,122	4,763,997
954,920	952,433	914,011	1,279,162	1,105,312	1,018,369
79,465,743	91,191,650	107,502,717	117,103,264	128,073,234	124,323,912
\$ 252,066,152	\$ 224,520,099	\$ 331,008,182	\$ 296,299,435	\$ 307,086,661	\$ 281,429,410

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	3,760,070	2,674,358	2,781,430	2,561,898
Unreserved	24,513,482	26,902,767	29,958,128	35,616,422
Total General Fund	28,273,552	29,577,125	32,739,558	38,178,320
All Other Government Funds:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	26,949,343	22,998,514	44,699,944	36,589,659
Unreserved, reported in:				
Special revenue funds	14,021,295	15,712,776	22,693,647	24,738,222
Capital project funds	28,540,216	37,647,728	41,322,971	37,130,694
Total all other government funds	\$ 69,510,854	\$ 76,359,018	\$ 108,716,562	\$ 98,458,575

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ 1,294,262	\$ 1,216,328	\$ 623,798	\$ 436,499
-	-	1,943,591	1,591,370	579,276	436,777
-	-	-	-	-	-
-	-	155,453	200,000	200,000	200,000
-	-	33,051,176	34,694,821	37,583,628	38,474,257
2,895,040	28,837,889	-	-	-	-
32,141,757	6,688,209	-	-	-	-
35,036,797	35,526,098	36,444,482	37,702,519	38,986,702	39,547,533
-	-	623,832	2,970,634	2,876,228	2,048,224
-	-	65,495,530	71,701,545	49,669,452	58,545,863
-	-	4,642,858	5,453,031	4,596,967	5,244,838
-	-	22,296,248	19,661,198	19,674,181	20,775,941
-	-	(53,320,138)	(61,332,252)	(32,443,613)	(24,865,918)
34,309,127	118,567,457	-	-	-	-
-	-	-	-	-	-
23,749,905	36,332,151	-	-	-	-
15,876,521	(87,352,533)	-	-	-	-
-	-	-	-	-	-
\$ 73,935,553	\$ 67,547,075	\$ 39,738,330	\$ 38,454,156	\$ 44,373,215	\$ 61,748,948

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 70,985,606	\$ 76,122,186	\$ 81,285,286	\$ 82,174,571
License and permits	2,169,195	2,365,643	2,052,323	2,323,474
Intergovernmental	26,966,644	24,697,240	26,540,359	30,511,179
Charges for services	2,710,165	2,922,668	3,056,939	3,406,968
Fines and forfeitures	397,022	417,067	351,677	324,418
Use of money and property	2,269,737	4,206,254	6,228,971	6,378,084
Rents and royalties	834,707	808,291	960,772	918,647
Miscellaneous	3,353,651	3,302,884	3,556,066	3,429,174
Total revenues	109,686,727	114,842,233	124,032,393	129,466,515
Expenditures:				
Public safety	35,398,887	38,366,456	40,572,027	40,864,289
Public works	15,669,418	15,801,715	16,460,295	16,731,938
Culture and recreation	11,812,858	11,767,210	12,198,173	11,167,542
Community and economic development	17,617,700	15,019,244	17,225,206	16,168,651
General government	7,453,065	7,387,698	8,289,145	19,999,186
Capital outlay	18,232,349	18,239,807	17,075,013	18,047,072
Capital outlay not capitalized	-	-	4,493	-
Debt service:				
Principal	10,314,806	12,348,200	9,358,600	18,319,213
Bond issuance costs	36,019	37,096	77,004	30,750
Interest	4,870,749	5,028,580	4,951,750	6,046,541
Total expenditures	121,405,851	123,996,006	126,211,706	147,375,182
Excess of revenues (under) expenditures	(11,719,124)	(9,153,773)	(2,179,313)	(17,908,667)
Other financing sources (uses):				
Transfers in	36,651,734	42,680,001	40,951,729	44,836,345
Transfers out	(34,367,483)	(40,163,552)	(40,057,598)	(42,901,750)
Issuance of note payable	-	-	650,000	-
Issuance of long-term debt	17,055,000	14,665,000	35,742,000	9,679,655
Reimbursement of escrow	7,150	-	-	-
Investment earnings	-	-	-	-
Premium (discount) on long-term debt	(99,190)	(110,467)	578,632	36,280
Capital Contributions	-	-	136,769	-
Gain on impairment of capital assets	-	-	-	1,000,000
Proceeds from sale of capital assets	394,212	234,528	608,280	438,912
Total other financing sources (uses)	19,641,423	17,305,510	38,609,812	13,089,442
Special item:				
Loss on investments	-	-	(910,522)	-
Net changes in fund balance	\$ 7,922,299	\$ 8,151,737	\$ 35,519,977	\$ (4,819,225)
Debt service as a percentage of noncapital expenditures	14.72%	16.43%	13.11%	18.84%

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 90,959,554	\$ 105,295,233	\$108,496,764	\$108,142,990	\$116,021,645	\$124,196,490
2,222,569	2,322,014	2,475,750	2,940,138	2,664,685	2,518,806
116,555,474	88,902,120	191,609,346	141,680,249	156,762,173	123,152,460
12,626,117	16,523,469	16,583,058	18,556,308	18,454,552	20,758,374
288,825	1,220,897	7,858,937	8,353,497	7,542,090	8,121,511
2,524,692	869,756	2,681,387	612,140	632,047	515,480
477,758	559,952	677,766	834,700	712,106	949,373
2,284,018	5,098,597	3,101,884	2,852,409	4,643,691	4,926,051
227,939,007	220,792,038	333,484,892	283,972,431	307,432,989	285,138,545
51,910,586	39,428,051	72,727,328	66,860,604	63,712,211	61,893,789
21,257,996	15,523,557	34,997,847	32,528,760	30,437,913	28,036,639
16,566,695	59,402,503	16,164,472	15,982,554	20,235,695	17,767,022
68,962,927	36,932,894	115,512,160	57,089,927	47,646,269	36,417,848
62,210,093	58,468,119	28,212,872	27,451,417	22,170,165	18,277,191
41,892,960	21,732,340	97,363,010	90,859,939	109,078,978	87,200,235
-	-	2,213	-	-	-
21,654,817	23,230,021	24,348,447	22,480,084	14,404,502	14,653,110
96,321	120,370	600,533	885,447	246,859	156,992
5,383,144	6,119,089	5,893,963	6,269,820	6,398,386	6,237,128
289,935,539	260,956,944	395,822,845	320,408,552	314,330,978	270,639,954
(61,996,532)	(40,164,906)	(62,337,953)	(36,436,121)	(6,897,989)	14,498,591
50,882,684	54,472,194	48,878,815	52,242,771	77,212,104	57,751,579
(51,555,561)	(59,093,897)	(51,548,296)	(51,503,700)	(73,903,264)	(65,535,949)
-	5,000,000	-	-	-	-
34,612,492	33,250,000	37,901,296	32,510,923	9,815,000	9,660,000
-	-	-	-	-	-
-	412,012	-	-	-	-
27,414	76,404	1,320,812	1,674,956	427,721	32,354
-	-	-	-	-	-
-	-	-	-	-	-
364,958	149,016	2,211,393	1,485,034	549,670	1,529,989
34,331,987	34,265,729	38,764,020	36,409,984	14,101,231	3,437,973
-	-	-	-	-	-
\$ (27,664,545)	\$ (5,899,177)	\$ (23,573,933)	\$ (26,137)	\$ 7,203,242	\$ 17,936,564
10.90%	12.27%	10.13%	12.52%	10.14%	11.39%



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
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
2014	80,245,263	18,457,259	4,465,034	3,035,261	106,202,817
Change 2005-2014	\$ 15,730,672	\$ 18,457,259	\$ 1,229,012	\$ (199,732)	\$ 35,217,211

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
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)
2014	3,161,515,932	1,901,539,361	338,746,938	363,469,257	(12,080,596)

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
4,675,507,030	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%
5,753,190,892	1.16%	15.22	9,347,805,591	61.55%

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
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
2014	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
1.74268	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
2.63605	0.80787	15.21621	15.47881	15.08387	17.26780	17.45846



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	242,114,955	1	35.43%			
ADM Corn Processing	107,179,683	2	15.69%	120,351,224	1	28.92%
Aegon USA	71,325,930	3	10.44%	38,243,584	8	9.19%
International Paper	50,752,891	4	7.43%			
Qwest	43,391,233	5	6.35%			
Rockwell International	37,487,530	6	5.49%	51,845,371	2	12.46%
SDG Macerich Properties (Lindale Mall)	35,412,858	7	5.18%	35,141,019	5	8.44%
Mid-American Energy	32,651,829	8	4.78%			
Wal-Mart Stores/Sam's Club	31,808,199	9	4.66%			
Nextera Energy	31,140,090	10	4.56%			
McLeodUSA Inc.				50,701,791	3	12.18%
Weyerhaeuser Company				37,805,077	4	9.08%
HNW Associates (Westdale Mall)				24,851,777	6	5.97%
MCI Telecommunications Corporation				22,257,374	7	5.35%
Iowa Land and Building Company				17,651,389	9	4.24%
Hy-Vee				17,352,498	10	4.17%
Total	<u>\$ 683,265,198</u>		<u>100.00%</u>	<u>\$416,201,104</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
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%
2014	2013	100,195,059	97,104,835	96.92%

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
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%
621,830	97,726,665	97.54%

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			
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
2014	162,626,588	2,742,398	159,884,190	1.84%	1,266

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
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
168,219,510	71,605,000	399,708,700	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, 2014
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	20,905,000	80.61%	16,851,521
College Community School District	66,895,000	67.14%	44,913,303
Kirkwood Community College	122,423,245	27.53%	33,703,119
Linn Mar Community School District	38,805,000	37.75%	14,648,888
Linn County	18,525,000	60.50%	11,207,625
Marion Community School District	9,735,000	6.01%	585,074
Subtotal, overlapping debt	277,288,245		121,909,529
City Direct Debt	161,261,173	100.00%	161,261,173
Total direct and overlapping debt	438,549,418		283,170,702

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)

	2005	2006	2007	2008
Debt limit	367,235,948	375,359,758	396,235,775	406,784,256
Total net debt applicable to limit	257,235,000	252,140,000	320,010,000	255,595,000
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	70.05%	67.17%	80.76%	62.83%

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>330,870,000</u>
Legal debt margin	<u>\$ 136,972,577</u>

2009	2010	2011	2012	2013	2014
424,873,705	434,010,014	433,321,494	453,233,516	467,842,577	467,842,577
<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>330,870,000</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>136,972,577</u>
62.24%	63.29%	65.09%	74.46%	72.99%	70.72%

City of Cedar Rapids, Iowa

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Revenue Bonds						Coverage
	Utility Charges	Less Operating Expense	Net Available Revenue	Debt Service			
				Principal	Interest		
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)	
2014	74,483,309	56,634,049	17,849,260	71,605,000	27,927,012	(81,682,752)	

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	
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
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
2014	126,326	57,520	28,503	38	16,201	2,724	4.5

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	2014			2005		
	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				
	2014	2013	2012	2011	2010
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	32.00	33.00	33.00	41.17	45.17
City Manager	14.00	18.75	9.75	10.00	8.00
Civil Rights	5.00	5.00	5.00	5.00	5.00
Clerk	5.50	5.50	6.00	6.00	6.00
Community Development	10.00	12.00	11.00	13.00	13.00
Council and Mayor	4.33	4.33	4.33	4.33	4.33
Development Services	9.00	-	-	-	-
Public Works	161.89	162.25	163.25	162.00	157.00
Facilities Management	-	-	-	-	-
Finance	41.00	41.00	41.00	42.00	37.00
Fire Department	149.54	149.54	149.54	149.29	142.29
Human Resource	15.63	15.63	15.63	15.63	15.63
Information Technology	32.00	31.00	31.00	31.00	30.00
Library	48.65	48.36	46.86	47.36	50.54
Memorial	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	114.50	115.45	113.05	113.04	113.61
Police Department	234.00	229.00	229.00	227.00	227.00
Purchasing Services	4.75	4.75	4.75	3.75	3.75
Riverfront	-	-	-	-	-
Treasurer	-	-	-	-	-
Ushers Ferry	-	-	-	-	-
Positions to Eliminate	-	-	-	-	-
Total General Fund	906.20	887.57	894.98	882.73	856.49
Enterprise Funds					
Eastern Iowa Airport	42.00	40.50	39.50	42.00	41.00
Golf	30.81	30.83	31.04	30.59	30.66
Five Seasons Parking	5.00	6.00	10.52	10.52	13.52
Sewer Maintenance	29.35	29.35	29.35	33.00	31.00
Solid Waste & Recycling	54.54	55.54	57.84	66.30	56.30
Transit	55.00	55.00	55.00	51.00	51.75
Water Department	105.50	105.50	105.50	105.50	106.50
Water Pollution Control	88.00	88.00	88.32	88.32	87.32
Total Enterprise Funds	410.20	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	15.75	14.75	14.75	12.00	12.00
Library	4.73	4.73	5.12	5.12	5.12
SSMID	-	-	-	-	-
Real Estate Disposal	1.00	1.00	1.00	1.00	1.00
Total Special Revenue Funds	27.48	26.87	24.12	24.12	23.62
Internal Service Funds					
Joint Communications	27.00	27.00	27.00	27.00	27.00
Facilities Maintenance	25.00	25.00	29.00	29.00	29.00
Fleet Maintenance	38.00	38.00	38.00	42.00	42.00
Total Internal Service Funds	90.00	94.00	98.00	98.00	93.00
Total FTE's	1,433.88	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

2009	2008	2007	2006	2005
9.00	9.00	10.00	10.00	10.00
6.00	6.00	6.00	6.00	6.00
-	-	3.00	3.00	3.00
38.00	23.00	24.00	23.00	24.00
7.00	6.00	5.00	-	-
6.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
12.00	21.75	21.75	20.75	21.25
3.33	3.33	3.33	13.10	13.10
-	-	-	-	-
149.00	182.36	183.36	183.36	196.06
-	1.00	1.00	1.00	1.00
35.00	13.00	13.00	13.00	13.00
142.29	154.29	154.00	153.00	154.00
14.00	13.75	14.75	14.75	15.00
15.00	14.00	14.00	13.00	14.00
53.30	52.19	57.19	57.19	57.19
9.41	9.41	9.41	9.41	9.41
120.41	123.59	125.41	128.18	128.70
227.00	239.00	239.00	239.00	239.00
3.75	3.75	3.75	3.75	3.38
-	-	-	1.27	4.25
-	4.00	4.00	4.00	4.00
-	4.19	4.81	4.67	4.67
-	(34.00)	-	-	-
860.61	907.76	912.43	932.01	943.65
45.00	45.00	45.00	46.00	45.00
30.86	37.68	36.19	37.41	38.34
17.52	30.52	31.02	33.02	33.02
29.00	29.00	27.00	27.00	27.00
57.40	58.80	58.80	61.00	61.00
51.75	68.50	72.25	72.25	72.25
104.50	115.50	117.50	117.50	117.50
86.98	89.48	89.48	89.48	83.48
474.48	477.24	483.66	477.59	487.79
6.00	6.00	6.00	6.00	6.00
12.50	13.00	13.00	13.00	13.00
5.12	5.12	5.12	5.12	5.00
-	-	2.00	2.00	2.00
-	-	-	-	-
24.12	26.12	26.12	26.00	25.50
22.00	23.00	22.00	22.00	22.00
29.00	10.25	10.25	10.25	10.25
42.00	-	-	-	-
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	2005	2006	2007	2008
Police:				
Calls for service	113,496	89,459	86,973	128,802
Adult arrest	8,932	6,662	6,583	8,142
Juvenile arrest	1,171	1,075	1,205	1,454
Speeding citations	7,922	7,763	3,233	3,917
Traffic citations	21,193	23,285	17,539	16,464
Fire:				
Total fire runs	3,691	3,572	3,192	4,035
Total rescue runs	4,410	4,858	3,988	5,068
Property loss	3,630,392	2,757,297	2,862,367	1,274,613
Building Safety:				
Total building permits	6,092	5,694	4,275	5,092
Total value all permits	173,012,680	191,227,753	238,236,142	295,815,305
Library, volumes in collection	304,212	290,524	297,680	294,291
Public Service:				
Garbage collected (ton)	19,870	19,920	20,050	20,144
Bulky Items collected (ton)				
Recycling collected (ton)	8,834	9,045	9,174	9,405
Yard Waste collected (ton)	12,993	12,864	13,876	15,674
Parks and Recreation:				
Recreation program attendance (2)	222,345	252,507	237,954	115,147
Aquatics program attendance (2)	230,504	302,291	264,749	232,984
Golf rounds played	162,542	138,171	113,732	101,337
Bever Park Zoo attendance	51,800	17,787	40,082	36,547
Street trees maintained	8,357	4,710	4,845	8,679

Source: Various City departments

Notes: (1) Jan - Sept 2007

2009	2010	2011	2012	2013	2014
124,090	118,547	124,416	125,525	128,352	137,356
8,548	8,379	8,786	7,585	8,133	7,794
1,303	1,124	1,175	1,161	1,131	1,085
3,296	3,268	1,679	1,913	1,952	1,584
15,420	12,163	11,809	12,644	10,303	8,638
3,377	4,128	4,386	4,526	4,944	5,001
5,024	5,166	5,376	5,722	5,182	5,345
2,828,217	6,523,396	3,602,446	4,994,408	1,562,885	6,684,768
12,690	5,887	6,372	6,471	4,822	5,062
289,212,117	197,580,294	243,569,602	267,908,682	153,301,768	213,405,547
88,407	105,676	103,182	102,078	94,268	133,715
19,416	19,701	19,201	18,529	18,695	18,831
8,534	8,669	8,059	8,302	190	665
14,380	14,709	14,326	13,027	7,967	7,953
				12,128	12,259
88,950	100,181	109,050	142,358	162,789	110,241
245,990	241,955	247,856	264,246	228,649	203,838
107,120	107,725	107,264	123,225	102,493	101,952
44,517	36,656	35,027	41,465	46,415	35,697
9,925	4,500	4,316	4,644	5,258	5,390

City of Cedar Rapids, Iowa

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

Function/Program	2005	2006	2007
Police:			
Stations	1	1	1
Fire, Fire Stations	9	9	9
Refuse Collections:			
Collection Trucks	48	49	42
Street (Miles)	631	631	650
Parks and Recreation:			
Acreage	4,040	4,040	4,040
Parks	95	96	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	304,212	290,524	297,680
Water:			
Storage Capacity (MGPD)	25	25	25
Average Daily Consumption (MGPD)	37	38	38
Peak Consumption (MGPD)	49	52	47
Wastewater:			
Sanitary Sewers (miles)	649	653	660
Storm Sewers (miles)	296	304	404

Source: Various City departments

2008	2009	2010	2011	2012	2013	2014
1	1	1	1	1	1	1
9	9	9	9	9	9	9
43	51	55	59	54	55	55
650	618	622	626	626	627	627
4,042	4,042	4,042	4,042	4,171	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	34	34
23	23	23	23	23	23	23
1	1	1	1	1	1	1
2	2	2	2	2	2	2
294,291	88,407	105,676	103,182	102,078	94,268	133,715
25	25	25	25	25	25	25
38	35	35	36	39	38	38
44	38	43	39	54	50	50
660	669	670	673	678	678	666
409	412	458	497	497	505	511



CEDAR RAPIDS

City of Five Seasons®

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED JUNE, 30, 2014

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
WIC Grant	10.557	588-1P-101	\$ 21,661
FSNE Grant	10.561	588-1P-101	9,506
			<u>31,167</u>
Total U.S. Department of Agriculture			<u>31,167</u>
U.S. Department of Commerce:			
Direct:			
Economic Development Administration	11.307	05-79-04926	45,272
Total U.S. Department of Commerce			<u>45,272</u>
U.S. Department of Housing and Urban Development:			
Direct:			
Community Development Block Grant	14.218	B-12/13-MC-190001	1,234,916
HOME	14.239	B-12/13-MC-19-0204	589,555
CDG - Neighborhood Stabilization	14.256	08-NSP-020	372
Fair Housing Assistance Program	14.401	FF207K137012	79,526
Subtotal	14.401	N/A	<u>40,808</u>
			120,334
Leased Housing Authority Grant	14.871	IA024VO	5,949,980
Lead Based Paint Hazard Control/HUD	14.900	IALHB0548-13	79,387
			<u>7,974,544</u>
Iowa Department of Economic Development:			
Community Development Block Grant - Business Disaster Recovery	14.228	08-DRBSC-201	245,666
	14.228	08-DRB-201	1,308,110
Community Development Block Grant - Housing Disaster Recovery	14.228	08-DRH-008	3,805,070
	14.228	08-DRH-208	12,137,581
Community Development Block Grant - Disaster Recovery Infrastructure	14.228	08-DRI-216CR	2,482,224
	14.228	08-DRIEF-297	3,400,380
	14.228	08-DRIEF-200CR	458,516
	14.228	08-DRIEF-202CR	39,372
	14.228	08-DRIEF-293	24,253
	14.228	08-DRIEF-295	9,713
Community Development Block Grant - Property Acquisition	14.228	08-DRHB-229	5,112,552
	14.228	08-DR1106-201	111,481
			<u>29,134,918</u>
Total U.S. Department of Housing and Urban Development			<u>37,109,462</u>
U.S. Department of Interior			
State Historical Society of Iowa			
Historic Preservation Fund Grants-In-Aid	15.904	2012-02	11,620
Total U.S. Department of Interior			<u>11,620</u>
U.S. Department of Justice:			
Direct:			
US Marshall's Task Force	16.111	M-14 D29-0-00039	11,756
COPS Universal Hiring Award	16.710	2010UMWX0098	33,252
Governor's Office			
Interdiction	16.710	10-HotSpots/Interdiction-06	19,433
Linn County, Iowa:			
JAG	16.738	2011-H3265-IA-DJ	5,292
	16.738	2012-H1075-IA-DJ	907
	16.738	2013-H4138-IA-DJ	5,920
	16.738	2012-DJ-BX-0606	32,164
			<u>44,283</u>
Iowa Department of Public Safety:			
Equitable Sharing Program	16.922	N/A	53,899

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2014

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
City of Iowa City, Iowa:			
JAG	16.738	2009-DJ-BX-0928	60,597
Equitable Sharing Program	16.922	N/A	7,239
			<u>67,836</u>
Johnson County, Iowa:			
Equitable Sharing Program	16.922	N/A	100,000
Total U.S. Department of Justice			<u>330,459</u>
Direct:			
Airport Improvement Program			
	20.106	3-19-0012-40	41,693
	20.106	3-19-0012-43	66,383
	20.106	3-19-0012-44	748,844
	20.106	3-19-0012-45	150,000
	20.106	3-19-0012-47	2,108,972
Subtotal			<u>3,115,892</u>
Bus Department Grants			
	20.500	IA-03-0096-00	5,301,436
	20.507	IA-90-X404-00	2,610,523
			<u>11,027,851</u>
Iowa Department of Transportation:			
Highway Planning and Construction			
	20.205	STP-A-1187(765)--86-57	112,190
	20.205	BRM-1187(665)--8N-57	33,357
	20.205	BROS-1187(767)--8J-57	41,176
	20.205	SRTS-U-1187(755)-8U-57	3,492
	20.205	SRTS-U-1187(760)--8U-57	15,456
	20.205	SRTS-U-1187(761)--8U-57	34,641
	20.205	SRTS-U-1187(762)--8U-57	41,654
	20.205	SRTS-U-1187(756)--8U-57	5,845
	20.205	SRTS-U-1187(766)--8U-57	46,453
	20.205	STP-E-1187(769)--8V-57	270,000
	20.205	STP-U-1187(703)--70-57	36,776
	20.205	STP-U-1187(708)--70-57	24,000
	20.205	STP-U-1187(772)--70-57	50,607
	20.205	STP-U-1187(670)--70-57	3,125
	20.205	NHSX-100-1(56)--8S-57	679,621
Subtotal			<u>1,398,393</u>
Bus Department Grants			
	20.513	IA-16-X005-118-14	119,637
	20.516	IA-37-X022-118-13	122,324
	20.521	IA-57-X008-118-13	12,012
	20.521	IA-57-X009-118-13	6,969
	20.521	IA-57-X009-118-14	63,476
Subtotal			<u>82,457</u>
			<u>1,722,811</u>
Iowa Department of Public Safety:			
Alcohol Incentive Grant			
	20.600	14-405d-M6OT, Task 12	25,464
	20.600	13-410, Task 10	9,698
			<u>35,162</u>
Total U.S. Department of Transportation			<u>12,785,824</u>
Institute of Museum and Library Services			
National Leadership Grant	45.312	CL-00-10-0004-10	52,483
Total Institute of Museum and Library Services			<u>52,483</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Screening, Brief Intervention and Referral to Treatment	93.243	588-4P-I01	32,716
Disease Control & Prevention Grants	93.283	588-1P-I01	12,551
Drug Abuse Information Grant	93.959	588-1P-I01	277,286
STD Grant	93.977	588-1P-I01	1,159
Diabetes	93.988	588-1P-I01	253
Dental Grant	93.994	588-1P-I01	9,620
			<u>333,585</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2014

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
Division of Health Protection:			
Health Protection Grant/Immunization	93.268	588-1P-I01	18,524
Health Protection Grant/Immunization	93.940/93.917	588-1P-I01	2,837
			<u>21,361</u>
Total U.S. Department of Health and Human Services			<u>354,946</u>
U.S. Department of Homeland Security:			
Iowa Homeland Security & Emergency Management:			
State Homeland Security Program	97.067	EMW-2011-SS-00071-S01-13	5,208
	97.067	EMW-2012-SS-00028-13	85,502
	97.067	HSGP-13-SHSP-11	33,832
	97.067	Lost Boy	1,552
	97.067	Cedar County	65
	97.067	Des Moines Fire	13,423
	97.067	EMW-2012-SS-00028-09	20,134
	97.067	HSGP-13-SHSP-14	50,244
	97.067	EMW-2012-SS-000028-10	34,450
			<u>244,410</u>
Iowa Department of Economic Development:			
FEMA	97.036	FEMA-IA-DR1763	35,474,713
	97.036	FEMA-IA-DR4126	81,664
Subtotal			<u>35,556,377</u>
Hazard Mitigation Grant Program	97.039	HMGP-DR-1763-0150-01	9,476,868
			<u>45,033,245</u>
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS0213HSLR257	43,800
			<u>43,800</u>
Total U.S. Department of Homeland Security			<u>45,321,455</u>
Total Expenditures of Federal Awards			<u>\$ 96,042,688</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, 2014**

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, 2014. 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. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	\$ 438,880
Community Development Block Grant	14.228	3,592,929
HOME	14.239	107,000
Hazard Mitigation Grant Program	97.039	18,160

Note 4. Total by Program

The totals for Public Safety Partnership and Community Policing Grants CFDA No. 16.710, Edward Byrne Memorial Justice Assistance Grant Program CFDA No. 16.738 and Equitable Sharing Program CFDA No. 16.922 are \$52,685, \$104,880 and \$161,138, respectively.

City of Cedar Rapids, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Comment Number	Comment	Status	Corrective Action or Other Explanation
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None



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, 2014, 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 22, 2014. Our report includes 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 with *Government Auditing Standards*.

The City of Cedar Rapids, Iowa's basic financial statements include the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit 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*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the Agency. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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 City'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 22, 2014



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 subjected 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, 2014. 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, 2014.

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.

McGladrey LLP

Davenport, Iowa
December 22, 2014

City of Cedar Rapids, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

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
97.036	Federal Emergency Management Agency
20.500 & 20.507	Federal Transit Program
97.039	Hazard Mitigation Program

Dollar threshold used to distinguish between type A and type B programs: \$2,881,280

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, 2014

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-14: Certified Budget: Expenditures for the year ended June 30, 2014 did not exceed the amount budgeted in any of the City's functions.

IV-B-14: 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-14: Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-14: Business Transactions: No business transactions between the City and City officials or employees were noted.

IV-E-14: 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-14: Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-G-14: 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-14: Revenue Notes: No instances of noncompliance with the outstanding revenue bonds provisions were noted.