



# **CITY OF BETTENDORF, IOWA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2014**

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





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**ROBERT S. GALLAGHER, MAYOR**

Vacant (Election 7/1)  
ALDERMAN  
AT LARGE

Dean Mayne  
FIRST WARD  
ALDERMAN

Debe L. LaMar  
THIRD WARD  
ALDERMAN



Gregory P. Adamson  
FOURTH WARD  
ALDERMAN

Gary M. Mohr  
ALDERMAN  
AT LARGE

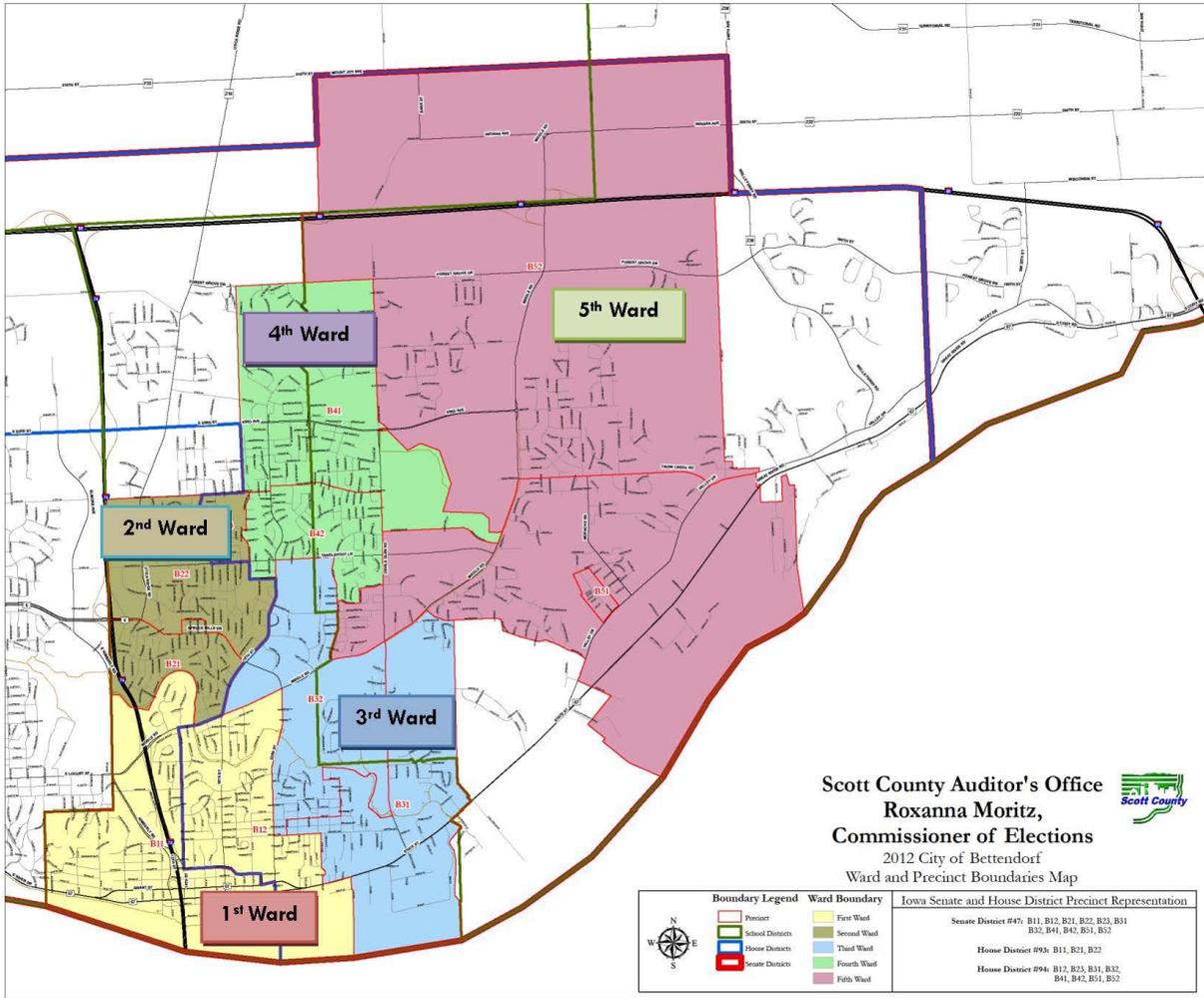
Scott R. Naumann  
SECOND WARD  
ALDERMAN

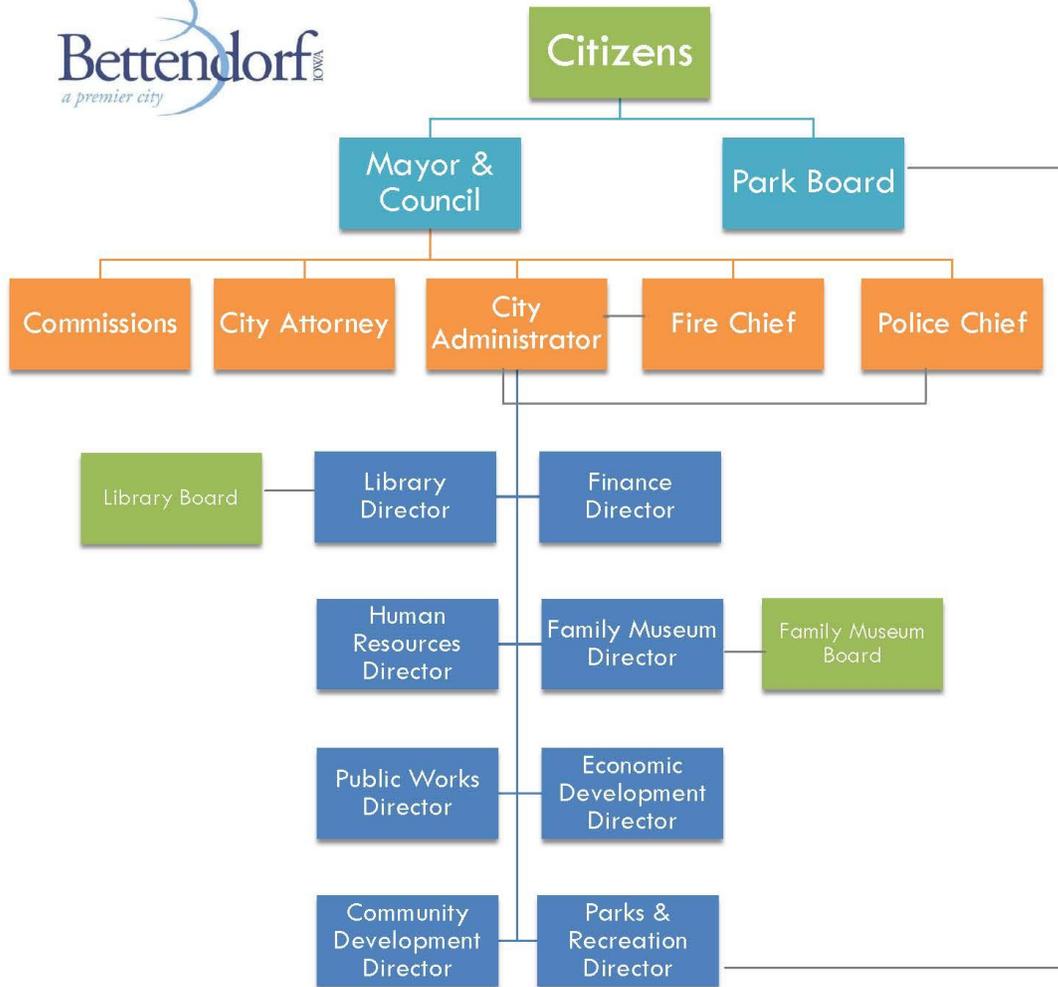
Vacant (Election 7/1)  
FIFTH WARD  
ALDERMAN

**DECKER P. PLOEHN, CITY ADMINISTRATOR**

**DEPARTMENT HEADS**

- Carol A. Barnes ..... Finance Director
- William M. Connors..... Community Development Director
- Steven M. Grimes ..... Parks & Recreation Director
- Susan J. Mannix ..... Library Director
- Philip J. Redington.....Police Chief
- Jeffrey L. Reiter ..... Family Museum Director
- Kathleen M. Richlen..... Human Resources Director
- Brian R. Schmidt..... Public Works Director
- Kristine R. Stone ..... City Attorney
- Steven J. Van Dyke ..... Economic Development Director
- Gerald A. Voelliger, Jr. .... Fire Chief







Bettendorf IOWA  
*a premier city*



**December 5, 2014**

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for fiscal year ended June 30, 2014.

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 of Bettendorf'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.

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

**Profile of the Government**

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

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

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

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

The City of Bettendorf provides a full range of services, including police and fire protection; the construction and maintenance of infrastructure, including streets, roads, bridges and sewer and storm water utilities; sanitation services; park and recreational programs and facilities, enforcement of building code regulations; traffic control;

mass transportation; housing services; economic and community development; general administrative services; one public library; and other cultural opportunities through the Family Museum of Arts and Science.

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

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

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

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

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

## **Local Economy**

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

**Employment Data:** The Quad-Cities has been historically known as an industrial, retail/service and transportation center. During the 1980's and 1990's the economy shifted, showing a decline in the number of manufacturing sector jobs. In 1980, 30% of the area jobs were in manufacturing and 53% in the service sector. By 1990 manufacturing had declined to 18% and has fallen to just 13% today. Service providing occupations have grown to make up about 67% of the Quad Cities workforce. The portion of government sector jobs has remained steady at around 15%.

The labor force in the Quad Cities MSA was 205,200 as of June, 2014 which was a 0.8% increase from the 2004 annual average figure of 203,585. The labor force for Scott County was 91,350 in June, 2014, which was a 3.8% increase over the 2004 annual average labor force of 88,010 for the County. Unemployment figures for the Quad Cities MSA hit a high of 14.8% in 1983. Unemployment has steadily declined in Bettendorf since that spike in the mid-eighties. As of June, 30 2014, 4.7% of the Bettendorf workforce was unemployed. This is the lowest in the Quad Cities MSA which remained at 5.2%, and is well below the national average of 6.1% for the same period. Unemployment rates in Bettendorf remain lower than in surrounding cities and the nation due in

part to the creation of jobs in the service sectors and the manufacturing of non-durable goods. The total number of jobs in Bettendorf increased significantly between 1980 and 2000 and continues to see steady increases today. Of the 18,760 in the current labor force, 17,890 were employed in June, 2014.

**New Housing Starts:** Construction of new homes in Bettendorf has remained very strong over the last decade and the Quad Cities remains one of the most affordable housing markets in the country. Bettendorf was recently voted as one of the “10 Best Places for Affordable Homes” in the nation by CNNMoney.com. During fiscal year 2014, 1,293 building permits were issued for investment in new construction and renovation totaling \$94,395,514. So far in 2014 the average selling price for a new or existing home in Bettendorf averaged \$311,000, while in Davenport the average is \$129,500 for the same period. Over the last decade, 1,379 dwelling units have been constructed within Bettendorf city limits.

**Education:** There are two public school systems serving the City of Bettendorf. The Bettendorf Community School District has six elementary schools, one middle school and one high school with a total enrollment of approximately 4,600 in the 2013/2014 school year. The Pleasant Valley Community School District has four elementary schools, a junior high and one high school with enrollment totaling approximately 4,300 in the 2013/2014 school year. There are also two private schools in Bettendorf. Lourdes Catholic elementary serves pre-kindergarten students and about 300 kindergarten through eighth grade students. Rivermont Collegiate, an independent college preparatory day school provides a preschool through 12<sup>th</sup> grade with enrollment of approximately 260. The City’s school districts consistently rank in the top ten school districts in the state. 95.9% of Bettendorf’s population over age 25 have graduated from high school or have attained higher education degrees compared to the national average of 89.6%.

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

**Quad City Economy:** National economic indicators suggest the country has turned a corner after the deep recession of 2009. The recovery has continued slowly, but the outlook for the Quad Cities is positive. Locally the recession was not as remarkable as in many other parts of the country. Unemployment, historically a lagging indicator, has slowed in the Quad Cities and remains below national averages. According to Ruhl & Ruhl Realtors, home prices “are appreciating nicely in most of our markets.” And, “we see pent up demand from first-time home buyers and demand from buyers for affordable new construction homes.”

Just a year after a \$300 million expansion to accommodate a new contract with Ford Motor Company, Alcoa Davenport Works plans an additional \$190 million expansion on the heels of signing its largest contract ever with Boeing. The expansions will create an additional 150 full-time jobs and help to retain 200 existing full-time jobs at the Davenport Works location which employs about 2,400 people.

Deere & Company, the area’s largest private sector employer, continues to report strong earnings each quarter and has an optimistic outlook for 2015. The Rock Island Arsenal remains the Quad Cities’ largest employer with 8,500 employees. The Arsenal also contracts with a number of private firms in and around the Quad Cities.

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

**Economic Development:** In support of existing businesses, and to attract businesses from outside the region, the City’s Economic Development Department administers a Tax Increment Financing (TIF) program. Over the last eighteen years 29 projects totaling just under \$188 million in value have taken place. Roughly \$2.8 million in total annual property taxes will be received on these properties once the TIF incentives have ended, with the City

receiving approximately one-third of the total annual property taxes collected. With the number of jobs created or retained numbering over 2,000, annual payroll is estimated at just under \$53 million.

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

Over the last three fiscal years the Mayor and City Council have added four new programs to assist business owners in the downtown corridor whose properties are being acquired for the construction of the new I-74 Bridge. Roughly 42 business owners could garner a percentage of the \$650,000 set aside for this effort. To date, ten business owners have taken advantage of the programs.

The City's Economic Development Department also provides coordination with other governmental and private entities, including: Iowa Economic Development Authority, Iowa Department of Transportation, Eastern Iowa Community College District, MidAmerican Energy Company, Quad Cities First, Bi-State Regional Commission, and the Bettendorf Development Corporation (BDC). The BDC was established by several leading businessmen in the community and has received financing from many area businesses. The BDC is a private, non-profit organization designed to be an intermediary between the public and private sectors as necessary in order to assist in high-quality development of industrial and commercial areas. Over the last 20 years the BDC has expended \$1.4 million in implementing projects in nine commitment areas throughout Bettendorf.

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

Total fund balance in the General Account in the General Fund totals \$5.691 million and equates to 27.57% of total General Fund expenditures and transfers. This current percentage of fund balance more than satisfies the City Council's policy guidelines of a range of 20-25% for budgetary and planning purposes. The Council has budgeted to maintain that fund balance for FY 14/15. During these volatile economic times, retaining the current level of fund balance is important. The City remains committed to offering a superior level of service to its citizens at one of the lowest tax rates in the State of Iowa.

Recent years' budget processes have faced the many challenges presented by the current local, state and national economies, including: state-shared revenue reductions; loss of investment income due to lower returns in the current markets; state-mandated increases in public safety pension costs; increasing costs of health care; and increasing costs of liability and property insurance. In 2013, the Iowa Legislature passed Senate File 295, which included a number of components that will continue to challenge the ability of Iowa Municipalities to present balanced budgets. The largest components include a 10% rollback for all commercial properties and the creation of a new multi-residential property class with a rollback that will be equivalent to the residential rollback. Future budgets will challenge the City's ability to continue to offer services within the current revenue and expenditure structure.

As part of the City's Capital Improvement plan for FY 2014/15, the City plans to complete \$19.6 million in various projects including street and infrastructure projects throughout the City. Maintenance and expansion of the City's infrastructure (such as streets, sidewalks, sewers, storm water projects, bridges, and traffic signals) remain a major priority of the City. The City annually adopts a five-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs. The major source of funds for the program is general obligation bonds, which are primarily financed from an unlimited debt service property tax levy and local option sales tax receipts. The City leverages its program commitment with available grants from the federal and state governments and private sector partnerships.

### **Relevant Financial Policies**

The City of Bettendorf has a formal cash reserve and fund balance policy that establishes minimum year end balances to ensure sufficient cash flow throughout the upcoming fiscal year. Planned draw downs of cash reserves below the minimum level is acceptable for one-time occurrences if the intent is made to return to the

minimum cash reserve level as quickly as possible. During FY 2008/09 there was a significant shortage of road salt in the Midwest, and as a result, the cost of road salt nearly doubled. In an effort to minimize the affects of such price fluctuations during the FY 2009/10 season, the council participated in an early “off-season” joint salt bid with other surrounding municipalities and authorized an advance purchase of salt for FY 09/10 during the spring of 2009. As a result, cash reserves in the Road Use Fund were significantly reduced to \$212,000 during FY 08/09, and the ending fund balance dropped to less than 7% of annual operating expenses. Subsequent to FY 08/09, the Council has been focusing on building those reserves back up to a minimum level of 20-25% of annual operating expenses, and at 6/30/14 the ending fund equity in the Road Use Fund increased to \$475,087 or 13% of annual operating expenses.

## **Major Initiatives**

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

Utica Ridge Corridor. Recent developments in this area include the construction of the Symmetry Mortgage building which completes a combined office campus. The new structure is valued at \$700,000 and offers space for four separate offices. Just a half mile north, the new Rock Island Arsenal Credit Union corporate headquarters is nearing construction. The new structure's value will total \$3,000,000. In the Spring of 2015, \$1.5 million of road improvements will be completed on Utica Ridge Road from Spruce Hills Drive to Tanglefoot Lane, which will greatly enhance this commercial corridor. If private financing can be secured by the new owners of the Lodge Hotel, the facility will be totally rebuilt as a \$10.5 million Double Tree by Hilton.

18<sup>th</sup> Street Corridor. The long-awaited Cumberland Square Shopping Center redevelopment has been completed with the upgrade and modernization of the exterior of the entire shopping complex at a cost of \$441,000. The former Fazoli's restaurant has been completely refurbished and repurposed as a new Culver's Restaurant at a cost of \$545,000. With some smaller “build-out” projects on the newer north side of Cumberland Square, the total reinvestment in the shopping center is over \$1,000,000.

CVS Pharmacy opened its new building in 2014 at the intersection of 18<sup>th</sup> Street and Spruce Hills Drive which is valued at \$1.5 million. The new facility replaced two older buildings that had fallen into disrepair. The new building complements the Cumberland Square redevelopment mentioned above. Recently another deteriorating structure by the CVS site was removed, making room for future development.

In 2014, the original Wendy's restaurant on Spruce Hills Drive was demolished and a new 4,040 square foot store was constructed at 2435 Spruce Hills Drive. The new restaurant is valued at \$1.2 million and has a new, more modern design, and better ingress/egress and parking.

Middle Road Corridor. Several years ago the city approved tax increment financing assistance for the redevelopment of the twelve acre site directly across the street from the Duck Creek Shopping Plaza. We are happy to announce that as of 2014 all buildings designed for the acreage have been constructed and include Iowa's only Burlington Coat Factory facility, two strip mall buildings, an Upper Iowa University Campus and a new Pizza Ranch restaurant all totaling more than \$14 million in assessed value.

The final phase of the Duck Creek Shopping Center area redevelopment is nearing completion, the demolition of the former HomeRidge Inn and Suites has been replaced with the construction of a new \$9,250,000 Hilton Garden Inn. In addition to the new upscale hotel, two new retail buildings have been added to the site and the former BP Service Station was demolished to make way for a new service station/convenience store (Molo Quint, LLC). These projects will add an additional \$2,000,000 worth of development beyond the hotel's redevelopment.

Geneseo Data Center has opened a high-technology secure data storage facility at the site of the former Eagle Foods grocery store at the intersection of Middle Road and Devils Glen Road. The \$24,000,000 renovation to the site is the first such facility for the Quad Cities with the nearest similar site located in the Chicago metropolitan area.

Deere Harvester Credit Union (DHCU) opened a new banking facility at Middle Road and Belmont Road in 2013. DHCU invested \$1,900,000 in the new facility. Immediately adjacent to DHCU is the new \$747,000 Anytime

Fitness retail center. These two facilities completely occupy the area between Middle Road and Ridge Pointe Drive with new office/retail buildings.

53<sup>rd</sup> Avenue Corridor. In 2013, Ascentra Credit Union opened its second branch facility at the intersection of 18<sup>th</sup> Street and 53<sup>rd</sup> Avenue. The \$1.4 million facility incorporates many new technological advances and is considered an eco-friendly building. At least three additional commercial developments are in play at this time including the construction of the Market Plaza Retail Center at the Crow Ridge Plaza Shopping Center. The new \$2,000,000 auto service and retail shopping facility will be located next to the main entrance to the shopping center off 53<sup>rd</sup> Avenue.

The new, upscale \$30,000,000 apartment complex, The Springs, was completed in 2013 year. The unique 316-unit complex offers private entrances to each individual apartment, climate controlled attached garages, onsite dog park and dog wash station, private car wash, swimming pool, private clubhouse with fitness center, and many other amenities for the exclusive use of the residents.

A new McDonald's restaurant was opened in 2014 at 2185 - 53rd Avenue and is valued at \$1.4 million. The cost of entire project, including infrastructure improvements such as underground storm water detention facilities, totaled \$4.4 million.

Kwik Trip, Inc. plans to build a new 5,700 square foot convenience store with 22 fueling stations and a drive-through car wash at 2241 and 2283 - 53rd Avenue. When the development is complete it will have a value of approximately \$1.5 million.

The new 43,000 square foot Genesis Healthplex opened in November 2014 at 2140 - 53rd Avenue. The Healthplex includes convenient care, imaging center, and family practice facilities. The value of the building is approximately \$10 million.

Riverside Development Park. In 2011 LeClaire Manufacturing expanded their operation by acquiring a 75,000 square foot facility previously owned by Arch Mirror. In 2014 they have approached the City with the need to add 40,000 square feet to their original facility at an estimated cost of \$3 million.

Two new privately owned industrial parks are now under construction providing for another twelve smaller and mid-sized businesses to grow and prosper.

Efforts are now underway to construct the first "spec" building in the Quad City Region in over 10 years. Estimated to cost \$2.5 million, the structure will begin as a 60,000 sq. ft. facility with the ability to expand to over twice that size.

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

State Street Industrial Area. Redevelopment of stormwater and transportation infrastructure is being focused on in this area. Vizient Technologies has added two new building additions in the last two years totaling \$2 million dollars and Bowe Machine added production space twice over the last three years totaling over \$4 million in value.

Riverfront-Downtown. The City has completed Phases I and II in the Downtown Streetscape Project consisting of multiple planters with tree, shrubs, and flower plantings. Sidewalk and street crossings have been redesigned and include multi-colored, stamped concrete to accentuate the color scheme of the Waterfront Convention Center and other new development in this area creating a unified aesthetics appearance to the entire area. This project added \$980,000 worth of infrastructure improvements to the area. Steps are currently underway to acquire additional property in the downtown to construct Phase III, a town square.

I-80 and Middle Road. Spring of 2009 the City of Bettendorf acquired 22 acres on the northeast quadrant of the interchange for approximately \$1.43 million. This parcel will work in partnership with a private sector owner to add another 95 acres for the creation of a technology business park. Four years ago the city hired an engineering firm using federal grant funds to develop an Interchange Justification Report (IJR) to research and

redesign the interchange from a rural interchange to an urban interchange. The Iowa Department of Transportation and the Federal Highway Administration have given final approval of the design. Several years ago the Bettendorf Development Corporation re-graded portions of the interchange to improve appearance, safety and visibility. Water main improvements and a sanitary sewer extension are now under design, the fiber optic cabling installed by C.S. Technologies is in place, all of which will ultimately enhance the marketability of the community and the region. The City recently extended a twelve month option to a regional developer, Raufeisen Development, Inc., for the northeast quadrant which includes 117 acres.

School Additions/Renovations. There have been several school renovations and additions throughout the city in both the Bettendorf School District and the Pleasant Valley School District. These projects include two renovation projects to Bettendorf Middle School totaling over \$2,000,000. Hopewell Elementary School has/is adding four new additions to the new school totaling \$8,471,454. The largest new school project involved the Bettendorf High School renovation and the administrative offices addition at the Bettendorf High School campus. That combined project totaled \$10,825,000 in value and added a new state-of-the art performing arts center as well as several security upgrades to the building.

Residential Housing. 2014 has been another great year for housing within Bettendorf. If all goes as projected, 2014 will see the second largest number of single family housing starts over the last twenty years, with 2013 coming in at a close third.

### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bettendorf, Iowa for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty- third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Bettendorf also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2014. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. This was the nineteenth consecutive year that the City has received this award.

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

Respectfully submitted,



Decker P. Ploehn  
City Administrator



Carol A. Barnes  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bettendorf**  
**Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bettendorf, Iowa (City) as of and for the year ended June 30, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City 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 3 through 14, other postemployment benefit information on page 62 and budgetary comparison information on pages 63 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying balance sheet – General Fund – by account, schedule of revenues, expenditures and changes in fund balances – General Fund – by account and combining nonmajor fund financial statements, listed in the table of contents as supplementary information, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.



Davenport, Iowa  
December 5, 2014

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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

#### Financial Highlights

- The assets of the City of Bettendorf exceeded its liabilities and deferred inflows of resources as of June 30, 2014 and 2013 by \$120,601,612 and \$116,641,423 (net position), respectively. Of this amount, \$10,850,791 and \$12,689,875 (unrestricted net position), respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,960,189 and \$2,472,558 during the years ended June 30, 2014 and 2013, respectively.
- As of June 30, 2014, the City of Bettendorf's governmental funds reported combined ending fund balances of \$27,796,397, an increase of \$7,591,359 in comparison with 2013. Approximately 20 percent of this total amount, \$5,635,252, is available for spending at the government's discretion (unassigned fund balance). As of June 30, 2013, the City of Bettendorf's governmental funds reported combined ending fund balances of \$20,205,038, a decrease of \$3,030,799 in comparison with 2012. Approximately 26 percent of this total amount, \$5,341,022, is available for spending at the government's discretion (unassigned fund balance).
- As of June 30, 2014, fund balance for the General Fund was \$6,970,711 or 28 percent of total General Fund expenditures and transfers out and \$5,698,079 or 25 percent for 2013.
- The City of Bettendorf's total long-term debt, excluding compensated absences, increased by \$12,950,000 (11 percent) during the fiscal year ended June 30, 2014. This increase, which is net of scheduled debt payments on outstanding debt in the current year, is primarily due to the City issuing \$24,170,000 of general obligation debt during the current year offset by debt that was paid off from crossover refunding bonds issued in the previous year.

#### Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Bettendorf's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between them 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 of Bettendorf is improving or deteriorating.

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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

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

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

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

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

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

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Bettendorf's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency funds. The total assets held in the fiduciary fund as of June 30, 2014 were \$51,770.

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

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

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has increased from a year ago from \$116,641,423 to \$120,601,612.

By far the largest portion of the City of Bettendorf's net position (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Bettendorf uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bettendorf's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

	City of Bettendorf's Net Position					
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 60,509,702	\$ 51,159,538	\$ 11,044,560	\$ 10,871,511	\$ 71,554,262	\$ 62,031,049
Capital assets	156,008,741	146,832,669	63,275,979	62,506,555	219,284,720	209,339,224
<b>Total assets</b>	<b>216,518,443</b>	<b>197,992,207</b>	<b>74,320,539</b>	<b>73,378,066</b>	<b>290,838,982</b>	<b>271,370,273</b>
Noncurrent liabilities	102,353,595	87,340,626	23,764,629	26,730,739	126,118,224	114,071,365
Other liabilities	12,895,857	11,935,288	5,464,818	3,607,071	18,360,675	15,542,359
<b>Total liabilities</b>	<b>115,249,452</b>	<b>99,275,914</b>	<b>29,229,447</b>	<b>30,337,810</b>	<b>144,478,899</b>	<b>129,613,724</b>
Deferred inflows of resources	25,758,471	25,115,126	-	-	25,758,471	25,115,126
Net position:						
Net investment in capital assets	65,182,580	63,012,236	38,104,581	36,205,459	103,287,161	99,217,695
Restricted	6,430,035	4,734,224	-	-	6,430,035	4,734,224
Unrestricted	3,897,905	5,854,707	6,986,511	6,834,797	10,884,416	12,689,504
<b>Total net position</b>	<b>\$ 75,510,520</b>	<b>\$ 73,601,167</b>	<b>\$ 45,091,092</b>	<b>\$ 43,040,256</b>	<b>\$ 120,601,612</b>	<b>\$ 116,641,423</b>

The City of Bettendorf's total assets increased by \$19,445,184 or 7 percent from 2013 to \$290,838,982. The largest portion of this increase is related to the continued investment in capital assets and infrastructure within the City. Current and other assets increased from fiscal year 2013 mostly due to unspent bond proceeds. Total liabilities of the City of Bettendorf increased by \$14,841,650 or 11 percent from 2013 to \$144,478,899. Noncurrent liabilities increased by \$12,046,859 with the issuance of new general obligation debt for various public improvements and a crossover refunding. Other liabilities increased by \$2,794,791 with the planned payment of long-term debt due within fiscal year 2014. Deferred inflows of resources increased by \$643,345 or 2.6 percent due to property taxes receivable for 2014 increasing.

An additional portion of the City of Bettendorf's net position (4 percent for 2014 and 2013) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$12,827,270 for 2014 and \$12,689,504 for 2013, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Bettendorf is able to report positive balances in all three categories of net position for the government as a whole.

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

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

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2014**

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

	City of Bettendorf's Changes in Net Position					
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,646,497	\$ 1,210,306	\$ 11,022,381	\$ 10,724,899	\$ 12,668,878	\$ 11,935,205
Operating grants and contributions	3,935,493	4,320,528	1,102,861	884,818	5,038,354	5,205,346
Capital grants and contributions	2,205,448	1,423,670	2,300,107	1,880,241	4,505,555	3,303,911
General revenues:						
Property taxes	22,782,593	22,230,452	-	-	22,782,593	22,230,452
Tax increment financing	2,027,720	2,069,141	-	-	2,027,720	2,069,141
Other taxes	8,165,605	8,164,342	-	-	8,165,605	8,164,342
State shared revenues	54,157	55,721	-	-	54,157	55,721
Investment earnings (expense)	451,913	(67,319)	92,759	(92,719)	544,672	(160,038)
Miscellaneous and gain on sale of capital asset	517,920	391,163	408,268	482,231	926,188	873,394
<b>Total revenues</b>	<b>41,787,346</b>	<b>39,798,004</b>	<b>14,926,376</b>	<b>13,879,470</b>	<b>56,713,722</b>	<b>53,677,474</b>
Expenses:						
Public safety	11,439,650	10,929,229	-	-	11,439,650	10,929,229
Public works	9,819,611	8,623,929	-	-	9,819,611	8,623,929
Culture and recreation	5,447,349	4,919,241	-	-	5,447,349	4,919,241
Community and economic development	2,110,720	2,542,574	-	-	2,110,720	2,542,574
General government	4,030,857	3,958,233	-	-	4,030,857	3,958,233
Interest on long-term debt	3,487,741	3,294,252	-	-	3,487,741	3,294,252
Sewer utility	-	-	3,806,326	3,653,914	3,806,326	3,653,914
Family Museum of Arts & Science	-	-	2,195,838	2,123,336	2,195,838	2,123,336
Aquatic Center	-	-	524,573	521,347	524,573	521,347
Recycling/solid waste management	-	-	1,948,548	1,969,461	1,948,548	1,969,461
Palmer Hills Golf Course	-	-	1,287,941	1,243,073	1,287,941	1,243,073
Life Fitness Center	-	-	892,284	890,368	892,284	890,368
Stormwater utility	-	-	1,140,926	970,022	1,140,926	970,022
Transit	-	-	1,805,636	1,622,843	1,805,636	1,622,843
QC Waterfront Convention Center	-	-	2,560,146	3,486,068	2,560,146	3,486,068
Riverfront Circulator	-	-	255,387	457,026	255,387	457,026
<b>Total expenses</b>	<b>36,335,928</b>	<b>34,267,458</b>	<b>16,417,605</b>	<b>16,937,458</b>	<b>52,753,533</b>	<b>51,204,916</b>
<b>Increase (decrease) in net position before transfers</b>	<b>5,451,418</b>	<b>5,530,546</b>	<b>(1,491,229)</b>	<b>(3,057,988)</b>	<b>3,960,189</b>	<b>2,472,558</b>
Transfers	(3,542,065)	(3,522,123)	3,542,065	3,522,123	-	-
<b>Increase in net position</b>	<b>1,909,353</b>	<b>2,008,423</b>	<b>2,050,836</b>	<b>464,135</b>	<b>3,960,189</b>	<b>2,472,558</b>
Net position, beginning	73,601,167	71,592,744	43,040,256	42,576,121	116,641,423	114,168,865
<b>Net position, ending</b>	<b>\$ 75,510,520</b>	<b>\$ 73,601,167</b>	<b>\$ 45,091,092</b>	<b>\$ 43,040,256</b>	<b>\$ 120,601,612</b>	<b>\$ 116,641,423</b>

**City of Bettendorf, Iowa**

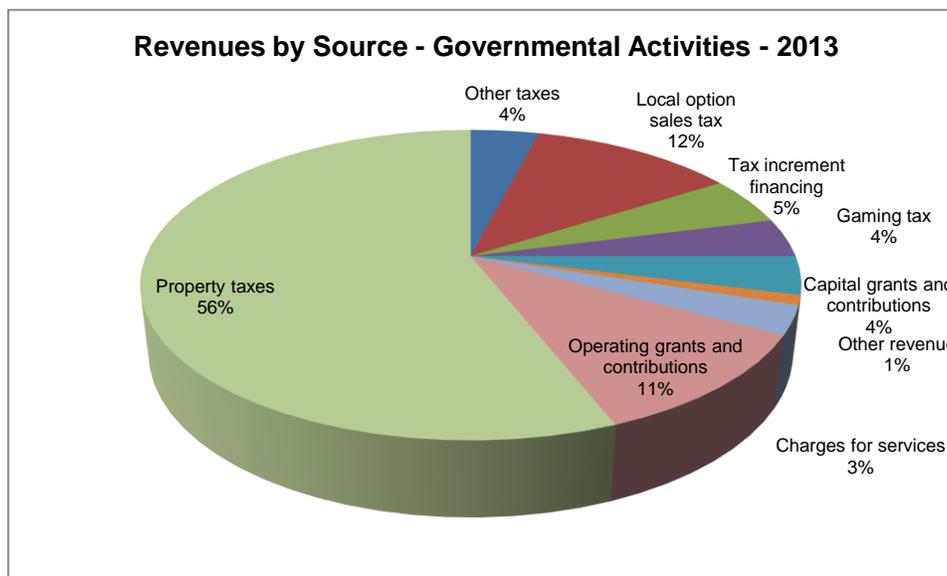
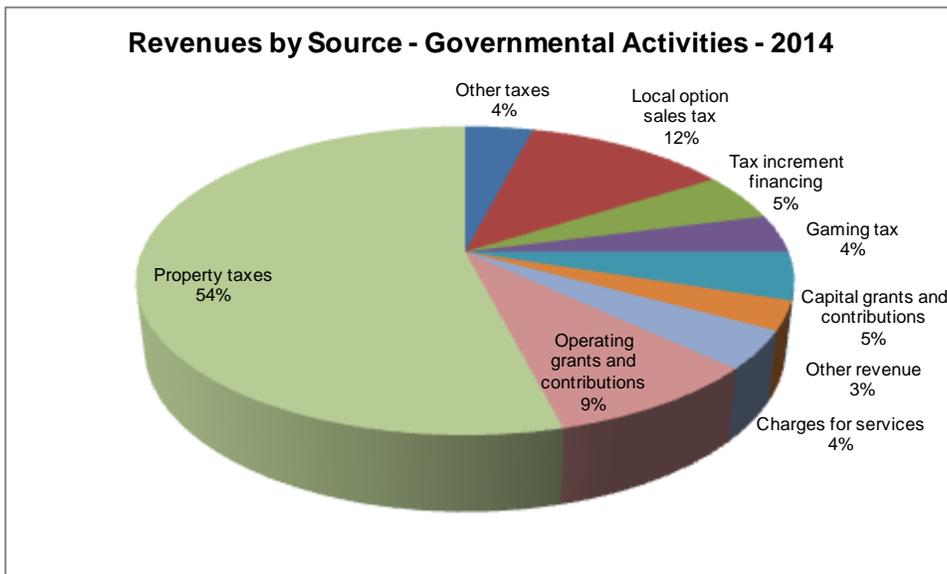
**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2014**

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Total governmental activities' revenue for fiscal year 2014 was \$41,787,346 and for 2013 was \$39,798,004. The largest single revenue source for the City was property and TIF taxes of \$24,810,313 for 2014 and \$24,299,593 for 2013. Property and TIF taxes increased by \$510,720 from 2013 (2.1 percent) and \$1,197,266 from 2012 (5.2 percent). Most of the increase for 2014 and 2013 is a result of increased property tax values and increases in tax increment financing. In addition, investment earnings increased \$704,710 due to the stabilization of interest rates and values of investments. Capital grants and contributions increased \$781,778 (55 percent) due to additional federal and state grants received in the current year for capital projects.

Certain revenues are generated that are specific to governmental program activities. These totaled \$7,787,438 for 2014 and \$6,954,504 for 2013.

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



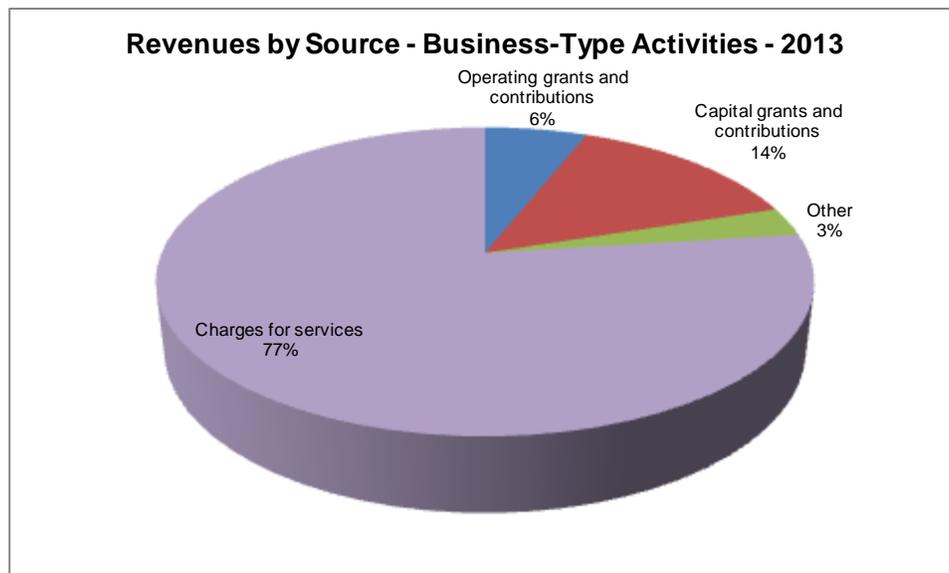
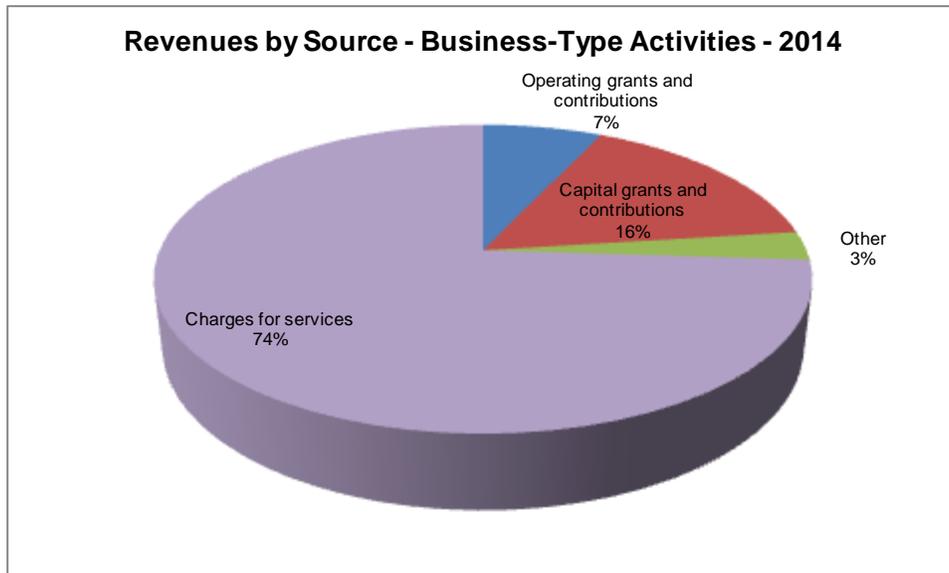
**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2014**

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Total business-type activities' revenue for fiscal year 2014 was \$14,926,376 and for 2013 was \$13,879,470. All but \$501,027 for 2014 and \$389,512 for 2013 of this revenue was generated for specific business-type activity expenses.

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



**Business-type activities.** Business-type activities increased the City of Bettendorf's net position by \$2,050,836 in 2014. Key elements of this increase are as follows:

- Stormwater Utility increased \$949,476 mainly due to capital contributions of stormwater areas in new subdivisions built by developers.
- QC Waterfront Convention Center increased \$915,433 due to transfers in from the Rivers Edge TIF District for principal payments and reduced interest expense from refinancing the revenue bonds (TIF notes) at a reduced rate.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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For the fiscal year ended 2013, business-type activities increased the City of Bettendorf's net position by \$464,135. Key elements of this increase are as follows:

- Stormwater Utility increased \$721,582 mainly due to increased capital contributions of stormwater areas in new subdivisions built by developers.
- Transit decreased \$197,084 due to reduced federal transit assistance from 2012.

### Financial Analysis of the Government's Funds

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

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

As of June 30, 2014, the City of Bettendorf's governmental funds reported combined ending fund balances of \$27,796,397, an increase of \$7,591,359 in comparison with 2013. Approximately 20 percent of this total amount \$5,635,252, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

As of June 30, 2013, the City of Bettendorf's governmental funds reported combined ending fund balances of \$20,205,038, a decrease of \$3,030,799 in comparison with 2012. Approximately 26 percent of this total amount \$5,341,022, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

The General Fund is the chief operating fund of the City of Bettendorf. The unassigned fund balance of the General Fund was \$5,744,687 for 2014 while total fund balance was \$6,970,711. The unassigned fund balance of the General Fund was \$5,503,804 for 2013 while total fund balance was \$5,698,079. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2014, unassigned fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 34 percent of that same amount. For 2013, unassigned fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the City of Bettendorf's General Fund increased by \$1,272,632 for 2014 and \$85,583 for 2013. The net increase in fund balance during the current year was due to capital expenditures for Downtown Improvements being less than the bond proceeds, transfers made from gaming revenues to other funds less than the gaming revenues earned and operating expenditures being less than revenues.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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The Debt Service Fund has a total fund balance of \$2,889,447 for 2014 and \$2,950,043 for 2013. The net decrease in fund balance during the current year in the Debt Service Fund was \$60,596 due to refunding issues being paid out in fiscal year 13/14 and another refunding bond issued during the year.

The Capital Projects Reserve Fund has a total fund balance of \$13,776,231 for 2014 and \$7,459,672 for 2013. The Capital Projects Reserve Fund had a net increase in fund balance in the current year of \$6,316,559. The net increase in fund balance is primarily a net result of issuing bonds in the amount of \$18.77 million, federal grants of \$758,521 and other revenues offset by capital project expenditures of \$14.7 million.

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

Unrestricted net position of the Sewer Utility was \$3,248,791 as of June 30, 2014 and \$3,356,756 as of June 30, 2013; for the QC Waterfront Convention Center was \$1,622,541 for 2014 and \$1,284,942 for 2013; and for the Stormwater Utility was \$961,838 and \$1,253,391 for 2014 and 2013, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bettendorf's business-type activities.

#### Budgetary Highlights

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

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

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

- The total original revenue budget of \$61,829,057 was decreased to \$60,120,141 (a decrease of \$1,708,916).
- The total original expenditure budget of \$78,579,008 was increased to \$79,956,232 (an increase of \$1,377,224).
- The total original budget for other financing sources, net of \$10,590,000 was increased to \$25,280,305.

The budget amendment was primarily due to increases from additional bond proceeds and bond premium on sale of bonds. This was offset by increased expenditures for overtime, vehicle maintenance, supplemental road salt and capital projects due to the Winter's damage to the streets.

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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During the year, however, revenues, excluding transfers, were less than budgetary revenues by \$547,183. This was primarily attributable to miscellaneous revenues (mainly in the Capital Projects Fund and the QC Waterfront Convention Fund) being less than budgeted amounts.

Expenditures were less than budgetary expenditures by \$3,864,359 primarily due to capital projects that were budgeted but not completed during the year.

See the Budgetary Comparison Schedule – All Governmental Funds and Proprietary Funds on pages 63 and 64.

#### Capital Asset and Debt Administration

**Capital assets.** The City of Bettendorf's investment in capital assets for its governmental and business-type activities as of June 30, 2014 and 2013 amounts to \$219,261,195 and \$209,339,224 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements and equipment and vehicles.

Major capital asset events during fiscal year ended June 30, 2014, included the following:

- \$1,249,158 for paving Tanglefoot Road from Greenbrier to Utica Ridge Road.
- \$1,215,223 for the installation of the Recreational Trail on Middle Road from Devils Glen to Duck Creek.
- \$983,889 for paving Hopewell Avenue from Middle to Century Heights.
- \$974,805 for various vehicle replacements throughout the city.
- \$838,559 for street patching.
- \$782,410 for Devils Glen Road turning lane from Crow Creek to Middle Road.

Major capital asset events during fiscal year ended June 30, 2013, included the following:

- \$809,636 for paving Elmwood Lane to Elmwood Avenue.
- \$773,769 for paving Tanglefoot Road from 18th Street to Greenbrier.
- \$655,546 for the installation of the Recreational Trail on the west side of Devils Glen Rd.
- \$618,212, for paving Tanglefoot Road from Greenbrier to Utica Ridge Rd.
- \$589,110 for street patching.
- \$546,064 for paving TenPlus Street from Central Avenue to 28th Street.
- \$757,826 for various vehicle replacements throughout the city.

**City of Bettendorf, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2014**

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

	City of Bettendorf's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 11,990,001	\$ 11,589,701	\$ 2,692,465	\$ 2,692,465	\$ 14,682,466	\$ 14,282,166
Construction-in-progress	7,404,883	6,947,337	3,077,235	3,831,664	10,482,118	10,779,001
Buildings	22,781,214	21,954,607	35,119,435	35,119,435	57,900,649	57,074,042
Equipment and vehicles	20,987,034	19,824,911	16,958,755	16,275,476	37,945,789	36,100,387
Improvements other than buildings	173,987,424	161,999,785	53,219,932	48,841,323	227,207,356	210,841,108
Accumulated depreciation	(81,141,815)	(75,483,672)	(47,791,843)	(44,253,808)	(128,933,658)	(119,737,480)
<b>Total</b>	<b>\$ 156,008,741</b>	<b>\$ 146,832,669</b>	<b>\$ 63,275,979</b>	<b>\$ 62,506,555</b>	<b>\$ 219,284,720</b>	<b>\$ 209,339,224</b>

**Long-term debt.** As of June 30, 2014, the City of Bettendorf had total bonded debt outstanding of \$132,170,000. Of this amount, \$122,030,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Bettendorf's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

As of June 30, 2013, the City of Bettendorf had total bonded debt outstanding of \$119,220,000. Of this amount, \$107,920,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Bettendorf's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	City of Bettendorf's Outstanding Debt General Obligation and Revenue Bonds					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 105,550,000	\$ 91,755,000	\$ 16,480,000	\$ 16,165,000	\$ 122,030,000	\$ 107,920,000
Revenue bonds	-	-	10,140,000	11,300,000	10,140,000	11,300,000
<b>Total</b>	<b>\$ 105,550,000</b>	<b>\$ 91,755,000</b>	<b>\$ 26,620,000</b>	<b>\$ 27,465,000</b>	<b>\$ 132,170,000</b>	<b>\$ 119,220,000</b>

The City of Bettendorf's total debt increased by \$12,950,000 (10.9 percent) during the current fiscal year. The key factor in this increase was due to the City issuing \$24,170,000 of general obligation debt during the current year, including \$4,000,000 in crossover refunding bonds. This increase is net of other scheduled debt payments on outstanding debt in the current year, including debt that was paid off from crossover refunding bonds issued in 2012.

During 2013, The City of Bettendorf's total debt increased by \$175,000 (0.1 percent). The key factor in this increase was due to the City issuing \$14,385,000 of general obligation debt during the current year. This increase is net of other scheduled debt payments on outstanding debt in the current year, including debt that was paid off from crossover refunding bonds issued in the previous year.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The debt limitation for the City of Bettendorf for 2014 was \$156,367,660 and for 2013 was \$153,470,446, which is significantly in excess of the City of Bettendorf's outstanding general obligation debt of \$122,030,000 and \$107,920,000 for 2014 and 2013, respectively, and other debt subject to the debt limitation of \$10,140,000 and \$11,300,000, respectively.

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

## City of Bettendorf, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2014

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

- Property taxes continue to be the major revenue source for the City of Bettendorf. In FY 2014/15 property taxes will represent 35.17 percent of total City operating revenues, net of transfers. The City has seen increased reliance on property tax revenue over the last five years as a result of other revenue streams either decreasing or remaining relatively flat due to the current economy. The City has aggressively been establishing user fees in eight enterprise funds to help offset the cost of the City providing services to citizens when feasible.
- The City Council was pleased to be able to maintain the levy rate at \$12.55 per \$1,000/assessed valuation in FY 14/15, in an effort to continue to keep property taxes low in the current state of the economy. The state mandated rollback on residential property increased from 52.8166 percent in FY 13/14 to 54.4002 percent in FY 14/15, and total taxable valuations increased \$66.58 million in FY 14/15. However it should be noted that \$56.2 million of new taxable valuation came from new construction within the City, the remaining increase resulted from re-valuations and the increased residential rollback offset by a 5 percent reduction of the rollback on commercial property of \$16.96 million and a \$7.4 million reduction in taxable Public Utilities.
- The FY 14/15 levy rate of \$12.55 per \$1,000/assessed valuation will generate \$23.8 million in property taxes. The City's General Fund Levy rate of \$5.44 per \$1,000 assessed valuation remains one of the lowest in the State of Iowa, and allows for future growth capacity under the State's maximum \$8.10 General Fund levy cap of 48 percent giving the City future flexibility to raise nearly \$5 million of property taxes for operating expenditures. In addition to the ability to raise \$5 million in taxes in the General Fund under the \$8.10 cap, the City has the ability to levy taxes for IPERS & FICA (currently 1.54 million) and could implement an Emergency Levy of \$0.27 if needed (\$504,00). Bettendorf is one of only a handful of Cities in the State of Iowa to be below the State maximum \$8.10 General Fund levy cap.
- The City expects its tax base to continue to exhibit moderate growth given the ample availability of developable land and strong regional employment opportunities. Bettendorf, one of the Quad Cities of Iowa and Illinois, has experienced steady growth as evidenced by an increase both in population (6.2 percent since 2000) and full valuation. The City's full valuation, currently valued at \$3.2 billion, has grown steadily at an average annual rate of 2.73 percent over the past five years, though growth has slowed in the last couple years during the recession. The City expects continued growth in residential development, as approximately 35 percent of the City's land remains available and primarily zoned for housing construction. For FY 2014/15, the City's taxable valuation base (including TIF increment values) totals \$1.945 billion and the residential class of property represents 70 percent of that tax base.
- The City continues to benefit from a diverse regional employment base, which includes the Rock Island Arsenal, Deere & Company and Genesis Medical Center. Socioeconomic indicators are higher than national medians, with median family income levels at 134 percent (as a percent of the U.S), in the 2010 census. Unemployment levels, at 4.6 percent in March 2014, compared favorably to the 5.8 percent rate in Iowa.

All of these factors were considered in preparing the City of Bettendorf's budget for fiscal year 14/15.

#### Requests for Information

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



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City of Bettendorf, Iowa

Statement of Net Position  
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 13,201,086	\$ 4,740,165	\$ 17,941,251
Restricted cash and investments	-	1,492,723	1,492,723
Receivables:			
Property taxes	25,980,822	-	25,980,822
Accounts and unbilled usage	268,170	2,331,267	2,599,437
Accrued interest	23,397	7,410	30,807
Special assessments	49,031	220,800	269,831
Loans receivable	8,368	-	8,368
Due from other governments	1,708,336	996,876	2,705,212
Internal balances	686,887	(686,887)	-
Prepaid items	16,190	20,750	36,940
Inventories	8,745	-	8,745
<b>Total current assets</b>	<b>41,951,032</b>	<b>9,123,104</b>	<b>51,074,136</b>
Noncurrent assets:			
Restricted cash and investments	18,558,670	1,921,456	20,480,126
Capital assets:			
Nondepreciable:			
Land	11,990,001	2,692,465	14,682,466
Construction-in-progress	7,404,883	3,077,235	10,482,118
Depreciable:			
Buildings and structures	22,781,214	35,119,435	57,900,649
Equipment and vehicles	20,987,034	16,958,755	37,945,789
Improvements other than buildings	173,987,424	53,219,932	227,207,356
Accumulated depreciation	(81,141,815)	(47,791,843)	(128,933,658)
<b>Net capital assets</b>	<b>156,008,741</b>	<b>63,275,979</b>	<b>219,284,720</b>
<b>Total noncurrent assets</b>	<b>174,567,411</b>	<b>65,197,435</b>	<b>239,764,846</b>
<b>Total assets</b>	<b>\$ 216,518,443</b>	<b>\$ 74,320,539</b>	<b>\$ 290,838,982</b>

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Liabilities</b>			
Current:			
Accounts payable	\$ 984,579	\$ 927,086	\$ 1,911,665
Claims payable	241,376	-	241,376
Compensated absences	271,712	68,615	340,327
Accrued liabilities	293,561	73,870	367,431
Refundable deposits	54,384	-	54,384
Due to other governments	83,807	382,080	465,887
Interest payable	329,429	74,791	404,220
Contracts payable	1,902,009	217,250	2,119,259
Unearned revenues	-	86,126	86,126
Current maturities, revenue bonds	-	990,000	990,000
Current maturities, general obligation bonds	8,735,000	2,645,000	11,380,000
<b>Total current liabilities</b>	<b>12,895,857</b>	<b>5,464,818</b>	<b>18,360,675</b>
Noncurrent:			
Compensated absences	737,972	181,991	919,963
Other post employment benefits obligation	861,752	181,723	1,043,475
Revenue bonds	-	9,150,000	9,150,000
General obligation bonds, net bond discounts and premiums	100,753,871	14,250,915	115,004,786
<b>Total noncurrent liabilities</b>	<b>102,353,595</b>	<b>23,764,629</b>	<b>126,118,224</b>
<b>Total liabilities</b>	<b>115,249,452</b>	<b>29,229,447</b>	<b>144,478,899</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	25,758,471	-	25,758,471
<b>Net Position</b>			
Net investment in capital assets	65,182,580	38,104,581	103,287,161
Restricted for:			
Road use	55,834	-	55,834
Debt service	2,561,028	-	2,561,028
Federal programs	73,010	-	73,010
Economic development	37,759	-	37,759
Police department	53,241	-	53,241
Fire department	1,000	-	1,000
Parks department	136,407	-	136,407
Library department	613,380	-	613,380
Public works department	36,513	-	36,513
Human resources department	4,000	-	4,000
Capital improvements and equipment	2,857,863	-	2,857,863
Unrestricted	3,897,905	6,986,511	10,884,416
<b>Total net position</b>	<b>75,510,520</b>	<b>45,091,092</b>	<b>120,601,612</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 216,518,443</b>	<b>\$ 74,320,539</b>	<b>\$ 290,838,982</b>

**City of Bettendorf, Iowa**

**Statement of Activities  
Year Ended June 30, 2014**

Programs/Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Public safety	\$ 11,439,650	\$ 46,449	\$ 378,498	\$ -
Public works	9,819,611	253,091	3,301,098	2,205,448
Culture and recreation	5,447,349	343,897	251,019	-
Community and economic development	2,110,720	842,904	4,878	-
General government	4,030,857	160,156	-	-
Interest and bond issuance costs on long-term debt	3,487,741	-	-	-
<b>Total governmental activities</b>	<b>36,335,928</b>	<b>1,646,497</b>	<b>3,935,493</b>	<b>2,205,448</b>
<b>Business-type activities:</b>				
Sewer utility	3,806,326	3,270,356	-	1,199,603
Family Museum of Arts & Science	2,195,838	931,903	97,005	136,500
Aquatic Center	524,573	233,828	-	-
Recycling/solid waste management	1,948,548	2,025,807	-	-
Palmer Hills Golf Course	1,287,941	685,979	-	-
Life Fitness Center	892,284	626,722	-	-
Stormwater utility	1,140,926	1,146,951	-	728,077
Transit	1,805,636	130,736	700,155	35,607
QC Waterfront Convention Center	2,560,146	1,956,209	244,544	200,320
Riverfront Circulator	255,387	13,890	61,157	-
<b>Total business-type activities</b>	<b>16,417,605</b>	<b>11,022,381</b>	<b>1,102,861</b>	<b>2,300,107</b>
<b>Total primary government</b>	<b>\$ 52,753,533</b>	<b>\$ 12,668,878</b>	<b>\$ 5,038,354</b>	<b>\$ 4,505,555</b>

**General Revenues**

Taxes:

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

**Transfers**

**Total general revenues and transfers**

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

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (11,014,703)	\$ -	\$ (11,014,703)
(4,059,974)	-	(4,059,974)
(4,852,433)	-	(4,852,433)
(1,262,938)	-	(1,262,938)
(3,870,701)	-	(3,870,701)
(3,487,741)	-	(3,487,741)
(28,548,490)	-	(28,548,490)
-	663,633	663,633
-	(1,030,430)	(1,030,430)
-	(290,745)	(290,745)
-	77,259	77,259
-	(601,962)	(601,962)
-	(265,562)	(265,562)
-	734,102	734,102
-	(939,138)	(939,138)
-	(159,073)	(159,073)
-	(180,340)	(180,340)
-	(1,992,256)	(1,992,256)
(28,548,490)	(1,992,256)	(30,540,746)
22,782,593	-	22,782,593
2,027,720	-	2,027,720
4,825,170	-	4,825,170
1,466,228	-	1,466,228
1,490,407	-	1,490,407
356,342	-	356,342
27,458	-	27,458
54,157	-	54,157
451,913	92,759	544,672
486,672	408,268	894,940
31,248	-	31,248
(3,542,065)	3,542,065	-
30,457,843	4,043,092	34,500,935
1,909,353	2,050,836	3,960,189
73,601,167	43,040,256	116,641,423
\$ 75,510,520	\$ 45,091,092	\$ 120,601,612

City of Bettendorf, Iowa

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General	Employee Benefits	Debt Service
<b>Assets</b>			
Cash and investments	\$ 6,362,528	\$ -	\$ 30,533
Restricted cash and investments	-	-	2,805,960
Receivables:			
Property taxes	10,749,728	3,464,284	9,784,774
Accounts	260,764	-	-
Special assessments	22,193	-	-
Loans	8,368	-	-
Accrued interest	11,269	-	811
Due from other funds	218,831	-	-
Due from other governments	951,353	-	90
Inventories	8,745	-	-
Advances to other funds	158,677	-	-
<b>Total assets</b>	<b>\$ 18,752,456</b>	<b>\$ 3,464,284</b>	<b>\$ 12,622,168</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Equity</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 484,415	\$ -	\$ -
Accrued liabilities	239,728	-	-
Refundable deposits	54,384	-	-
Due to other governments	65,203	-	-
Due to other funds	2,891	-	-
Contracts payable	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>846,621</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - property taxes	10,689,051	3,464,284	9,732,721
Unavailable revenue - local option sales tax	240,000	-	-
Unavailable revenue - intergovernmental	6,073	-	-
<b>Total deferred inflows of resources</b>	<b>10,935,124</b>	<b>3,464,284</b>	<b>9,732,721</b>
<b>Fund Balances:</b>			
Nonspendable	175,790	-	-
Restricted	1,050,234	-	2,889,447
Assigned	-	-	-
Unassigned	5,744,687	-	-
<b>Total fund balance</b>	<b>6,970,711</b>	<b>-</b>	<b>2,889,447</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 18,752,456</b>	<b>\$ 3,464,284</b>	<b>\$ 12,622,168</b>

See Notes to Basic Financial Statements.

Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ -	\$ 3,948,174	\$ 10,341,235
15,752,710	-	18,558,670
-	1,982,036	25,980,822
3,410	2,869	267,043
26,838	-	49,031
-	-	8,368
-	5,585	17,665
-	-	218,831
176,461	580,328	1,708,232
-	-	8,745
-	-	158,677
<u>\$ 15,959,419</u>	<u>\$ 6,518,992</u>	<u>\$ 57,317,319</u>

\$ 63,898	\$ 150,606	\$ 698,919
15,192	21,849	276,769
-	-	54,384
2,785	12,074	80,062
-	39,601	42,492
1,902,009	-	1,902,009
-	158,677	158,677
<u>1,983,884</u>	<u>382,807</u>	<u>3,213,312</u>

25,505	1,976,177	25,887,738
-	-	240,000
173,799	-	179,872
<u>199,304</u>	<u>1,976,177</u>	<u>26,307,610</u>

-	-	175,790
13,776,231	2,852,398	20,568,310
-	1,417,045	1,417,045
-	(109,435)	5,635,252
<u>13,776,231</u>	<u>4,160,008</u>	<u>27,796,397</u>

<u>\$ 15,959,419</u>	<u>\$ 6,518,992</u>	<u>\$ 57,317,319</u>
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**City of Bettendorf, Iowa**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2014**

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Total governmental fund balances \$ 27,796,397

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 the funds:

Land	\$ 11,946,392	
Construction-in-progress	7,404,883	
Buildings and structures	22,357,753	
Equipment and vehicles	20,423,240	
Improvements other than buildings	173,987,424	
Accumulated depreciation	<u>(80,353,054)</u>	155,766,638

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as a deferred inflow of resources - unavailable revenue in the funds

549,139

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

Capital assets	1,030,864	
Accumulated depreciation	(788,761)	
Other current assets	2,883,004	
Internal balances	2,891	
Other current liabilities	(564,424)	
Noncurrent liabilities	<u>(91,747)</u>	2,471,827

Internal service funds allocated to business-type activities

507,657

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

Compensated absences, current	(254,861)	
Compensated absences, noncurrent	(693,274)	
Other post employment benefits obligation	(814,703)	
Accrued interest payable	(329,429)	
General obligation bonds payable, current	(8,735,000)	
General obligation bonds payable, noncurrent	(96,815,000)	
Bond premiums	<u>(3,938,871)</u>	(111,581,138)

**Net position of governmental activities**

**\$ 75,510,520**

See Notes to Basic Financial Statements.



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City of Bettendorf, Iowa

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2014

	General	Debt Service	Capital Projects Reserve
Revenues:			
Property taxes	\$ 13,588,818	\$ 9,381,620	\$ -
Tax increment financing taxes	-	-	-
Other taxes	5,915,825	294,054	-
Special assessments	21,187	-	193,127
Licenses and permits	708,919	-	38,226
Intergovernmental	483,715	3,964	758,521
Charges for services	524,882	-	-
Use of money and property	255,895	87,733	37,115
Miscellaneous	270,369	-	288,998
<b>Total revenues</b>	<b>21,769,610</b>	<b>9,767,371</b>	<b>1,315,987</b>
Expenditures:			
Current operating:			
Public safety	10,704,194	-	-
Public works	17,755	-	-
Culture and recreation	4,060,730	-	-
Community and economic development	937,242	-	-
General government	3,700,010	-	-
Debt service:			
Principal	-	8,840,000	-
Interest and other charges	-	3,380,130	-
Bond issuance costs	69,369	27,595	185,406
Capital outlay	851,342	-	14,489,137
<b>Total expenditures</b>	<b>20,340,642</b>	<b>12,247,725</b>	<b>14,674,543</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,428,968</b>	<b>(2,480,354)</b>	<b>(13,358,556)</b>
Other financing sources (uses):			
Issuance of long-term capital debt	1,400,000	2,575,000	18,770,000
Premiums on long-term capital debt	-	270,994	838,204
Proceeds from the disposal of capital assets	5,000	-	20,000
Transfers in	562,752	-	151,144
Transfers out	(2,124,088)	(426,236)	(104,233)
<b>Total other financing sources (uses)</b>	<b>(156,336)</b>	<b>2,419,758</b>	<b>19,675,115</b>
<b>Net changes in fund balance</b>	<b>1,272,632</b>	<b>(60,596)</b>	<b>6,316,559</b>
Fund balances, beginning of year	5,698,079	2,950,043	7,459,672
Fund balances, end of year	<b>\$ 6,970,711</b>	<b>\$ 2,889,447</b>	<b>\$ 13,776,231</b>

See Notes to Basic Financial Statements.

Other Nonmajor		
Governmental		Total
\$ -	\$	22,970,438
2,027,720		2,027,720
1,931,268		8,141,147
-		214,314
-		747,145
3,318,717		4,564,917
-		524,882
28,915		409,658
138,017		697,384
<u>7,444,637</u>		<u>40,297,605</u>
14,506		10,718,700
3,648,038		3,665,793
32,003		4,092,733
859,046		1,796,288
-		3,700,010
110,000		8,950,000
14,325		3,394,455
-		282,370
1,082,405		16,422,884
<u>5,760,323</u>		<u>53,023,233</u>
<u>1,684,314</u>		<u>(12,725,628)</u>
-		22,745,000
-		1,109,198
28,343		53,343
740,451		1,454,347
(2,390,344)		(5,044,901)
<u>(1,621,550)</u>		<u>20,316,987</u>
62,764		7,591,359
4,097,244		20,205,038
<u>\$ 4,160,008</u>	<u>\$</u>	<u>27,796,397</u>

**City of Bettendorf, Iowa**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2014**

---

Net change in fund balances - governmental funds \$ 7,591,359

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

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

Capital outlay	\$ 13,916,145	
Depreciation	(6,032,193)	7,883,952

Proceeds from the disposal of capital assets		(53,343)
Gain on the sale of capital assets		31,248
Capital assets contributed		1,336,857

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

Local option sales tax	(3,000)	
Grant revenues	110,070	
Property taxes	(187,845)	(80,775)

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

Change in compensated absences		9,825
Change in other post employment benefits obligation		(141,194)

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal	8,950,000	
Interest	(46,558)	
Issuance of long-term debt	(22,745,000)	
Premiums	(1,109,198)	
Amortization of bond discounts and premiums	235,642	(14,715,114)

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

21,087

Change in internal service fund allocation to business-type activities

25,451

**Changes in net position of governmental activities**

**\$ 1,909,353**

See Notes to Basic Financial Statements.



**Bettendorf** IOWA  
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City of Bettendorf, Iowa

Statement of Net Position  
 Proprietary Funds  
 June 30, 2014

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 2,124,882	\$ 18,254	\$ 768,910
Restricted cash and investments	-	1,492,723	-
Receivables:			
Accounts and unbilled usage	811,512	465,342	337,902
Accrued interest	3,804	-	1,222
Special assessments	115,623	-	25,359
Due from other funds	-	-	-
Due from other governments	767,038	-	-
Prepaid items	-	20,750	-
<b>Total current assets</b>	<b>3,822,859</b>	<b>1,997,069</b>	<b>1,133,393</b>
Noncurrent assets:			
Restricted cash and investments	1,886,105	-	35,351
Capital assets:			
Nondepreciable:			
Land	3,575	715,241	406,209
Construction-in-progress	1,124,737	-	1,945,714
Depreciable:			
Buildings and structures	2,483,582	18,199,263	-
Equipment and vehicles	5,392,186	1,272,144	681,674
Improvements other than buildings	42,634,305	163,064	8,501,246
Accumulated depreciation	(30,365,635)	(3,240,630)	(1,323,905)
<b>Net capital assets</b>	<b>21,272,750</b>	<b>17,109,082</b>	<b>10,210,938</b>
<b>Total noncurrent assets</b>	<b>23,158,855</b>	<b>17,109,082</b>	<b>10,246,289</b>
<b>Total assets</b>	<b>\$ 26,981,714</b>	<b>\$ 19,106,151</b>	<b>\$ 11,379,682</b>

(Continued)

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 1,828,119	\$ 4,740,165	\$ 2,859,851
-	1,492,723	-
716,511	2,331,267	1,127
2,384	7,410	5,732
79,818	220,800	-
-	-	2,891
229,838	996,876	104
-	20,750	16,190
<u>2,856,670</u>	<u>9,809,991</u>	<u>2,885,895</u>
-	1,921,456	-
1,567,440	2,692,465	43,609
6,784	3,077,235	-
14,436,590	35,119,435	423,461
9,612,751	16,958,755	563,794
1,921,317	53,219,932	-
(12,861,673)	(47,791,843)	(788,761)
<u>14,683,209</u>	<u>63,275,979</u>	<u>242,103</u>
<u>14,683,209</u>	<u>65,197,435</u>	<u>242,103</u>
<u>\$ 17,539,879</u>	<u>\$ 75,007,426</u>	<u>\$ 3,127,998</u>

City of Bettendorf, Iowa

Statement of Net Position (Continued)  
 Proprietary Funds  
 June 30, 2014

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
<b>Liabilities and Net Position</b>			
Liabilities:			
Current:			
Accounts payable	\$ 57,277	\$ 344,182	\$ 4,909
Claims payable	-	-	-
Compensated absences	8,193	570	7,268
Accrued liabilities	11,563	526	9,218
Due to other governments	347,612	5,198	3,374
Due to other funds	-	-	-
Interest payable	30,383	22,540	19,343
Contracts payable	127,498	-	89,752
Unearned revenue	-	-	-
Current maturities, revenue bonds	-	990,000	-
Current maturities, general obligation bonds	2,030,000	-	425,000
<b>Total current liabilities</b>	<b>2,612,526</b>	<b>1,363,016</b>	<b>558,864</b>
Noncurrent:			
Compensated absences	21,729	1,512	19,277
Other post employment benefits obligation	26,752	-	18,414
Revenue bonds	-	9,150,000	-
General obligation bonds, net bond premiums	7,435,541	-	6,100,422
<b>Total noncurrent liabilities</b>	<b>7,484,022</b>	<b>9,151,512</b>	<b>6,138,113</b>
<b>Total liabilities</b>	<b>10,096,548</b>	<b>10,514,528</b>	<b>6,696,977</b>
Net position:			
Net investment in capital assets	13,636,375	6,969,082	3,720,867
Unrestricted	3,248,791	1,622,541	961,838
<b>Total net position</b>	<b>16,885,166</b>	<b>8,591,623</b>	<b>4,682,705</b>
<b>Total liabilities and net position</b>	<b>\$ 26,981,714</b>	<b>\$ 19,106,151</b>	<b>\$ 11,379,682</b>

Total enterprise funds net position

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

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

Net position of business-type activities

See Notes to Basic Financial Statements.

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 520,718	\$ 927,086	\$ 285,660
-	-	241,376
52,584	68,615	16,851
52,563	73,870	16,792
25,896	382,080	3,745
179,230	179,230	-
2,525	74,791	-
-	217,250	-
86,126	86,126	-
-	990,000	-
190,000	2,645,000	-
<u>1,109,642</u>	<u>5,644,048</u>	<u>564,424</u>
139,473	181,991	44,698
136,557	181,723	47,049
-	9,150,000	-
714,952	14,250,915	-
<u>990,982</u>	<u>23,764,629</u>	<u>91,747</u>
<u>2,100,624</u>	<u>29,408,677</u>	<u>656,171</u>
13,778,257	38,104,581	242,103
1,660,998	7,494,168	2,229,724
<u>15,439,255</u>	<u>45,598,749</u>	<u>2,471,827</u>
<u>\$ 17,539,879</u>	<u>\$ 75,007,426</u>	<u>\$ 3,127,998</u>
	\$ 45,598,749	
	<u>(507,657)</u>	
	<u>\$ 45,091,092</u>	

City of Bettendorf, Iowa

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	QC Waterfront		
	Sewer Utility	Convention Center	Stormwater Utility
Operating revenues:			
Charges for services	\$ 3,174,513	\$ 1,956,209	\$ 1,137,251
Licenses and permits	95,843	-	9,700
Other	168	244,545	-
<b>Total operating revenues</b>	<b>3,270,524</b>	<b>2,200,754</b>	<b>1,146,951</b>
Operating expenses:			
Salaries and benefits	518,193	597,673	343,647
Supplies and services	1,612,743	819,624	184,203
Depreciation	1,399,178	594,379	416,072
<b>Total operating expenses</b>	<b>3,530,114</b>	<b>2,011,676</b>	<b>943,922</b>
<b>Operating income (loss)</b>	<b>(259,590)</b>	<b>189,078</b>	<b>203,029</b>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	-
Investment earnings	37,913	3,872	14,194
Interest and bond issuance expense	(289,042)	(548,489)	(192,793)
Gain (loss) on disposal of capital assets	-	-	(16,625)
Amortization	16,988	-	13,125
<b>Total nonoperating revenues (expenses)</b>	<b>(234,141)</b>	<b>(544,617)</b>	<b>(182,099)</b>
<b>Income (loss) before capital grants and contributions and transfers</b>	<b>(493,731)</b>	<b>(355,539)</b>	<b>20,930</b>
Capital grants and contributions	1,199,603	200,320	728,077
Transfers in	-	1,070,652	200,469
	1,199,603	1,270,972	928,546
<b>Changes in net position</b>	<b>705,872</b>	<b>915,433</b>	<b>949,476</b>
Net position, beginning of year	16,179,294	7,676,190	3,733,229
Net position, end of year	<b>\$ 16,885,166</b>	<b>\$ 8,591,623</b>	<b>\$ 4,682,705</b>

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,648,865	\$ 10,916,838	\$ 6,560,093
-	105,543	-
505,104	749,817	46,736
<u>5,153,969</u>	<u>11,772,198</u>	<u>6,606,829</u>
4,252,668	5,712,181	3,765,546
3,292,822	5,909,392	2,888,298
1,311,281	3,720,910	22,642
<u>8,856,771</u>	<u>15,342,483</u>	<u>6,676,486</u>
<u>(3,702,802)</u>	<u>(3,570,285)</u>	<u>(69,657)</u>
761,312	761,312	-
36,780	92,759	42,255
(35,311)	(1,065,635)	-
-	(16,625)	-
2,476	32,589	-
<u>765,257</u>	<u>(195,600)</u>	<u>42,255</u>
<u>(2,937,545)</u>	<u>(3,765,885)</u>	<u>(27,402)</u>
172,107	2,300,107	-
2,270,944	3,542,065	48,489
<u>2,443,051</u>	<u>5,842,172</u>	<u>48,489</u>
<u>(494,494)</u>	<u>2,076,287</u>	<u>21,087</u>
15,933,749	43,522,462	2,450,740
<u>\$ 15,439,255</u>	<u>\$ 45,598,749</u>	<u>\$ 2,471,827</u>

**City of Bettendorf, Iowa**

**Reconciliation of the Changes in Net Position of Enterprise Funds to the Statement of Activities  
Year Ended June 30, 2014**

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Net changes in net position in enterprise funds	\$ 2,076,287
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.	<u>(25,451)</u>
Changes in net position of business-type activities	<u>\$ 2,050,836</u>

See Notes to Basic Financial Statements.



Bettendorf IOWA  
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City of Bettendorf, Iowa

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,303,233	\$ 2,029,543	\$ 1,092,439
Receipts from other operating revenue	168	207,186	-
Payments to suppliers	(1,566,268)	(1,296,295)	(209,827)
Payments to claimants	-	-	-
Payments to employees	(511,432)	(597,576)	(330,867)
<b>Net cash provided by (used in) operating activities</b>	<b>1,225,701</b>	<b>342,858</b>	<b>551,745</b>
Cash flows from noncapital financing activities:			
Intergovernmental	-	-	-
Proceeds from interfund accounts	-	-	-
(Payments of) interfund accounts	-	-	-
Transfers in	-	1,070,652	200,469
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>1,070,652</b>	<b>200,469</b>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(801,256)	(12,213)	(1,171,931)
Proceeds from sale of capital assets	-	-	-
Capital grants	-	120,619	-
Proceeds from issuance of bonds, including premiums of \$149,340	1,574,340	-	-
Payment on debt	(510,000)	(1,160,000)	(410,000)
Interest and bond issuance costs paid on debt	(336,005)	(624,144)	(245,305)
<b>Net cash (used in) capital and related financing activities</b>	<b>(72,921)</b>	<b>(1,675,738)</b>	<b>(1,827,236)</b>
Cash flows from investing activities, interest received	39,281	3,872	15,332
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,192,061</b>	<b>(258,356)</b>	<b>(1,059,690)</b>
Cash and cash equivalents, beginning of year	2,818,926	1,769,333	1,863,951
Cash and cash equivalents, end of year	<u>\$ 4,010,987</u>	<u>\$ 1,510,977</u>	<u>\$ 804,261</u>

(Continued)

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,655,992	\$ 11,081,207	\$ 6,586,498
517,806	725,160	46,736
(3,274,792)	(6,347,182)	(2,810,526)
-	-	(2,703,021)
(4,239,149)	(5,679,024)	(1,031,512)
(2,340,143)	(219,839)	88,175
725,996	725,996	-
57,844	57,844	-
(28,505)	(28,505)	(2,891)
2,270,944	3,542,065	48,489
3,026,279	4,297,400	45,598
(399,152)	(2,384,552)	-
-	-	-
172,107	292,726	-
-	1,574,340	-
(190,000)	(2,270,000)	-
(35,766)	(1,241,220)	-
(452,811)	(4,028,706)	-
36,204	94,689	43,088
269,529	143,544	176,861
1,558,590	8,010,800	2,682,990
\$ 1,828,119	\$ 8,154,344	\$ 2,859,851

City of Bettendorf, Iowa

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (259,590)	\$ 189,078	\$ 203,029
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,399,178	594,379	416,072
Change in assets and liabilities:			
Receivables and due from other governments	32,877	35,975	(54,512)
Prepaid items	-	(18,000)	-
Accounts and contracts payable and due to other governments	46,475	(458,671)	(25,624)
Claims payable	-	-	-
Compensated absences and accrued liabilities	3,151	97	9,575
Other post employment benefits obligation	3,610	-	3,205
Unearned revenue	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,225,701</b>	<b>\$ 342,858</b>	<b>\$ 551,745</b>
Schedule of noncash items:			
Capital and related financing activities:			
Acquisition of capital assets through contracts or accounts payable	\$ 68,455	\$ -	\$ 38,155
Capital contributions	1,199,603	-	728,077
Capitalized interest	50,629	-	51,413

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (3,702,802)	\$ (3,570,285)	\$ (69,657)
1,311,281	3,720,910	22,642
32,452	46,792	26,405
-	(18,000)	26,416
18,030	(419,790)	77,772
-	-	(11,735)
(4,813)	8,010	7,445
18,332	25,147	8,887
(12,623)	(12,623)	-
<u>\$ (2,340,143)</u>	<u>\$ (219,839)</u>	<u>\$ 88,175</u>

\$ (13,925)	\$ 92,685	\$ -
-	1,927,680	-
-	102,042	-

**City of Bettendorf, Iowa**

**Statement of Assets and Liabilities**

**Agency Funds**

**June 30, 2014**

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**Assets:**

Cash and investments	\$	50,951
Accounts receivable		819
	\$	<u>51,770</u>

<b>Liabilities</b> , accounts payable	\$	<u>51,770</u>
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See Notes to Basic Financial Statements.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

**Notes to Basic Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

***Enterprise Funds:*** To account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The following are the City's major enterprise funds:

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

##### Summary of significant accounting policies:

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 2 percent per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2013.

**Due from other governments:** Due from other governments represents amounts due from the state of Iowa, grants and reimbursements from other governments.

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest for the year ended June 30, 2014 was \$50,629 in the Sewer Utility Fund and \$51,413 in the Stormwater Utility Fund.

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

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

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

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

**Deferred inflows of resources:** In addition to liabilities, the statement of net position and balance sheet 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 a 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, local option sales tax and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, only the property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

**Committed:** Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through 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 City's policy for the authority to assign fund balance has been delegated by the City Council to the Finance Director through the budget resolutions.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

**Net position**: Represents the difference between assets plus deferred outflows of resources and liabilities plus 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 debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Sewer Utility and Stormwater Utility enterprise funds were \$334,166 and \$35,351, respectively. Unspent proceeds for the Capital Projects Reserve Fund was \$15,752,710. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position includes unspent bond proceeds, net of related debt.

Net position restricted through enabling legislation consists of \$1,058,242 for capital improvements and equipment (local option sales tax); \$55,834 for road use and \$2,561,028 for debt service.

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

**Joint venture**: The City is a participant in a joint venture for the solid waste management services for the disposal of solid wastes generated by the citizens of the participants in the agreement. The Scott Area Solid Waste Management Commission (Commission) was created in 1975 for that purpose. The Commission is governed by a five-member board of which the City is one member. The City is billed monthly for its share of the operating costs. If at any time the City chooses to withdraw membership, the City shall be responsible for its share of any debt or liabilities attributed to its membership in the Commission.

Complete financial statements for the Commission can be obtained from the Commission's administrative office at 11550 110<sup>th</sup> Avenue, Davenport, Iowa 52804.

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

**Legal compliance and accountability**: The Tax Increment Financing has a fund balance deficit as of June 30, 2014 of \$109,435. The deficit is a result of various TIF projects throughout the City that have been cash flowed by City funds and will be repaid through TIF taxes over the next several years.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments

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

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

As of June 30, 2014, the City's debt securities had specific maturities and credit ratings as follows:

Investment name	Maturity	Fair value	Standard & Poor's	Moody's
FNMA	08/28/2019	\$ 695,608	AA+	Aaa
FHLB	05/21/2019	1,002,605	AA+	WR
FHLB	05/28/2019	995,719	AA+	Aaa
FHLB	06/26/2019	1,000,766	AA+	Aaa
FHLB	12/27/2022	897,387	AA+	Aaa
FHLB	05/22/2028	904,996	AA+	Not Rated
FFCB	02/12/2021	1,509,363	AA+	Aaa
<b>Total</b>		<u>\$ 7,006,444</u>		

**Concentration of credit risk:** The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the City's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer. In addition, no more than 5 percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. More than 5 percent of the City's investments are in FNMA, FHLB and FFCB securities. These securities represent 10 percent, 68 percent and 22 percent of the City's total investments, respectively.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

*Custodial credit risk:* For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all purchased investments shall be held pursuant to a written third-party custodial agreement. The City's deposits as of June 30, 2014 were entirely insured by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. In addition, the City's investments were not insured but were held by a custodian in the name of the City and not exposed to custodial credit risk.

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	Beginning Balance June 30, 2013	Additions	Deletions	Ending Balance June 30, 2014
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 11,589,701	\$ 400,300	\$ -	\$ 11,990,001
Construction-in-progress	6,947,337	12,779,367	12,321,821	7,404,883
<b>Total capital assets, not being depreciated</b>	<b>18,537,038</b>	<b>13,179,667</b>	<b>12,321,821</b>	<b>19,394,884</b>
Capital assets, being depreciated:				
Buildings and structures	21,954,607	826,607	-	22,781,214
Equipment and vehicles	19,824,911	1,580,910	418,787	20,987,034
Improvements other than buildings	161,999,785	11,987,639	-	173,987,424
<b>Total capital assets, being depreciated</b>	<b>203,779,303</b>	<b>14,395,156</b>	<b>418,787</b>	<b>217,755,672</b>
Less accumulated depreciation for:				
Buildings and structures	9,608,461	593,233	-	10,201,694
Equipment and vehicles	14,044,875	1,244,293	396,692	14,892,476
Improvements other than buildings	51,830,336	4,217,309	-	56,047,645
<b>Total accumulated depreciation</b>	<b>75,483,672</b>	<b>6,054,835</b>	<b>396,692</b>	<b>81,141,815</b>
<b>Total capital assets, being depreciated, net</b>	<b>128,295,631</b>	<b>8,340,321</b>	<b>22,095</b>	<b>136,613,857</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 146,832,669</b>	<b>\$ 21,519,988</b>	<b>\$ 12,343,916</b>	<b>\$ 156,008,741</b>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	Beginning Balance June 30, 2013	Additions	Deletions	Ending Balance June 30, 2014
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,692,465	\$ -	\$ -	\$ 2,692,465
Construction-in-progress	3,831,664	1,909,986	2,664,415	3,077,235
<b>Total capital assets, not being depreciated</b>	<b>6,524,129</b>	<b>1,909,986</b>	<b>2,664,415</b>	<b>5,769,700</b>
Capital assets, being depreciated:				
Buildings and structures	35,119,435	-	-	35,119,435
Equipment and vehicles	16,275,476	882,779	199,500	16,958,755
Improvements other than buildings	48,841,323	4,378,609	-	53,219,932
<b>Total capital assets, being depreciated</b>	<b>100,236,234</b>	<b>5,261,388</b>	<b>199,500</b>	<b>105,298,122</b>
Less accumulated depreciation for:				
Buildings and structures	9,443,258	930,221	-	10,373,479
Equipment and vehicles	8,709,019	1,291,324	182,875	9,817,468
Improvements other than buildings	26,101,531	1,499,365	-	27,600,896
<b>Total accumulated depreciation</b>	<b>44,253,808</b>	<b>3,720,910</b>	<b>182,875</b>	<b>47,791,843</b>
<b>Total capital assets, being depreciated, net</b>	<b>55,982,426</b>	<b>1,540,478</b>	<b>16,625</b>	<b>57,506,279</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 62,506,555</b>	<b>\$ 3,450,464</b>	<b>\$ 2,681,040</b>	<b>\$ 63,275,979</b>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

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

**Governmental Activities**

Public safety	\$ 611,241
Public works	4,022,824
Culture and recreation	949,090
Community and economic development	297,202
General government	151,836
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	22,642
	<u>\$ 6,054,835</u>

**Business-Type Activities**

Sewer utility	\$ 1,399,178
Family Museum of Arts & Science	314,228
Stormwater utility	416,072
Aquatic Center	156,604
Recycling/solid waste management	211,061
Palmer Hills Golf Course	204,767
Life Fitness Center	98,745
Transit	202,983
QC Waterfront Convention Center	594,379
Riverfront Circulator	122,893
	<u>\$ 3,720,910</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 4. Bonded and Other Debt**

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2014:

	June 30, 2013	Increases and Issues	Decreases and Retirements	June 30, 2014	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 91,755,000	\$ 22,745,000	\$ 8,950,000	\$ 105,550,000	\$ 8,735,000
Compensated absences	1,015,444	1,085,933	1,091,693	1,009,684	271,712
	92,770,444	23,830,933	10,041,693	106,559,684	9,006,712
Less discounts	17,814	-	17,814	-	-
Add premiums	3,083,129	1,109,198	253,456	3,938,871	-
	95,835,759	24,940,131	10,277,335	110,498,555	9,006,712
<b>Business-type activities:</b>					
Revenue bonds	11,300,000	-	1,160,000	10,140,000	990,000
General obligation bonds	16,165,000	1,425,000	1,110,000	16,480,000	2,645,000
Compensated absences	259,588	291,322	300,304	250,606	68,615
	27,724,588	1,716,322	2,570,304	26,870,606	3,703,615
Add premiums	299,164	149,340	32,589	415,915	-
	28,023,752	1,865,662	2,602,893	27,286,521	3,703,615
<b>Total long-term debt</b>	<b>\$ 123,859,511</b>	<b>\$ 26,805,793</b>	<b>\$ 12,880,228</b>	<b>\$ 137,785,076</b>	<b>\$ 12,710,327</b>

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

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

**Summary of bond issues:**

General obligation and revenue bonds outstanding as of June 30, 2014, consist of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2014
General obligation bonds:				
Various public improvements and sewer improvements	June 2006	\$ 7,125,000	4.13-4.50%	\$ 4,565,000
Various public improvements	July 2006	6,300,000	4.00-4.05	815,000
Refunding	February 2007	3,760,000	3.80-3.90	610,000
Various public improvements	June 2007	5,095,000	3.50-4.38	3,630,000
Various public improvements	June 2008	15,555,000	3.50-5.00	10,765,000
Various public improvements	March 2009	13,700,000	2.50-4.50	9,085,000
Various public improvements	June 2010	17,705,000	2.00-4.10	14,305,000
Refunding	June 2010	7,180,000	2.00-3.50	5,305,000
Various public improvements	May 2011	18,065,000	2.00-5.00	15,740,000
Various public improvements and refunding	June 2012	14,100,000	2.00-4.00	13,055,000
Refunding	June 2012	6,725,000	2.00-3.00	6,115,000
Various public improvements	May 2013	14,385,000	2.00-4.00	13,870,000
Various downtown & public improvements (2)	May 2014	20,170,000	2.00-4.00	20,170,000
Refunding (3)	May 2014	4,000,000	2.00-5.00	4,000,000
<b>Total general obligation bonds</b>				<b>122,030,000</b>
Revenue bonds:				
QCWCC TIF Note (1)	August 2008	13,815,000	7.255-14.746	10,140,000
<b>Total bonds</b>				<b>\$ 132,170,000</b>

- (1) The City has pledged a portion of future property tax revenues to repay \$2,675,000 and \$11,140,000 in TIF urban renewal tax increment notes issued in August 2008. The notes were issued to finance construction on the Quad Cities Waterfront Convention Center. Incremental TIF property tax revenues were projected to produce \$13,815,000 of the debt service requirements over the life of the notes. Total principal and interest remaining on the notes is \$13,884,162, payable through 2026. For the current year, principal and interest paid and total incremental TIF property tax revenues for the notes were \$1,774,117 and \$1,063,145, respectively.

On August 29, 2013, the five-year adjustment for the interest rate occurred on this note. The interest will be 3.42 percent to 12 percent over the remaining life of the note. The five-year interest rate adjustment is based on 5-year T-bill plus 4 percent with a cap of 3.5 percent every five years.

- (2) In May 2014, the City issued \$20,170,000 in General Obligation Bonds, Series 2014A with interest rates ranging from 2.00 percent to 4.00 percent to finance various projects pursuant to the City's Capital Improvement Plan including park improvements, vehicle acquisition and property acquisition, construction and improvement to downtown areas of the City.

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

- (3) In May 2014, the City issued \$4,000,000 in General Obligation Bonds, Series 2014B with interest rates ranging from 2.00 percent to 5.00 percent to crossover refund \$4,190,000 in General Obligation Bonds, Series 2006A with interest rates from 4.125 percent to 4.50 percent. The net proceeds related to the crossover refunding of \$4,357,899 (after payment of \$62,436 in underwriting fees, insurance and other costs) were used to purchase U.S. government securities in an irrevocable trust with an escrow agent. These proceeds are for the future debt service payments of the Series 2014B Bonds until the crossover date of June 1, 2015. The transactions, balances and liabilities of the escrow account are recorded by the City since the refunded debt Series 2006A is not considered extinguished as of June 30, 2014. The net change was a decrease in cash flows related to the crossover refunding of \$344,225. The economic gain resulting from the current refunding was \$292,261.

**Summary of principal and interest maturities:**

Annual debt service requirements to service all outstanding indebtedness as of June 30, 2014, are as follows:

	Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
<u>Year ending June 30:</u>				
2015	\$ 8,735,000	\$ 3,953,149	\$ 2,645,000	\$ 627,004
2016	5,925,000	3,583,665	1,155,000	524,420
2017	6,250,000	3,415,915	1,040,000	490,295
2018	6,475,000	3,214,903	1,480,000	454,320
2019	6,680,000	3,000,940	1,050,000	398,370
2020 - 2024	32,005,000	11,368,075	5,240,000	1,378,175
2025 - 2029	28,680,000	5,249,033	3,130,000	471,260
2030 - 2032	10,800,000	845,544	740,000	44,450
	<u>\$ 105,550,000</u>	<u>\$ 34,631,224</u>	<u>\$ 16,480,000</u>	<u>\$ 4,388,294</u>

	Business-Type Activities Revenue Bonds	
	Principal	Interest
<u>Year ending June 30:</u>		
2015	\$ 990,000	\$ 508,737
2016	1,100,000	453,773
2017	1,215,000	392,813
2018	985,000	325,297
2019	570,000	431,424
2020 - 2024	4,575,000	1,581,818
2025 - 2028	705,000	50,300
	<u>\$ 10,140,000</u>	<u>\$ 3,744,162</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

**Legal debt margin:**

As of June 30, 2014, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

January 2012 100% assessed valuation		\$ 2,962,542,596
Plus: Public gas and electric utilities		90,426,037
Plus: Captured tax increment value		78,344,205
Less: Military exemption		<u>(3,959,644)</u>
Total assessed valuation of the property of the City of Bettendorf		<u><u>\$ 3,127,353,194</u></u>
Debt limit, 5% of total actual valuation		\$ 156,367,660
Debt applicable to debt limit:		
Governmental activities general obligation bonds	\$ 105,550,000	
Business-type activities TIF revenue bonds	10,140,000	
Business-type activities general obligation bonds	<u>16,480,000</u>	<u>132,170,000</u>
<b>Legal debt margin</b>		<u><u>\$ 24,197,660</u></u>

**Note 5. Interfund Receivables and Payables**

Individual interfund receivables and payables balances as of June 30, 2014, were:

	Interfund Receivables	Interfund Payables
Major governmental funds, General	\$ 218,831	\$ 2,891
Nonmajor governmental funds	-	39,601
Internal service funds	2,891	-
Nonmajor enterprise funds	-	<u>179,230</u>
<b>Total</b>	<u><u>\$ 221,722</u></u>	<u><u>\$ 221,722</u></u>

Advances to and from other funds as of June 30, 2014, were as follows:

	Advances to Other Funds	Advances from Other Funds
Major governmental fund, General Fund	\$ 158,677	\$ -
Nonmajor governmental funds	-	158,677
<b>Total</b>	<u><u>\$ 158,677</u></u>	<u><u>\$ 158,677</u></u>

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

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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#### Note 6. Interfund Transfers

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

	Transfers In	Transfers Out
Major governmental funds:		
General	\$ 562,752	\$ 2,124,088
Debt service fund, debt service	-	426,236
Capital projects fund, capital projects reserve	151,144	104,233
Nonmajor governmental funds	740,451	2,390,344
Internal service funds	48,489	-
Major enterprise funds:		
QC Waterfront Convention Center	1,070,652	-
Stormwater Utility	200,469	-
Other nonmajor enterprise funds	2,270,944	-
<b>Total</b>	<b>\$ 5,044,901</b>	<b>\$ 5,044,901</b>

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

#### Note 7. Pension and Retirement Systems

##### Iowa Public Retirement System:

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

Plan members are required to contribute 5.95 percent of their annual covered salary and the City is required to contribute 8.93 percent of annual covered payroll. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$916,069, \$852,278 and \$771,588, respectively, equal to the required contributions for each year.

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

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

Plan members are required to contribute 9.40 percent of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, cannot be less than 17 percent of earnable compensation. For the year ended June 30, 2013, the City's contribution rate was 30.12 percent. Contribution requirements are established by state statute. The City's contributions to the Plan for the years ended June 30, 2014, 2013 and 2012 were \$1,447,576, \$1,241,755 and \$1,108,398, respectively, which met the required minimum contribution for each year.

#### **Note 8. Deferred Compensation Plan**

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

#### **Note 9. Risk Management and Insurance**

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

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

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

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

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

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each City depending on the City's own loss experience. Cities with a consistent record of costly claims will pay more than cities with a consistent record of lesser claims activity. The City has a \$50,000 deductible under the plan. Per occurrence coverage limits provided by the Association are: bodily injury by accident, \$5,000,000 each accident, bodily injury by disease, \$5,000,000 memorandum limit and bodily injury by disease, \$5,000,000 each employee. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Any money not used to pay claims and expenses remains with the Association as surplus to fund future catastrophic claims. At such time that surplus substantially exceeds an actuarially sound figure, a distribution may be made to current members according to a formula that contemplates members' premium and claims experience of past years. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of June 30, 2014. The City's contribution to the pool for the year ended June 30, 2014 was \$403,879, which is recorded in the risk financing internal service fund.

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

For medical and dental claims, self-insurance is in effect up to an aggregate stop loss of approximately \$3,400,000 with a \$70,000 per claim stop loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount. All claim handling procedures are performed by an independent claims administrator.

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. All outstanding claims are expected to be paid within fiscal year 2014.

The changes in the aggregate liabilities for claims for the years ended June 30, 2014 and 2013 are as follows:

	Employee Health Insurance	
	2014	2013
Claims payable, beginning of year	\$ 253,111	\$ 295,120
Claims recognized	2,691,286	2,879,952
Claim payments	(2,703,021)	(2,921,961)
Claims payable, end of year	<u>\$ 241,376</u>	<u>\$ 253,111</u>

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 10. Other Postemployment Benefits**

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$64,629. Retiree and active members receiving benefits have required contributions of \$709.02 per month for single health coverage and \$1,567.64 per month for retiree and spouse coverage.

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

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

Annual required contribution	\$	239,632
Interest on net OPEB obligation		34,730
Adjustment to annual required contribution		(34,505)
Annual OPEB cost (expense)		<u>239,857</u>
Contributions and payments made		<u>64,629</u>
Increase in net OPEB obligation		175,228
Net OPEB obligation - July 1, 2013		<u>868,247</u>
Net OPEB obligation - June 30, 2014	\$	<u><u>1,043,475</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2014 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 213,048	22.21%	\$ 682,462
June 30, 2013	245,078	24.19	868,247
<b>June 30, 2014</b>	<b>239,857</b>	<b>26.94</b>	<b>1,043,475</b>

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

Funded status and funding progress: The results of the July 1, 2012 valuation, the most recent valuation date, were rolled forward to June 30, 2014. As of July 1, 2012, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$2,288,491 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$2,288,491. The covered payroll (annual payroll of active employees covered by the plan) was \$14,094,714 and the ratio of the UAAL to the covered payroll was 16.2 percent.

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

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

In the July 1, 2012 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, 3 percent per year payroll growth, a 3 percent per year inflation rate and an annual health care cost trend rate of 9 percent initially, grading down to 5 percent in 9 years. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open group. The remaining amortization period at July 1, 2012 was 30 years.

#### **Note 11. Commitments and Contingencies**

Regular City employees accumulate sick leave hours for subsequent use. The City's approximate maximum contingent liability for nonvested sick leave benefits as of June 30, 2014, is \$3,787,000.

The City has financial commitments relating to various construction projects that are estimated to be approximately \$6,387,000.

The City had encumbrances in the General Fund, Capital Projects fund and nonmajor governmental funds of \$51,759, \$8,398,998 and \$110,870, respectively.

The City is a member of the Scott Area Solid Waste Management Commission (the Commission) for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill. The Commission is obligated to provide rates, charges and fees sufficient to pay the cost of operations and maintenance of the Commission and to leave net revenues sufficient to pay the semiannual debt service requirements. The City made payments to the Commission of \$306,282 for the year ended June 30, 2014.

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

**City of Bettendorf, Iowa**

**Notes to Basic Financial Statements**

**Note 12. Fund Balances**

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

<b>Fund Balances:</b>	General	Debt Service	Capital Projects Reserve	Nonmajor Governmental	Total
<b>Nonspendable:</b>					
Advances	\$ 158,677	\$ -	\$ -	\$ -	\$ 158,677
Inventories	8,745	-	-	-	8,745
Loans	8,368	-	-	-	8,368
<b>Total nonspendable</b>	<b>175,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,790</b>
<b>Restricted:</b>					
Road use	-	-	-	55,834	55,834
Debt service	-	2,889,447	-	-	2,889,447
Federal programs	-	-	-	73,010	73,010
Economic development	-	-	-	37,759	37,759
Police department operations	371	-	-	52,870	53,241
Police department public assistance	-	-	-	33,625	33,625
Fire department supplies	1,000	-	-	-	1,000
Parks department operations	9,875	-	-	126,532	136,407
Library department operations	-	-	-	613,380	613,380
Public works department operations	36,513	-	-	-	36,513
Human resources department	4,000	-	-	-	4,000
Capital improvements and equipment	998,475	-	13,776,231	1,859,388	16,634,094
<b>Total restricted</b>	<b>1,050,234</b>	<b>2,889,447</b>	<b>13,776,231</b>	<b>2,852,398</b>	<b>20,568,310</b>
<b>Assigned:</b>					
Capital improvements and equipment	-	-	-	930,909	930,909
Road use	-	-	-	419,253	419,253
Library department	-	-	-	50,857	50,857
Parks department	-	-	-	7,808	7,808
Police department	-	-	-	8,218	8,218
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417,045</b>	<b>1,417,045</b>
Unassigned	5,744,687	-	-	(109,435)	5,635,252
<b>Total fund balances</b>	<b>\$ 6,970,711</b>	<b>\$ 2,889,447</b>	<b>\$ 13,776,231</b>	<b>\$ 4,160,008</b>	<b>\$ 27,796,397</b>

## City of Bettendorf, Iowa

### Notes to Basic Financial Statements

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

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

- GASB Statement No. 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. Under Statement No. 68, each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their “proportionate share” of the plan’s net pension liability. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.
- 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 a government’s first year of implementing GASB Statement No. 68, *Accounting and Financial Reporting 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 amounts 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.



Bettendorf IOWA  
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**City of Bettendorf, Iowa**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2012	7/1/10	\$ -	\$ 1,527,277	\$ 1,527,277	- %	\$ 13,164,891	11.6%
2013	7/1/12	-	2,294,060	2,294,060	-	13,684,188	16.8
<b>2014</b>	<b>7/1/12</b>	-	<b>2,288,491</b>	<b>2,288,491</b>	-	<b>14,094,714</b>	<b>16.2</b>

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2012.

Additional information follows:

- The actuarial method used to determine the ARC is the projected unit credit method.
- There are no plan assets.
- The actuarial assumptions included: (a) 4 percent discount rate; (b) a health care cost trend rate of 9 percent initially, grading down to 5 percent in 9 years; (c) 3 percent per year payroll growth and (d) an inflation rate of 3 percent per year.
- The amortization method is level percentage of pay over 30 years based on an open group.

City of Bettendorf, Iowa

**Budgetary Comparison Schedule  
Budget and Actual - All Governmental Funds and Proprietary Funds  
Required Supplementary Information  
Year Ended June 30, 2014**

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual
<b>Revenues:</b>			
Property tax	\$ 22,970,438	\$ -	\$ 22,970,438
Tax increment financing	2,027,720	-	2,027,720
Other City taxes	8,141,147	-	8,141,147
Special assessments	214,314	-	214,314
Licenses and permits	747,145	105,543	852,688
Intergovernmental	4,564,917	761,312	5,326,229
Charges for services	524,882	17,476,931	18,001,813
Use of money and property	409,658	135,014	544,672
Miscellaneous	697,384	796,553	1,493,937
<b>Total revenues</b>	<b>40,297,605</b>	<b>19,275,353</b>	<b>59,572,958</b>
<b>Expenditures/Expenses:</b>			
Public safety	10,718,700	-	10,718,700
Public works	3,665,793	-	3,665,793
Culture and recreation	4,092,733	-	4,092,733
Community and economic development	1,796,288	-	1,796,288
General government	3,700,010	-	3,700,010
Debt service	12,626,825	-	12,626,825
Capital outlay	16,422,884	-	16,422,884
Business-type	-	23,068,640	23,068,640
<b>Total expenditures/expenses</b>	<b>53,023,233</b>	<b>23,068,640</b>	<b>76,091,873</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>(12,725,628)</b>	<b>(3,793,287)</b>	<b>(16,518,915)</b>
Other financing sources, net	20,316,987	5,890,661	26,207,648
<b>Excess (deficiency) of revenues and other financing sources over expenditures/expenses and other financing uses</b>	<b>7,591,359</b>	<b>2,097,374</b>	<b>9,688,733</b>
Balances, beginning of year	20,205,038	45,973,202	66,178,240
Balances, end of year	<b>\$ 27,796,397</b>	<b>\$ 48,070,576</b>	<b>\$ 75,866,973</b>

See Note to Required Supplementary Information.

Budgeted Amounts		Final	Final to Actual
Original			Variance -
\$ 22,997,618	\$ 22,999,618	\$	(29,180)
2,078,304	2,023,822		3,898
8,370,792	8,183,299		(42,152)
18,167	135,874		78,440
684,310	772,994		79,694
5,478,289	5,610,039		(283,810)
18,808,207	18,547,672		(545,859)
559,819	396,217		148,455
2,833,551	1,450,606		43,331
61,829,057	60,120,141		(547,183)
10,768,394	11,027,881		309,181
3,271,250	3,825,924		160,131
4,424,778	4,268,196		175,463
1,829,431	1,855,977		59,689
3,787,301	3,770,231		70,221
12,459,977	12,739,216		112,391
16,683,119	18,023,105		1,600,221
25,354,758	24,445,702		1,377,062
78,579,008	79,956,232		3,864,359
(16,749,951)	(19,836,091)		3,317,176
10,590,000	25,280,305		927,343
\$ (6,159,951)	\$ 5,444,214	\$	4,244,519



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**City of Bettendorf, Iowa**

**Note to Required Supplementary Information – Budgetary Reporting  
Year Ended June 30, 2014**

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

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, a budget amendment increased budgeted expenditures by \$1,377,224. The budget amendment was primarily due to increases from additional bond proceeds and bond premium on sale of bonds. This was offset by increased expenditures for overtime, vehicle maintenance, supplemental road salt and capital projects due to the Winter's damage to the streets.

City of Bettendorf, Iowa

Balance Sheet - General Fund - By Account  
June 30, 2014

	General Account	Riverboat Gaming Account	Downtown Improvements	Total
<b>Assets</b>				
Cash and investments	\$ 5,109,813	\$ 176,481	\$ 1,076,234	\$ 6,362,528
Property taxes	10,749,728	-	-	10,749,728
Accounts	229,299	31,465	-	260,764
Special assessments	22,193	-	-	22,193
Loans	8,368	-	-	8,368
Accrued interest	9,321	17	1,931	11,269
Due from other funds	218,831	-	-	218,831
Due from other governments	951,353	-	-	951,353
Inventories	8,745	-	-	8,745
Advances to other funds	158,677	-	-	158,677
<b>Total assets</b>	<b>\$ 17,466,328</b>	<b>\$ 207,963</b>	<b>\$ 1,078,165</b>	<b>\$ 18,752,456</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Equity</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 478,415	\$ -	\$ 6,000	\$ 484,415
Accrued liabilities	239,728	-	-	239,728
Refundable deposits	54,384	-	-	54,384
Due to other governments	65,203	-	-	65,203
Due to other funds	2,891	-	-	2,891
<b>Total liabilities</b>	<b>840,621</b>	<b>-</b>	<b>6,000</b>	<b>846,621</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	10,689,051	-	-	10,689,051
Unavailable revenue - local option sales tax	240,000	-	-	240,000
Unavailable revenue - intergovernmental	6,073	-	-	6,073
<b>Total deferred inflows of resources</b>	<b>10,935,124</b>	<b>-</b>	<b>-</b>	<b>10,935,124</b>
<b>Fund Balances:</b>				
Nonspendable	175,790	-	-	175,790
Restricted	51,759	-	998,475	1,050,234
Unassigned	5,463,034	207,963	73,690	5,744,687
<b>Total fund balance</b>	<b>5,690,583</b>	<b>207,963</b>	<b>1,072,165</b>	<b>6,970,711</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 17,466,328</b>	<b>\$ 207,963</b>	<b>\$ 1,078,165</b>	<b>\$ 18,752,456</b>

City of Bettendorf, Iowa

**Schedule of Revenues, Expenditures and Changes in Fund Balances -  
General Fund - By Account  
Year Ended June 30, 2014**

	General Account	Riverboat Gaming Account	Downtown Improvements	Total
<b>Revenues:</b>				
Property taxes	\$ 13,588,818	\$ -	\$ -	\$ 13,588,818
Other taxes	4,425,418	1,490,407	-	5,915,825
Special assessments	21,187	-	-	21,187
Licenses and permits	708,919	-	-	708,919
Intergovernmental	483,715	-	-	483,715
Charges for services	524,882	-	-	524,882
Use of money and property	246,495	547	8,853	255,895
Miscellaneous	270,369	-	-	270,369
<b>Total revenues</b>	<b>20,269,803</b>	<b>1,490,954</b>	<b>8,853</b>	<b>21,769,610</b>
<b>Expenditures:</b>				
Current operating:				
Public safety	10,704,194	-	-	10,704,194
Public works	17,755	-	-	17,755
Culture and recreation	4,060,730	-	-	4,060,730
Community and economic development	937,242	-	-	937,242
General government	3,700,010	-	-	3,700,010
Debt service, bond issuance costs	68,144	-	1,225	69,369
Capital outlay	425,367	-	425,975	851,342
<b>Total expenditures</b>	<b>19,913,442</b>	<b>-</b>	<b>427,200</b>	<b>20,340,642</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>356,361</b>	<b>1,490,954</b>	<b>(418,347)</b>	<b>1,428,968</b>
<b>Other financing sources (uses):</b>				
Issuance of long-term capital debt	-	-	1,400,000	1,400,000
Proceeds from the sale of capital assets	5,000	-	-	5,000
Transfers in	532,752	-	30,000	562,752
Transfers out	(729,419)	(1,394,669)	-	(2,124,088)
<b>Total other financing sources (uses)</b>	<b>(191,667)</b>	<b>(1,394,669)</b>	<b>1,430,000</b>	<b>(156,336)</b>
<b>Net changes in fund balance</b>	<b>164,694</b>	<b>96,285</b>	<b>1,011,653</b>	<b>1,272,632</b>
Fund balances, beginning of year	5,525,889	111,678	60,512	5,698,079
Fund balances, end of year	\$ 5,690,583	\$ 207,963	\$ 1,072,165	\$ 6,970,711

**City of Bettendorf, Iowa**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014**

	Special Revenue		
	Road Use Tax	Economic Development	Police
<b>Assets</b>			
Cash and investments	\$ 302,033	\$ 37,849	\$ 167,980
Receivables:			
Property taxes	-	-	-
Accounts	2,270	-	599
Accrued interest	325	68	263
Due from other funds	-	-	-
Due from other governments	273,900	-	-
<b>Total assets</b>	<b>\$ 578,528</b>	<b>\$ 37,917</b>	<b>\$ 168,842</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 69,518	\$ 158	\$ 1,119
Accrued liabilities	21,849	-	-
Due to other governments	12,074	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>103,441</b>	<b>158</b>	<b>1,119</b>
<b>Deferred Inflows of Resources</b> , unavailable revenue - property taxes	-	-	-
<b>Fund Balances (Deficit):</b>			
Restricted	55,834	37,759	159,505
Assigned	419,253	-	8,218
Unassigned	-	-	-
<b>Total fund balance (deficit)</b>	<b>475,087</b>	<b>37,759</b>	<b>167,723</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 578,528</b>	<b>\$ 37,917</b>	<b>\$ 168,842</b>

(Continued)

Special Revenue			Capital Projects		
Library	Park	Tax Increment Financing	Vehicle Replacement	Electronic Equipment Replacement	
\$ 670,258	\$ 134,099	\$ 82,984	\$ 610,009	\$ 408,491	
-	-	1,982,036	-	-	
-	-	-	-	-	
1,210	241	-	1,039	724	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ 671,468</u>	<u>\$ 134,340</u>	<u>\$ 2,065,020</u>	<u>\$ 611,048</u>	<u>\$ 409,215</u>	
\$ 7,231	\$ -	\$ -	\$ 69,880	\$ 2,700	
-	-	-	-	-	
-	-	-	-	-	
-	-	39,601	-	-	
-	-	158,677	-	-	
<u>7,231</u>	<u>-</u>	<u>198,278</u>	<u>69,880</u>	<u>2,700</u>	
-	-	1,976,177	-	-	
613,380	126,532	-	44,802	10,234	
50,857	7,808	-	496,366	396,281	
-	-	(109,435)	-	-	
<u>664,237</u>	<u>134,340</u>	<u>(109,435)</u>	<u>541,168</u>	<u>406,515</u>	
<u>\$ 671,468</u>	<u>\$ 134,340</u>	<u>\$ 2,065,020</u>	<u>\$ 611,048</u>	<u>\$ 409,215</u>	

City of Bettendorf, Iowa

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2014

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
<b>Assets</b>				
Cash and investments	\$ 776,891	\$ 632,262	\$ 125,318	\$ 3,948,174
Receivables:				
Property taxes	-	-	-	1,982,036
Accounts	-	-	-	2,869
Accrued interest	581	1,134	-	5,585
Due from other funds	-	-	-	-
Due from other governments	306,428	-	-	580,328
<b>Total assets</b>	<b>\$ 1,083,900</b>	<b>\$ 633,396</b>	<b>\$ 125,318</b>	<b>\$ 6,518,992</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 150,606
Accrued liabilities	-	-	-	21,849
Due to other governments	-	-	-	12,074
Due to other funds	-	-	-	39,601
Advances from other funds	-	-	-	158,677
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>382,807</b>
<b>Deferred Inflows of Resources,</b> unavailable revenue - property taxes	-	-	-	1,976,177
<b>Fund Balances (Deficit):</b>				
Restricted	1,058,242	620,792	125,318	2,852,398
Assigned	25,658	12,604	-	1,417,045
Unassigned	-	-	-	(109,435)
<b>Total fund balance (deficit)</b>	<b>1,083,900</b>	<b>633,396</b>	<b>125,318</b>	<b>4,160,008</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 1,083,900</b>	<b>\$ 633,396</b>	<b>\$ 125,318</b>	<b>\$ 6,518,992</b>



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City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	Special Revenue			
	Road Use Tax	Housing and Urban Development Section 8	Economic Development	Police
Revenues:				
Tax increment financing taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	3,318,717	-	-	-
Use of money and property	(24)	-	430	2,126
Miscellaneous	34,140	-	-	48,531
<b>Total revenues</b>	<b>3,352,833</b>	<b>-</b>	<b>430</b>	<b>50,657</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	14,506
Public works	3,648,038	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	31,230	38,055	1,189	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>3,679,268</b>	<b>38,055</b>	<b>1,189</b>	<b>14,506</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(326,435)</b>	<b>(38,055)</b>	<b>(759)</b>	<b>36,151</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	134,520	1,698	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>134,520</b>	<b>1,698</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>(191,915)</b>	<b>(36,357)</b>	<b>(759)</b>	<b>36,151</b>
Fund balance (deficit), beginning of year	667,002	36,357	38,518	131,572
Fund balance (deficit), end of year	\$ 475,087	\$ -	\$ 37,759	\$ 167,723

(Continued)

Special Revenue			Capital Projects		
Library	Park	Tax Increment Financing	Vehicle Replacement	Electronic Equipment Replacement	
\$ -	\$ -	\$ 2,027,720	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
7,626	1,567	-	1,907	4,072	
36,731	4,878	11,250	2,256	231	
44,357	6,445	2,038,970	4,163	4,303	
-	-	-	-	-	
-	-	-	-	-	
32,003	-	-	-	-	
-	-	788,572	-	-	
-	-	110,000	-	-	
-	-	14,325	-	-	
27,923	-	-	974,805	79,677	
59,926	-	912,897	974,805	79,677	
(15,569)	6,445	1,126,073	(970,642)	(75,374)	
-	-	-	28,343	-	
-	-	4,233	500,000	100,000	
-	(3,000)	(1,076,959)	-	(37,872)	
-	(3,000)	(1,072,726)	528,343	62,128	
(15,569)	3,445	53,347	(442,299)	(13,246)	
679,806	130,895	(162,782)	983,467	419,761	
\$ 664,237	\$ 134,340	\$ (109,435)	\$ 541,168	\$ 406,515	

City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
Revenues:				
Tax increment financing taxes	\$ -	\$ -	\$ -	\$ 2,027,720
Other taxes	1,931,268	-	-	1,931,268
Intergovernmental	-	-	-	3,318,717
Use of money and property	4,016	7,195	-	28,915
Miscellaneous	-	-	-	138,017
<b>Total revenues</b>	<b>1,935,284</b>	<b>7,195</b>	<b>-</b>	<b>7,444,637</b>
Expenditures:				
Current operating:				
Public safety	-	-	-	14,506
Public works	-	-	-	3,648,038
Culture and recreation	-	-	-	32,003
Community and economic development	-	-	-	859,046
Debt service:				
Principal	-	-	-	110,000
Interest and other charges	-	-	-	14,325
Capital outlay	-	-	-	1,082,405
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,760,323</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,935,284</b>	<b>7,195</b>	<b>-</b>	<b>1,684,314</b>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	28,343
Transfers in	-	-	-	740,451
Transfers out	(1,272,513)	-	-	(2,390,344)
<b>Total other financing sources (uses)</b>	<b>(1,272,513)</b>	<b>-</b>	<b>-</b>	<b>(1,621,550)</b>
<b>Net changes in fund balance</b>	<b>662,771</b>	<b>7,195</b>	<b>-</b>	<b>62,764</b>
Fund balance (deficit), beginning of year	421,129	626,201	125,318	4,097,244
Fund balance (deficit), end of year	\$ 1,083,900	\$ 633,396	\$ 125,318	\$ 4,160,008



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City of Bettendorf, Iowa

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2014

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 1,308,855	\$ 130,531
Receivables:		
Accounts and unbilled usage	631,458	22,460
Accrued interest	2,066	158
Special assessments	79,818	-
Due from other governments	-	-
<b>Total current assets</b>	<b>2,022,197</b>	<b>153,149</b>
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	-	579,370
Construction-in-progress	-	6,784
Depreciable:		
Buildings and structures	-	1,490,637
Equipment and vehicles	2,701,179	1,755,246
Improvements other than buildings	-	1,597,568
Accumulated depreciation	(2,106,908)	(1,708,124)
<b>Net capital assets</b>	<b>594,271</b>	<b>3,721,481</b>
<b>Total noncurrent assets</b>	<b>594,271</b>	<b>3,721,481</b>
<b>Total assets</b>	<b>\$ 2,616,468</b>	<b>\$ 3,874,630</b>

(Continued)

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 165,517	\$ 90,856	\$ 19,575	\$ 99,085	\$ 13,700	\$ 1,828,119
9,992	6,285	7,290	15,340	23,686	716,511
-	-	-	86	74	2,384
-	-	-	-	-	79,818
-	-	208,428	-	21,410	229,838
175,509	97,141	235,293	114,511	58,870	2,856,670
840,000	-	-	148,070	-	1,567,440
-	-	-	-	-	6,784
3,511,022	4,180,433	-	5,254,498	-	14,436,590
345,929	102,694	1,991,860	1,866,815	849,028	9,612,751
85,885	8,120	-	229,744	-	1,921,317
(2,386,617)	(2,057,488)	(1,216,367)	(2,840,032)	(546,137)	(12,861,673)
2,396,219	2,233,759	775,493	4,659,095	302,891	14,683,209
2,396,219	2,233,759	775,493	4,659,095	302,891	14,683,209
\$ 2,571,728	\$ 2,330,900	\$ 1,010,786	\$ 4,773,606	\$ 361,761	\$ 17,539,879

City of Bettendorf, Iowa

Combining Statement of Net Position (Continued)  
 Nonmajor Enterprise Funds  
 June 30, 2014

	Recycling/Solid Waste Management	Palmer Hills Golf Course
<b>Liabilities and Net Position</b>		
<b>Liabilities:</b>		
Current:		
Accounts payable	\$ 63,202	\$ 204,152
Compensated absences	10,391	4,853
Accrued liabilities	9,584	4,670
Due to other governments	6,164	6,110
Due to other funds	-	-
Interest payable	542	-
Contracts payable	-	-
Unearned revenue	-	-
Current maturities, general obligation bonds	130,000	-
<b>Total current liabilities</b>	<b>219,883</b>	<b>219,785</b>
Noncurrent:		
Compensated absences	27,554	12,874
Other post employment benefits obligation	36,820	4,564
General obligation bonds, net of bond discounts and premiums	134,952	-
<b>Total noncurrent liabilities</b>	<b>199,326</b>	<b>17,438</b>
<b>Total liabilities</b>	<b>419,209</b>	<b>237,223</b>
<b>Net Position:</b>		
Net investment in capital assets	329,319	3,721,481
Unrestricted	1,867,940	(84,074)
<b>Total net position</b>	<b>2,197,259</b>	<b>3,637,407</b>
<b>Total liabilities and net position</b>	<b>\$ 2,616,468</b>	<b>\$ 3,874,630</b>

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 43,286	\$ 111,907	\$ 61,799	\$ 32,311	\$ 4,061	\$ 520,718
5,321	655	10,393	20,017	954	52,584
5,600	1,249	9,279	20,663	1,518	52,563
3,150	5,245	1,514	3,450	263	25,896
-	-	179,230	-	-	179,230
-	-	-	1,983	-	2,525
-	-	-	-	-	-
86,126	-	-	-	-	86,126
-	-	-	60,000	-	190,000
143,483	119,056	262,215	138,424	6,796	1,109,642
14,115	1,739	27,567	53,093	2,531	139,473
3,253	-	42,989	48,931	-	136,557
-	-	-	580,000	-	714,952
17,368	1,739	70,556	682,024	2,531	990,982
160,851	120,795	332,771	820,448	9,327	2,100,624
2,396,219	2,233,759	775,493	4,019,095	302,891	13,778,257
14,658	(23,654)	(97,478)	(65,937)	49,543	1,660,998
2,410,877	2,210,105	678,015	3,953,158	352,434	15,439,255
\$ 2,571,728	\$ 2,330,900	\$ 1,010,786	\$ 4,773,606	\$ 361,761	\$ 17,539,879

City of Bettendorf, Iowa

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 Year Ended June 30, 2014

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Operating revenues:		
Charges for services	\$ 2,025,807	\$ 685,979
Other, primarily concessions	2,201	316,110
<b>Total operating revenues</b>	<b>2,028,008</b>	<b>1,002,089</b>
Operating expenses:		
Salaries and benefits	807,333	629,433
Supplies and services	919,944	451,635
Depreciation	211,061	204,767
<b>Total operating expenses</b>	<b>1,938,338</b>	<b>1,285,835</b>
<b>Operating income (loss)</b>	<b>89,670</b>	<b>(283,746)</b>
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Investment earnings	16,512	182
Interest and bond issuance expense	(8,883)	-
Amortization	2,476	-
<b>Total nonoperating revenues (expenses)</b>	<b>10,105</b>	<b>182</b>
<b>Income (loss) before capital grants and contributions and transfers</b>	<b>99,775</b>	<b>(283,564)</b>
Capital grants and contributions	-	-
Transfers in	139,100	121,992
	139,100	121,992
<b>Changes in net position</b>	<b>238,875</b>	<b>(161,572)</b>
Net position, beginning	1,958,384	3,798,979
Net position, ending	<b>\$ 2,197,259</b>	<b>\$ 3,637,407</b>

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 626,722	\$ 233,828	\$ 130,736	\$ 931,903	\$ 13,890	\$ 4,648,865
6,103	8,929	120	99,544	72,097	505,104
632,825	242,757	130,856	1,031,447	85,987	5,153,969
499,590	195,450	708,151	1,343,731	68,980	4,252,668
291,246	171,064	891,211	504,334	63,388	3,292,822
98,745	156,604	202,983	314,228	122,893	1,311,281
889,581	523,118	1,802,345	2,162,293	255,261	8,856,771
(256,756)	(280,361)	(1,671,489)	(1,130,846)	(169,274)	(3,702,802)
-	-	700,155	-	61,157	761,312
-	-	-	19,211	875	36,780
-	-	-	(26,428)	-	(35,311)
-	-	-	-	-	2,476
-	-	700,155	(7,217)	62,032	765,257
(256,756)	(280,361)	(971,334)	(1,138,063)	(107,242)	(2,937,545)
-	-	35,607	136,500	-	172,107
185,877	125,584	808,732	889,659	-	2,270,944
185,877	125,584	844,339	1,026,159	-	2,443,051
(70,879)	(154,777)	(126,995)	(111,904)	(107,242)	(494,494)
2,481,756	2,364,882	805,010	4,065,062	459,676	15,933,749
\$ 2,410,877	\$ 2,210,105	\$ 678,015	\$ 3,953,158	\$ 352,434	\$ 15,439,255

City of Bettendorf, Iowa

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 Year Ended June 30, 2014

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,998,985	\$ 710,100
Receipts from other operating revenue	2,201	316,110
Payments to suppliers	(922,725)	(434,818)
Payments to employees	(800,787)	(630,797)
<b>Net cash provided by (used in) operating activities</b>	<b>277,674</b>	<b>(39,405)</b>
Cash flows from noncapital financing activities:		
Intergovernmental	-	-
Proceeds from interfund accounts	-	-
(Payments of) interfund accounts	-	-
Transfers in	139,100	121,992
<b>Net cash provided by noncapital financing activities</b>	<b>139,100</b>	<b>121,992</b>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(150,916)	(37,864)
Capital grants	-	-
Proceeds from bonds	-	-
Payment on debt	(130,000)	-
Interest (paid) on debt	(9,099)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(290,015)</b>	<b>(37,864)</b>
Cash flows from investing activities, interest received	16,249	24
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>143,008</b>	<b>44,747</b>
Cash and cash equivalents:		
Beginning	1,165,847	85,784
Ending	<b>\$ 1,308,855</b>	<b>\$ 130,531</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 89,670	\$ (283,746)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	211,061	204,767
Change in assets and liabilities:		
Receivables and due from other governments	(26,822)	24,121
Prepaid items	-	-
Accounts payable and due to other governments	(2,781)	16,817
Compensated absences and accrued liabilities	(108)	1,259
Other post employment benefits obligation	6,654	(2,623)
Unearned revenue	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 277,674</b>	<b>\$ (39,405)</b>
Schedule of noncash items, capital and related financing activities, acquisition of capital assets through contracts or accounts payable	\$ -	\$ -

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 608,673	\$ 233,941	\$ 126,328	\$ 964,075	\$ 13,890	\$ 4,655,992
6,103	8,929	120	99,544	84,799	517,806
(287,870)	(166,379)	(869,046)	(525,358)	(68,596)	(3,274,792)
(498,441)	(194,436)	(705,289)	(1,333,146)	(76,253)	(4,239,149)
(171,535)	(117,945)	(1,447,887)	(794,885)	(46,160)	(2,340,143)
-	-	639,432	-	86,564	725,996
-	-	-	57,844	-	57,844
-	-	-	-	(28,505)	(28,505)
185,877	125,584	808,732	889,659	-	2,270,944
185,877	125,584	1,448,164	947,503	58,059	3,026,279
(14,120)	-	(44,509)	(151,743)	-	(399,152)
-	-	35,607	136,500	-	172,107
-	-	-	-	-	-
-	-	-	(60,000)	-	(190,000)
-	-	-	(26,667)	-	(35,766)
(14,120)	-	(8,902)	(101,910)	-	(452,811)
-	-	-	19,130	801	36,204
222	7,639	(8,625)	69,838	12,700	269,529
165,295	83,217	28,200	29,247	1,000	1,558,590
\$ 165,517	\$ 90,856	\$ 19,575	\$ 99,085	\$ 13,700	\$ 1,828,119
\$ (256,756)	\$ (280,361)	\$ (1,671,489)	\$ (1,130,846)	\$ (169,274)	\$ (3,702,802)
98,745	156,604	202,983	314,228	122,893	1,311,281
(5,426)	113	(4,408)	32,172	12,702	32,452
-	-	-	-	-	-
3,376	4,685	22,165	(21,024)	(5,208)	18,030
463	1,014	(1,911)	1,743	(7,273)	(4,813)
686	-	4,773	8,842	-	18,332
(12,623)	-	-	-	-	(12,623)
\$ (171,535)	\$ (117,945)	\$ (1,447,887)	\$ (794,885)	\$ (46,160)	\$ (2,340,143)
\$ -	\$ -	\$ -	\$ (13,925)	\$ -	\$ (13,925)

City of Bettendorf, Iowa

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014

<b>Assets</b>	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
<b>Current assets:</b>					
Cash and investments	\$ 1,265,529	\$ 782,085	\$ 433,131	\$ 379,106	\$ 2,859,851
Receivables:					
Accounts	-	1,127	-	-	1,127
Accrued interest	2,975	1,276	718	763	5,732
Due from other funds	-	-	-	2,891	2,891
Due from other governments	-	104	-	-	104
Prepaid items	-	-	-	16,190	16,190
<b>Total current assets</b>	<b>1,268,504</b>	<b>784,592</b>	<b>433,849</b>	<b>398,950</b>	<b>2,885,895</b>
<b>Noncurrent assets:</b>					
Capital assets:					
Nondepreciable, land					
	-	-	43,609	-	43,609
Depreciable:					
Buildings and structures					
	-	-	423,461	-	423,461
Equipment and vehicles					
	-	-	563,794	-	563,794
Accumulated depreciation					
	-	-	(788,761)	-	(788,761)
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>242,103</b>	<b>-</b>	<b>242,103</b>
<b>Total assets</b>	<b>\$ 1,268,504</b>	<b>\$ 784,592</b>	<b>\$ 675,952</b>	<b>\$ 398,950</b>	<b>\$ 3,127,998</b>
<b>Liabilities and Net Position</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ 19,164	\$ 93,243	159,151	14,102	\$ 285,660
Claims payable	241,376	-	-	-	241,376
Compensated absences	-	-	8,812	8,039	16,851
Accrued liabilities	-	-	9,039	7,753	16,792
Due to other governments	661	-	1,662	1,422	3,745
<b>Total current liabilities</b>	<b>261,201</b>	<b>93,243</b>	<b>178,664</b>	<b>31,316</b>	<b>564,424</b>
Noncurrent:					
Compensated absences					
	-	-	23,374	21,324	44,698
Other postemployment benefits obligation					
	-	-	25,608	21,441	47,049
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>48,982</b>	<b>42,765</b>	<b>91,747</b>
<b>Total liabilities</b>	<b>261,201</b>	<b>93,243</b>	<b>227,646</b>	<b>74,081</b>	<b>656,171</b>
<b>Net Position:</b>					
Investment in capital assets	-	-	242,103	-	242,103
Unrestricted	1,007,303	691,349	206,203	324,869	2,229,724
<b>Total net position</b>	<b>1,007,303</b>	<b>691,349</b>	<b>448,306</b>	<b>324,869</b>	<b>2,471,827</b>
<b>Total liabilities and net position</b>	<b>\$ 1,268,504</b>	<b>\$ 784,592</b>	<b>\$ 675,952</b>	<b>\$ 398,950</b>	<b>\$ 3,127,998</b>

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
Year Ended June 30, 2014**

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Operating revenues:					
Charges for services	\$ 3,215,973	\$ 838,664	\$ 1,854,709	\$ 650,747	\$ 6,560,093
Other	200	27,358	2,592	16,586	46,736
<b>Total operating revenues</b>	<b>3,216,173</b>	<b>866,022</b>	<b>1,857,301</b>	<b>667,333</b>	<b>6,606,829</b>
Operating expenses:					
Salaries and benefits, primarily claims expense	2,691,286	-	584,461	489,799	3,765,546
Supplies and services	528,898	894,942	1,255,561	208,897	2,888,298
Depreciation	-	-	22,642	-	22,642
<b>Total operating expenses</b>	<b>3,220,184</b>	<b>894,942</b>	<b>1,862,664</b>	<b>698,696</b>	<b>6,676,486</b>
<b>Operating (loss)</b>	<b>(4,011)</b>	<b>(28,920)</b>	<b>(5,363)</b>	<b>(31,363)</b>	<b>(69,657)</b>
Nonoperating revenue, investment earnings	22,722	8,319	5,966	5,248	42,255
<b>Income (loss) before transfers</b>	<b>18,711</b>	<b>(20,601)</b>	<b>603</b>	<b>(26,115)</b>	<b>(27,402)</b>
Transfers in	-	21,000	-	27,489	48,489
<b>Changes in net position</b>	<b>18,711</b>	<b>399</b>	<b>603</b>	<b>1,374</b>	<b>21,087</b>
Total net position, beginning	988,592	690,950	447,703	323,495	2,450,740
Total net position, ending	<b>\$ 1,007,303</b>	<b>\$ 691,349</b>	<b>\$ 448,306</b>	<b>\$ 324,869</b>	<b>\$ 2,471,827</b>

City of Bettendorf, Iowa

Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2014

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 3,215,973	\$ 865,069	\$ 1,854,709	\$ 650,747	\$ 6,586,498
Receipts from other operating revenue	200	27,358	2,592	16,586	46,736
Payments to suppliers	(519,606)	(845,303)	(1,243,004)	(202,613)	(2,810,526)
Payments to claimants	(2,703,021)	-	-	-	(2,703,021)
Payments to employees	-	-	(573,448)	(458,064)	(1,031,512)
<b>Net cash provided by (used in) operating activities</b>	<b>(6,454)</b>	<b>47,124</b>	<b>40,849</b>	<b>6,656</b>	<b>88,175</b>
Cash flows from noncapital financing activities:					
Payments of interfund accounts	-	-	-	(2,891)	(2,891)
Transfers in	-	21,000	-	27,489	48,489
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>21,000</b>	<b>-</b>	<b>24,598</b>	<b>45,598</b>
Cash flows from investing activities,					
interest received	22,703	8,889	6,187	5,309	43,088
<b>Net increase in cash and cash equivalents</b>	<b>16,249</b>	<b>77,013</b>	<b>47,036</b>	<b>36,563</b>	<b>176,861</b>
Cash and cash equivalents:					
Beginning	1,249,280	705,072	386,095	342,543	2,682,990
Ending	\$ 1,265,529	\$ 782,085	\$ 433,131	\$ 379,106	\$ 2,859,851
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:					
Operating (loss)	\$ (4,011)	\$ (28,920)	\$ (5,363)	\$ (31,363)	\$ (69,657)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	22,642	-	22,642
Change in assets and liabilities:					
Receivables and due from other governments	-	26,405	-	-	26,405
Prepaid items	-	-	-	26,416	26,416
Accounts payable and due to other governments	9,292	49,639	12,557	6,284	77,772
Claims payable	(11,735)	-	-	-	(11,735)
Compensated absences and accrued liabilities	-	-	6,626	819	7,445
Other postemployment benefits obligation	-	-	4,387	4,500	8,887
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (6,454)</b>	<b>\$ 47,124</b>	<b>\$ 40,849</b>	<b>\$ 6,656</b>	<b>\$ 88,175</b>

**City of Bettendorf, Iowa**

**Combining Statement of Assets and Liabilities**

**Agency Funds**

**June 30, 2014**

	Explorers	Section 125 Plan	Police Property Account	Police Ammo Purchase	Explorers Special Events	Total
<b>Assets</b>						
Cash and investments	\$ 70	\$ 22,197	\$ 24,607	\$ -	\$ 4,077	\$ 50,951
Accounts receivable	819	-	-	-	-	819
	<u>\$ 889</u>	<u>\$ 22,197</u>	<u>\$ 24,607</u>	<u>\$ -</u>	<u>\$ 4,077</u>	<u>\$ 51,770</u>
<b>Liabilities, accounts payable</b>	<u>\$ 889</u>	<u>\$ 22,197</u>	<u>\$ 24,607</u>	<u>\$ -</u>	<u>\$ 4,077</u>	<u>\$ 51,770</u>

City of Bettendorf, Iowa

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Year Ended June 30, 2014

<b>Explorers</b>	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Assets:</b>				
Cash and investments	\$ 137	\$ 1,458	\$ 1,525	\$ 70
Accounts receivable	819	-	-	819
	<u>\$ 956</u>	<u>\$ 1,458</u>	<u>\$ 1,525</u>	<u>\$ 889</u>
<b>Liabilities</b> , accounts payable	<u>\$ 956</u>	<u>\$ 2,346</u>	<u>\$ 2,413</u>	<u>\$ 889</u>
<b>Section 125 Plan</b>				
<b>Assets</b> , cash and investments	<u>\$ 26,959</u>	<u>\$ 79,488</u>	<u>\$ 84,250</u>	<u>\$ 22,197</u>
<b>Liabilities</b> , accounts payable	<u>\$ 26,959</u>	<u>\$ 79,488</u>	<u>\$ 84,250</u>	<u>\$ 22,197</u>
<b>Police Property Account</b>				
<b>Assets</b> , cash and investments	<u>\$ 7,897</u>	<u>\$ 16,710</u>	<u>\$ -</u>	<u>\$ 24,607</u>
<b>Liabilities</b> , accounts payable	<u>\$ 7,897</u>	<u>\$ 16,710</u>	<u>\$ -</u>	<u>\$ 24,607</u>
<b>Police Ammo Purchase</b>				
<b>Assets</b> , cash and investments	<u>\$ 8,339</u>	<u>\$ -</u>	<u>\$ 8,339</u>	<u>\$ -</u>
<b>Liabilities</b> , accounts payable	<u>\$ 8,339</u>	<u>\$ -</u>	<u>\$ 8,339</u>	<u>\$ -</u>

(Continued)

City of Bettendorf, Iowa

**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended June 30, 2014**

<b>Explorers Special Events</b>	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Assets:</b>				
Cash and investments	\$ 4,460	\$ 3,611	\$ 3,994	\$ 4,077
Accrued interest receivable	11	32	43	-
	<u>\$ 4,471</u>	<u>\$ 3,643</u>	<u>\$ 4,037</u>	<u>\$ 4,077</u>
<b>Liabilities, accounts payable</b>	<u>\$ 4,471</u>	<u>\$ 3,607</u>	<u>\$ 4,001</u>	<u>\$ 4,077</u>

**Combined Funds**

<b>Assets:</b>				
Cash and investments	\$ 47,792	\$ 101,267	\$ 98,108	\$ 50,951
Accounts receivable	819	-	-	819
Accrued interest receivable	11	32	43	-
	<u>\$ 48,622</u>	<u>\$ 101,299</u>	<u>\$ 98,151</u>	<u>\$ 51,770</u>
<b>Liabilities, accounts payable</b>	<u>\$ 48,622</u>	<u>\$ 102,151</u>	<u>\$ 99,003</u>	<u>\$ 51,770</u>



Bettendorf IOWA  
*a premier city*

## City of Bettendorf, Iowa

### Statistical Section

#### Contents

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

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	89 - 109
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	110 - 116
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	117 - 123
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	124 - 125
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	126 - 131

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

**City of Bettendorf, Iowa**

**Net 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	\$ 32,359,207	\$ 37,919,071	\$ 39,923,572	\$ 46,616,013
Restricted	6,124,873	6,221,183	10,260,032	7,158,860
Unrestricted	12,079,106	10,349,190	9,270,579	13,026,168
<b>Total governmental activities net position</b>	<b>\$ 50,563,186</b>	<b>\$ 54,489,444</b>	<b>\$ 59,454,183</b>	<b>\$ 66,801,041</b>
Business-type activities:				
Net investment in capital assets	\$ 26,983,506	\$ 29,262,706	\$ 30,564,714	\$ 38,279,056
Restricted	175,786	176,219	175,553	166,868
Unrestricted	3,621,881	2,967,755	1,071,417	(1,435,388)
<b>Total business-type activities net position</b>	<b>\$ 30,781,173</b>	<b>\$ 32,406,680</b>	<b>\$ 31,811,684</b>	<b>\$ 37,010,536</b>
Primary government:				
Net investment in capital assets	\$ 59,342,713	\$ 67,181,777	\$ 70,488,286	\$ 84,895,069
Restricted	6,300,659	6,397,402	10,435,585	7,325,728
Unrestricted	15,700,987	13,316,945	10,341,996	11,590,780
<b>Total primary government net position</b>	<b>\$ 81,344,359</b>	<b>\$ 86,896,124</b>	<b>\$ 91,265,867</b>	<b>\$ 103,811,577</b>

							Fiscal Year					
2009		2010		2011		2012		2013		2014		
\$	53,124,355	\$	50,086,105	\$	59,344,680	\$	58,511,165	\$	63,012,236	\$	<b>65,182,580</b>	
	5,920,270		11,423,859		4,103,202		9,140,403		4,734,224		<b>6,463,660</b>	
	9,321,954		8,367,447		7,734,422		5,113,400		5,854,707		<b>3,864,280</b>	
<hr/>												
\$	68,366,579	\$	69,877,411	\$	71,182,304	\$	72,764,968	\$	73,601,167	\$	<b>75,510,520</b>	
<hr/>												
\$	37,323,495	\$	38,063,230	\$	38,450,048	\$	36,793,296	\$	36,205,459	\$	<b>38,104,581</b>	
	-		-		-		-		-		-	
	1,272,231		2,279,370		2,093,785		6,240,314		6,834,797		<b>6,986,511</b>	
<hr/>												
\$	38,595,726	\$	40,342,600	\$	40,543,833	\$	43,033,610	\$	43,040,256	\$	<b>45,091,092</b>	
<hr/>												
\$	90,447,850	\$	88,149,335	\$	97,794,728	\$	95,304,461	\$	99,217,695	\$	<b>103,287,161</b>	
	5,920,270		11,423,859		4,103,202		9,140,403		4,734,224		<b>6,463,660</b>	
	10,594,185		10,646,817		9,828,207		11,353,714		12,689,504		<b>10,850,791</b>	
<hr/>												
\$	106,962,305	\$	110,220,011	\$	111,726,137	\$	115,798,578	\$	116,641,423	\$	<b>120,601,612</b>	
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**City of Bettendorf, Iowa**

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

	Fiscal Year		
	2005	2006	2007
Expenses:			
Governmental activities:			
Public safety	\$ 8,034,864	\$ 8,474,260	\$ 9,218,990
Public works	6,146,647	5,762,806	6,209,711
Culture and recreation	3,557,691	3,722,405	3,663,690
Community and economic development	3,016,994	1,521,206	1,529,551
General government	3,202,786	3,566,384	3,440,431
Interest and bond issuance costs on long-term debt	2,565,864	2,349,192	2,348,925
<b>Total governmental activities expenses</b>	<b>26,524,846</b>	<b>25,396,253</b>	<b>26,411,298</b>
Business-type activities:			
Sewer utility	2,742,747	2,767,540	2,906,148
Family Museum of Arts & Science	1,958,342	1,725,794	1,800,585
Aquatic Center	426,330	412,494	426,630
Recycling/solid waste management	1,959,654	1,580,939	1,633,478
Palmer Hills Golf Course	909,314	1,146,586	1,273,827
Life Fitness Center	777,189	782,242	788,259
Stormwater utility	416,886	783,017	672,361
Transit	1,022,620	1,091,502	1,187,029
QC Waterfront Convention Center	-	-	64,030
Riverfront Circulator	-	-	694,448
<b>Total business-type activities expenses</b>	<b>10,213,082</b>	<b>10,290,114</b>	<b>11,446,795</b>
<b>Total primary government expenses</b>	<b>36,737,928</b>	<b>35,686,367</b>	<b>37,858,093</b>
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	17,409	18,546	21,796
Public works	3,536	23,382	8,983
Culture and recreation	211,570	209,673	229,243
Community and economic development	735,831	1,037,467	616,722
General government	56,911	105,059	115,102
Operating grants and contributions:			
Public safety	324,501	436,083	378,140
Public works	2,647,908	2,664,831	2,665,412
Culture and recreation	195,722	159,889	108,257
Community and economic development	725,813	512,395	711,400
Capital grants and contributions:			
Public safety	41,861	-	80,000
Public works	2,772,743	1,165,844	1,323,870
Culture and recreation	40,000	27,051	30,000
<b>Total governmental activities program revenue</b>	<b>7,773,805</b>	<b>6,360,220</b>	<b>6,288,925</b>

(Continued)

		Fiscal Year											
		2008	2009	2010	2011	2012	2013	2014					
\$	9,714,867	\$	9,951,992	\$	10,652,552	\$	10,119,472	\$	10,097,643	\$	10,929,229	\$	11,439,650
	6,480,290		9,997,254		8,613,251		9,722,377		8,118,410		8,623,929		9,819,611
	3,784,862		4,180,037		4,735,415		4,857,215		5,050,752		4,919,241		5,447,349
	2,013,017		2,204,648		2,340,564		2,973,813		2,663,665		2,542,574		2,110,720
	3,498,535		3,706,638		4,284,049		3,699,119		4,004,959		3,958,233		4,030,857
	2,443,655		2,446,577		2,750,859		3,041,880		3,018,316		3,294,252		3,487,741
	27,935,226		32,487,146		33,376,690		34,413,876		32,953,745		34,267,458		36,335,928
	2,927,523		2,979,537		3,195,132		3,331,375		3,421,107		3,653,914		3,806,326
	1,721,249		1,934,671		1,973,712		2,016,226		1,910,145		2,123,336		2,195,838
	473,972		491,077		476,338		499,827		573,613		521,347		524,573
	1,720,851		1,793,971		1,803,620		1,897,813		1,886,757		1,969,461		1,948,548
	1,226,764		1,228,773		1,241,863		1,177,573		1,151,787		1,243,073		1,287,941
	880,485		861,694		835,180		873,930		862,185		890,368		892,284
	794,675		620,500		764,521		737,989		858,967		970,022		1,140,926
	1,229,554		1,256,562		1,324,093		1,532,212		1,702,699		1,622,843		1,805,636
	91,705		2,129,540		3,469,416		4,025,930		3,789,859		3,486,068		2,560,146
	-		-		184,387		423,702		442,905		457,026		255,387
	11,066,778		13,296,325		15,268,262		16,516,577		16,600,024		16,937,458		16,417,605
	39,002,004		45,783,471		48,644,952		50,930,453		49,553,769		51,204,916		52,753,533
	20,457		17,228		24,881		11,881		14,620		31,800		46,449
	37,758		13,343		18,280		29,880		18,041		31,423		253,091
	227,595		242,993		269,497		276,770		307,544		319,376		343,897
	567,023		517,903		613,992		599,360		659,703		701,725		842,904
	87,066		70,116		91,004		154,266		138,567		125,982		160,156
	917,634		326,636		238,659		304,673		332,609		557,885		378,498
	2,728,338		2,640,668		2,774,484		3,197,991		3,174,925		3,270,698		3,301,098
	83,837		72,008		82,794		61,334		41,941		81,495		251,019
	633,852		990,458		643,827		527,199		297,095		410,450		4,878
	103,726		383,794		108,218		100,000		125,000		125,000		-
	2,315,830		1,228,183		2,130,519		2,232,583		2,466,192		1,253,670		2,205,448
	20,000		5,000		-		15,000		-		45,000		-
	7,743,116		6,508,330		6,996,155		7,510,937		7,576,237		6,954,504		7,787,438

City of Bettendorf, Iowa

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

	Fiscal Year		
	2005	2006	2007
Business-type activities:			
Charges for services:			
Sewer utility	\$ 2,414,522	\$ 2,491,731	\$ 2,410,029
Family Museum of Arts & Science	560,972	516,211	572,603
Aquatic Center	174,104	167,157	187,471
Recycling/solid waste management	1,151,110	1,355,684	1,420,297
Palmer Hills Golf Course	718,869	738,340	740,103
Life Fitness Center	570,620	368,153	524,665
Stormwater utility	562,248	579,144	593,041
Transit	40,169	56,656	61,037
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Operating grants and contributions:			
Family Museum of Arts & Science	135,978	149,273	225,500
Stormwater utility	-	-	-
Transit	306,544	268,686	555,512
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Capital grants and contributions:			
Sewer utility	888,281	465,967	-
Family Museum of Arts & Science	-	-	-
Aquatic Center	-	-	-
Palmer Hills Golf Course	-	300,000	-
Stormwater utility	-	310,645	-
Transit	50,639	-	-
QC Waterfront Convention Center	-	-	138,040
Educational Center	-	250,000	200,000
Riverfront Circulator	-	-	-
<b>Total business-type activities program revenues</b>	<b>7,574,056</b>	<b>8,017,647</b>	<b>7,628,298</b>
<b>Total primary government program revenues</b>	<b>13,934,276</b>	<b>14,377,867</b>	<b>13,917,223</b>
Net (expense) revenue:			
Governmental activities	(18,751,041)	(19,036,033)	(20,122,373)
Business-type activities	(2,639,026)	(2,272,467)	(3,818,497)
<b>Total primary government net expense</b>	<b>(21,390,067)</b>	<b>(21,308,500)</b>	<b>(23,940,870)</b>
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	14,552,874	15,375,604	15,619,789
Tax increment financing taxes	1,684,641	1,853,383	1,962,103
Local option sales taxes	3,865,352	3,968,600	4,206,449
Other taxes	1,516,246	1,557,262	1,440,620
Gaming tax	2,233,864	2,121,774	1,963,498
Franchise tax	321,427	345,734	366,272
State replacement tax credits	19,550	22,335	22,350
State shared revenues, unrestricted	41,903	34,604	45,081
Investment earnings	657,905	826,908	1,398,304
Gain (loss) on sale of capital assets	-	-	-
Miscellaneous	395,137	352,050	511,323
Transfers	(2,690,547)	(3,495,963)	(2,448,677)
<b>Total governmental activities</b>	<b>22,598,352</b>	<b>22,962,291</b>	<b>25,087,112</b>

(Continued)

							Fiscal Year						
2008		2009		2010		2011		2012		2013		2014	
\$	2,422,381	\$	2,526,562	\$	2,532,985	\$	2,557,175	\$	2,826,626	\$	3,022,433	\$	3,270,356
	615,898		643,992		650,093		709,016		757,003		883,212		931,903
	211,302		247,681		206,771		242,962		285,448		226,668		233,828
	1,591,716		1,652,843		1,727,398		1,793,407		1,851,851		1,929,796		2,025,807
	686,948		707,031		698,607		678,634		583,287		633,710		685,979
	555,851		564,126		569,750		604,013		624,097		631,471		626,722
	619,328		781,391		795,609		805,521		841,178		986,391		1,146,951
	64,270		68,655		73,000		87,822		109,321		116,326		130,736
	-		414,380		1,569,542		2,148,027		1,903,511		2,268,742		1,956,209
	-		-		12,162		26,477		29,223		26,150		13,890
	133,098		175,937		77,037		106,124		85,335		25,745		97,005
	-		2,000		-		-		-		-		-
	417,756		402,282		421,642		447,848		754,807		587,559		700,155
	-		963,453		674,212		702,369		736,036		128,552		244,544
	-		-		57,645		128,764		142,730		142,962		61,157
	121,832		507,934		299,097		257,321		627,175		704,148		1,199,603
	-		-		-		-		172,422		379,578		136,500
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	81,221		315,489		177,398		171,548		442,117		582,447		728,077
	12,500		-		793,166		510,904		-		-		35,607
	4,486,960		355,450		125,100		225,048		200,908		214,068		200,320
	-		-		-		-		-		-		-
	-		-		836,808		-		-		-		-
	12,021,061		10,329,206		12,298,022		12,202,980		12,973,075		13,489,958		14,425,349
	19,764,177		17,325,361		12,298,022		19,713,917		20,549,312		20,444,462		22,212,787
	(20,192,110)		(25,978,816)		(26,380,535)		(26,902,939)		(25,377,508)		(27,312,954)		(28,548,490)
	954,283		(4,939,056)		(2,970,240)		(4,313,597)		(3,626,949)		(3,447,500)		(1,992,256)
	(19,237,827)		(30,917,872)		(29,350,775)		(31,216,536)		(29,004,457)		(30,760,454)		(30,540,746)
	16,795,048		18,408,444		19,299,744		19,813,742		20,783,927		22,230,452		22,782,593
	3,172,985		3,377,334		3,499,290		3,097,551		2,318,400		2,069,141		2,027,720
	4,259,072		4,184,906		4,120,192		4,282,026		4,723,721		4,654,166		4,825,170
	1,573,298		1,533,961		1,550,364		1,519,082		1,494,993		1,531,730		1,466,228
	2,076,120		1,912,972		1,684,304		1,658,400		1,608,845		1,582,204		1,490,407
	392,338		368,246		374,172		379,885		374,108		368,550		356,342
	23,080		23,805		23,492		22,599		22,471		27,692		27,458
	51,018		52,352		57,449		56,641		55,985		55,721		54,157
	1,451,101		1,133,258		747,599		472,319		487,267		(67,319)		451,913
	21,163		1,726		-		46,183		35,581		9,887		31,248
	775,171		398,325		621,627		729,975		539,840		381,276		486,672
	(3,051,426)		(3,850,975)		(4,086,866)		(3,870,571)		(5,484,966)		(3,522,123)		(3,542,065)
	27,538,968		27,544,354		27,891,367		28,207,832		26,960,172		29,321,377		30,457,843

City of Bettendorf, Iowa

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

	Fiscal Year		
	2005	2006	2007
Business-type activities:			
Investment earnings	180,534	216,631	423,184
Gain (loss) on sale of capital assets	4,000	-	-
Miscellaneous	198,873	185,380	351,640
Transfers	2,690,547	3,495,963	2,448,677
<b>Total business-type activities</b>	<b>3,073,954</b>	<b>3,897,974</b>	<b>3,223,501</b>
<b>Total primary government</b>	<b>\$ 26,036,245</b>	<b>\$ 26,860,265</b>	<b>\$ 28,310,613</b>
Changes in net position:			
Governmental activities	3,847,311	3,926,258	4,964,739
Business-type activities	434,928	1,625,507	(594,996)
<b>Total primary government</b>	<b>\$ 4,282,239</b>	<b>\$ 5,551,765</b>	<b>\$ 4,369,743</b>

							Fiscal Year
2008	2009	2010	2011	2012	2013	2014	
280,128	351,216	187,973	111,539	117,586	(92,719)	<b>92,759</b>	
-	-	-	-	-	-	-	
382,633	350,118	442,275	532,720	514,174	482,231	<b>408,268</b>	
3,051,426	3,850,975	4,086,866	3,870,571	5,484,966	3,522,123	<b>3,542,065</b>	
3,714,187	4,552,309	4,717,114	4,514,830	6,116,726	3,911,635	<b>4,043,092</b>	
<b>\$ 31,253,155</b>	<b>\$ 32,443,676</b>	<b>\$ 4,717,114</b>	<b>\$ 32,722,662</b>	<b>\$ 33,076,898</b>	<b>\$ 33,233,012</b>	<b>\$ 34,500,935</b>	
7,346,858	1,565,538	1,510,832	1,304,893	1,582,664	2,008,423	<b>1,909,353</b>	
4,668,470	1,585,190	1,746,874	201,233	2,489,777	464,135	<b>2,050,836</b>	
<b>\$ 12,015,328</b>	<b>\$ 3,150,728</b>	<b>\$ 3,257,706</b>	<b>\$ 1,506,126</b>	<b>\$ 4,072,441</b>	<b>\$ 2,472,558</b>	<b>\$ 3,960,189</b>	

**City of Bettendorf, Iowa**

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2005		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 17,409	\$ 324,501	\$ 41,861
Public works	3,536	2,647,908	2,772,743
Culture and recreation	211,570	195,722	40,000
Community and economic development	735,831	725,813	-
General government	56,911	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>1,025,257</b>	<b>3,893,944</b>	<b>2,854,604</b>
<b>Business-type activities:</b>			
Sewer utility	2,414,522	-	888,281
Family Museum of Arts & Science	560,972	135,978	-
Aquatic Center	174,104	-	-
Recycling/solid waste management	1,151,110	-	-
Palmer Hills Golf Course	718,869	-	-
Life Fitness Center	570,620	-	-
Stormwater utility	562,248	-	-
Transit	40,169	306,544	50,639
Educational Center	-	-	-
Downtown Event Center	-	-	-
Riverfront Circulator	-	-	-
<b>Total business-type activities</b>	<b>6,192,614</b>	<b>442,522</b>	<b>938,920</b>
<b>Total primary government</b>	<b>\$ 7,217,871</b>	<b>\$ 4,336,466</b>	<b>\$ 3,793,524</b>

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2006			2007		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 18,546	\$ 436,083	\$ -	\$ 21,796	\$ 378,140	\$ 80,000
23,382	2,664,831	1,165,844	8,983	2,665,412	1,323,870
209,673	159,889	27,051	229,243	108,257	30,000
1,037,467	512,395	-	616,722	711,400	-
105,059	-	-	115,102	-	-
-	-	-	-	-	-
1,394,127	3,773,198	1,192,895	991,846	3,863,209	1,433,870
2,491,731	-	465,967	2,410,029	-	-
516,211	149,273	-	572,603	225,500	-
167,157	-	-	187,471	-	-
1,355,684	-	-	1,420,297	-	-
738,340	-	300,000	740,103	-	-
368,153	-	310,645	524,665	-	-
579,144	-	-	593,041	-	-
56,656	268,686	-	61,037	555,512	-
-	-	250,000	-	-	138,040
-	-	-	-	-	200,000
-	-	-	-	-	-
6,273,076	417,959	1,326,612	6,509,246	781,012	338,040
\$ 7,667,203	\$ 4,191,157	\$ 2,519,507	\$ 7,501,092	\$ 4,644,221	\$ 1,771,910

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2008		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 20,457	\$ 917,634	\$ 103,726
Public works	37,758	2,728,338	2,315,830
Culture and recreation	227,595	83,837	20,000
Community and economic development	567,023	633,852	-
General government	87,066	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>939,899</b>	<b>4,363,661</b>	<b>2,439,556</b>
<b>Business-type activities:</b>			
Sewer utility	2,422,381	-	121,832
Family Museum of Arts & Science	615,898	133,098	-
Aquatic Center	211,302	-	-
Recycling/solid waste management	1,591,716	-	-
Palmer Hills Golf Course	686,948	-	-
Life Fitness Center	555,851	-	-
Stormwater utility	619,328	-	81,221
Transit	64,270	417,756	12,500
Educational Center	-	-	-
Downtown Event Center	-	-	4,486,960
Riverfront Circulator	-	-	-
<b>Total business-type activities</b>	<b>6,767,694</b>	<b>550,854</b>	<b>4,702,513</b>
<b>Total primary government</b>	<b>\$ 7,707,593</b>	<b>\$ 4,914,515</b>	<b>\$ 7,142,069</b>

(Continued)

Program Revenues						
Fiscal Year						
2009			2010			
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
\$ 17,228	\$ 326,636	\$ 383,794	\$ 24,881	\$ 238,659	\$ 108,218	
13,343	2,640,668	1,228,183	18,280	2,774,484	2,130,519	
242,993	72,008	5,000	269,497	82,794	-	
517,903	990,458	-	613,992	643,827	-	
70,116	-	-	91,004	-	-	
-	-	-	-	-	-	
861,583	4,029,770	1,616,977	1,017,654	3,739,764	2,238,737	
2,526,562	-	507,934	2,532,985	-	299,097	
643,992	175,937	-	650,093	77,037	-	
247,681	-	-	206,771	-	-	
1,652,843	-	-	1,727,398	-	-	
707,031	-	-	698,607	-	-	
564,126	-	-	569,750	-	-	
781,391	2,000	315,489	795,609	-	177,398	
68,655	402,282	-	73,000	421,642	793,166	
-	-	-	-	-	-	
414,380	963,453	355,450	1,569,542	674,212	125,100	
-	-	-	12,162	57,645	836,808	
7,606,661	1,543,672	1,178,873	8,835,917	1,230,536	2,231,569	
\$ 8,468,244	\$ 5,573,442	\$ 2,795,850	\$ 9,853,571	\$ 4,970,300	\$ 4,470,306	

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2011		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 11,881	\$ 304,673	\$ 100,000
Public works	29,880	3,197,991	2,232,583
Culture and recreation	276,770	61,334	15,000
Community and economic development	599,360	527,199	-
General government	154,266	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>1,072,157</b>	<b>4,091,197</b>	<b>2,347,583</b>
<b>Business-type activities:</b>			
Sewer utility	2,557,175	-	257,321
Family Museum of Arts & Science	709,016	106,124	-
Aquatic Center	242,962	-	-
Recycling/solid waste management	1,793,407	-	-
Palmer Hills Golf Course	678,634	-	-
Life Fitness Center	604,013	-	-
Stormwater utility	805,521	-	171,548
Transit	87,822	447,848	510,904
Educational Center	-	-	-
Downtown Event Center	2,148,027	702,369	225,048
Riverfront Circulator	26,477	128,764	-
<b>Total business-type activities</b>	<b>9,653,054</b>	<b>1,385,105</b>	<b>1,164,821</b>
<b>Total primary government</b>	<b>\$ 10,725,211</b>	<b>\$ 5,476,302</b>	<b>\$ 3,512,404</b>

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2012			2013		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 14,620	\$ 332,609	\$ 125,000	\$ 31,800	\$ 557,885	\$ 125,000
18,041	3,174,925	2,466,192	31,423	3,270,698	1,253,670
307,544	41,941	-	319,376	81,495	45,000
659,703	297,095	-	701,725	410,450	-
138,567	-	-	125,982	-	-
-	-	-	-	-	-
1,138,475	3,846,570	2,591,192	1,210,306	4,320,528	1,423,670
2,826,626	-	627,175	3,022,433	-	704,148
757,003	85,335	172,422	883,212	25,745	379,578
285,448	-	-	226,668	-	-
1,851,851	-	-	1,929,796	-	-
583,287	-	-	633,710	-	-
624,097	-	-	631,471	-	-
841,178	-	442,117	986,391	-	582,447
109,321	754,807	-	116,326	587,559	-
-	-	-	-	-	-
1,903,511	736,036	200,908	2,268,742	128,552	214,068
29,223	142,730	-	26,150	142,962	-
9,811,545	1,718,908	1,442,622	10,724,899	884,818	1,880,241
\$ 10,950,020	\$ 5,565,478	\$ 4,033,814	\$ 11,935,205	\$ 5,205,346	\$ 3,303,911

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2014		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>			
Public safety	\$ 46,449	\$ 378,498	\$ -
Public works	253,091	3,301,098	2,205,448
Culture and recreation	343,897	251,019	-
Community and economic development	842,904	4,878	-
General government	160,156	-	-
Interest on long-term debt	-	-	-
<b>Total governmental activities</b>	<b>1,646,497</b>	<b>3,935,493</b>	<b>2,205,448</b>
<b>Business-type activities:</b>			
Sewer utility	3,270,356	-	1,199,603
Family Museum of Arts & Science	931,903	97,005	136,500
Aquatic Center	233,828	-	-
Recycling/solid waste management	2,025,807	-	-
Palmer Hills Golf Course	685,979	-	-
Life Fitness Center	626,722	-	-
Stormwater utility	1,146,951	-	728,077
Transit	130,736	700,155	35,607
Educational Center	-	-	-
Downtown Event Center	1,956,209	244,544	200,320
Riverfront Circulator	13,890	61,157	-
<b>Total business-type activities</b>	<b>11,022,381</b>	<b>1,102,861</b>	<b>2,300,107</b>
<b>Total primary government</b>	<b>\$ 12,668,878</b>	<b>\$ 5,038,354</b>	<b>\$ 4,505,555</b>



Bettendorf IOWA  
*a premier city*

**City of Bettendorf, Iowa**

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	64,882	47,989	69,408	242,784
Unreserved	4,749,446	4,780,972	4,908,122	4,857,574
<b>Total General Fund</b>	<b>\$ 4,814,328</b>	<b>\$ 4,828,961</b>	<b>\$ 4,977,530</b>	<b>\$ 5,100,358</b>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,068,938	2,888,698	4,267,649	8,817,132
Unreserved, reported in:				
Special revenue funds	3,027,598	2,780,057	3,182,157	1,903,418
Debt service funds	1,605,452	1,202,569	4,658,472	724,672
Capital projects funds	9,437,438	7,712,234	6,431,017	9,184,841
<b>Total all other government funds</b>	<b>\$ 16,139,426</b>	<b>\$ 14,583,558</b>	<b>\$ 18,539,295</b>	<b>\$ 20,630,063</b>

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		
\$	-	\$	-	\$	187,937	\$	195,598	\$	178,342	\$	175,790	
	-		-		13,014		254,286		15,933		1,050,234	
	-		-		-		-		-		-	
	-		-		85,692		98,214		-		-	
	-		-		5,157,680		5,064,398		5,503,804		5,744,687	
	210,290		218,796		-		-		-		-	
	5,030,470		5,048,259		-		-		-		-	
<b>\$</b>	<b>5,240,760</b>	<b>\$</b>	<b>5,267,055</b>	<b>\$</b>	<b>5,444,323</b>	<b>\$</b>	<b>5,612,496</b>	<b>\$</b>	<b>5,698,079</b>	<b>\$</b>	<b>6,970,711</b>	
\$	-	\$	-	\$	153,325	\$	4,233	\$	4,233	\$	-	
	-		-		10,915,683		16,189,550		13,089,850		19,518,076	
	-		-		-		-		-		-	
	-		-		1,523,617		1,571,182		1,575,658		1,417,045	
	-		-		(2,212,680)		(141,624)		(162,782)		(109,435)	
	10,591,791		10,448,066		-		-		-		-	
	1,280,112		1,625,616		-		-		-		-	
	806,085		8,105,135		-		-		-		-	
	2,754,153		(2,671,608)		-		-		-		-	
<b>\$</b>	<b>15,432,141</b>	<b>\$</b>	<b>17,507,209</b>	<b>\$</b>	<b>10,379,945</b>	<b>\$</b>	<b>17,623,341</b>	<b>\$</b>	<b>14,506,959</b>	<b>\$</b>	<b>20,825,686</b>	

**City of Bettendorf, Iowa**

**Changes In Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues:</b>				
Property taxes	\$ 14,631,169	\$ 15,383,115	\$ 15,648,364	\$ 16,763,147
Tax increment financing taxes	1,684,641.00	1,853,383	1,962,103	3,172,985
Other taxes	7,564,060	7,511,852	7,995,246	8,416,881
Special assessments	5,388	19,947	6,761	9,505
Licenses and permits	636,202	865,209	542,182	497,123
Intergovernmental	4,039,000	3,952,501	5,019,945	5,343,234
Charges for services	326,756	394,575	327,801	346,205
Use of money and property	619,366	761,546	1,274,705	1,317,230
Miscellaneous	787,742	729,844	703,696	1,000,499
<b>Total revenues</b>	<b>30,294,324</b>	<b>31,471,972</b>	<b>33,480,803</b>	<b>36,866,809</b>
<b>Expenditures:</b>				
Current operating:				
Community protection	*	*	*	*
Human development	*	*	*	*
Home and community development	*	*	*	*
Policy and administration	*	*	*	*
Public safety	7,487,118	7,895,689	8,194,904	9,029,275
Public works	2,660,482	2,727,337	2,627,335	3,288,166
Culture and recreation	3,153,672	3,300,346	3,187,458	3,311,645
Community and economic development	1,412,845	1,258,141	1,443,565	1,921,626
General government	2,798,173	3,106,289	3,104,868	3,138,414
Debt service:				
Principal	9,037,165	5,089,158	5,524,216	5,615,000
Interest	2,567,015	2,331,935	2,315,370	2,318,366
Bond issuance costs	33,780	37,456	251,346	86,604
Expenditures in capital outlay not capitalized	-	1,093,385	1,298,676	870,795
Capitalized capital outlay	6,835,946	7,253,947	8,368,929	8,818,626
<b>Total expenditures</b>	<b>35,986,196</b>	<b>34,093,683</b>	<b>36,316,667</b>	<b>38,398,517</b>
<b>Excess of revenues (under) expenditures</b>	<b>(5,691,872)</b>	<b>(2,621,711)</b>	<b>(2,835,864)</b>	<b>(1,531,708)</b>
<b>Other financing sources (uses):</b>				
Issuance of long-term debt	4,590,000	4,580,000	15,155,000	10,540,000
Payment to bond escrow agent	-	-	(6,275,000)	(3,821,388)
Premiums	-	3,190	76,667	130,466
Discounts	(32,066)	(44,519)	-	-
Proceeds from sale of capital assets	306,120	90,972	224,110	28,652
Transfers in	6,617,725	6,925,915	7,681,976	8,607,299
Transfers out	(9,515,083)	(10,475,082)	(9,922,583)	(11,739,725)
<b>Total other financing sources (uses)</b>	<b>1,966,696</b>	<b>1,080,476</b>	<b>6,940,170</b>	<b>3,745,304</b>
<b>Net changes in fund balance</b>	<b>\$ (3,725,176)</b>	<b>\$ (1,541,235)</b>	<b>\$ 4,104,306</b>	<b>\$ 2,213,596</b>
Debt service as a percentage of noncapital expenditures	39.9%	27.6%	28.1%	26.8%

							Fiscal Year					
2009		2010		2011		2012		2013		2014		
\$	18,384,425	\$	19,267,371	\$	19,829,519	\$	20,786,732	\$	22,061,524	\$	<b>22,970,438</b>	
	3,377,334		3,499,290		3,097,551		2,318,400		2,069,141		<b>2,027,720</b>	
	7,999,085		7,732,033		7,936,429		8,062,631		8,118,650		<b>8,141,147</b>	
	12,163		15,577		28,273		17,128		17,238		<b>214,314</b>	
	397,701		583,037		527,768		585,562		617,653		<b>747,145</b>	
	4,833,515		5,498,796		5,954,268		5,193,810		4,599,105		<b>4,564,917</b>	
	381,603		328,038		361,850		397,219		449,433		<b>524,882</b>	
	1,034,978		646,585		432,853		436,294		13,349		<b>409,658</b>	
	644,219		917,078		924,404		674,736		609,534		<b>697,384</b>	
	<b>37,065,023</b>		<b>38,487,805</b>		<b>39,092,915</b>		<b>38,472,512</b>		<b>38,555,627</b>		<b>40,297,605</b>	
	*		*		*		*		-		-	
	*		*		*		*		-		-	
	*		*		*		*		-		-	
	*		*		*		*		-		-	
	9,171,879		9,804,915		9,472,492		9,555,788		10,324,281		<b>10,718,700</b>	
	4,195,342		3,387,878		3,506,350		3,136,111		3,052,325		<b>3,665,793</b>	
	3,578,409		3,759,768		3,825,678		4,035,446		3,992,251		<b>4,092,733</b>	
	2,033,310		2,153,192		2,691,227		2,273,367		2,212,192		<b>1,796,288</b>	
	3,300,052		3,435,015		3,336,470		3,503,278		3,599,612		<b>3,700,010</b>	
	6,020,400		5,488,100		14,629,300		5,975,900		10,370,000		<b>8,950,000</b>	
	2,384,362		2,687,193		2,998,380		3,006,807		3,294,692		<b>3,394,455</b>	
	119,213		287,556		183,039		335,423		136,680		<b>282,370</b>	
	3,359,508		2,853,555		3,482,715		2,033,986		2,028,320		<b>2,506,739</b>	
	17,839,544		20,355,433		14,657,435		11,820,698		10,656,904		<b>13,916,145</b>	
	<b>52,002,019</b>		<b>54,212,605</b>		<b>58,783,086</b>		<b>45,676,804</b>		<b>49,667,257</b>		<b>53,023,233</b>	
	(14,936,996)		(15,724,800)		(19,690,171)		(7,204,292)		(11,111,630)		<b>(12,725,628)</b>	
	13,700,000		21,580,000		16,030,000		18,570,000		10,685,000		<b>22,745,000</b>	
	-		-		-		-		-		-	
	33,339		279,613		555,193		1,527,246		846,913		<b>1,109,198</b>	
	-		-		-		-		-		-	
	37,112		2,982		57,553		35,581		96,659		<b>53,343</b>	
	8,191,217		9,499,107		5,931,971		6,310,667		4,030,704		<b>1,454,347</b>	
	(12,082,192)		(13,535,539)		(9,834,542)		(11,827,633)		(7,578,445)		<b>(5,044,901)</b>	
	9,879,476		17,826,163		12,740,175		14,615,861		8,080,831		<b>20,316,987</b>	
\$	<b>(5,057,520)</b>	\$	<b>2,101,363</b>	\$	<b>(6,949,996)</b>	\$	<b>7,411,569</b>	\$	<b>(3,030,799)</b>	\$	<b>7,591,359</b>	

24.6%

24.1%

39.9%

26.5%

35.0%

31.6%

City of Bettendorf, Iowa

**Tax Revenues by Source, Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

Fiscal Year	Property	Hotel/Motel Tax	Local Option Sales Tax	Utility Franchise Tax	Tax Increment Financing
2005	14,631,169	811,857	3,813,950	695,153	1,684,641
2006	15,383,115	876,854	3,832,816	671,320	1,853,383
2007	15,648,364	742,038	4,224,858	691,118	1,962,102
2008	16,763,147	879,403	4,375,125	684,244	3,172,985
2009	18,384,425	774,409	4,183,906	747,401	3,377,334
2010	19,267,371	781,543	4,123,192	734,285	3,499,290
2011	19,829,519	803,119	4,379,063	707,751	3,097,551
2012	20,786,732	738,376	4,584,685	748,281	2,318,399
2013	22,061,524	782,972	4,636,166	740,971	2,069,141
<b>2014</b>	<b>22,970,438</b>	<b>728,153</b>	<b>4,828,170</b>	<b>730,514</b>	<b>2,027,720</b>
Change 2005-2014	57.00%	-10.31%	26.59%	5.09%	20.37%

Source: City records.

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Mobile Home Tax	Gaming Tax	Cable Franchise Tax	Total
9,236	2,233,864	321,427	24,201,297
9,088	2,121,774	345,734	25,094,084
6,818	1,963,498	366,272	25,605,068
9,651	2,076,120	392,338	28,353,013
12,151	1,912,972	368,246	29,760,844
13,072	1,684,304	374,172	30,477,229
8,211	1,658,400	379,885	30,863,499
8,337	1,608,845	374,108	31,167,463
7,787	1,582,204	368,550	32,249,315
<b>7,561</b>	<b>1,490,407</b>	<b>356,342</b>	<b>33,139,305</b>
-18.14%	-33.28%	10.86%	36.93%

**City of Bettendorf, Iowa**

**Assessed Value and Estimated Actual Value of Taxable Property**

**Last Ten Fiscal Years**

**(Unaudited)**

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Fiscal Year	Residential Property	Commercial Property	Industrial Property	Machinery & Equipment
2005	1,652,161,490	338,690,940	13,400,078	-
2006	1,798,988,393	341,209,113	13,455,769	-
2007	1,851,303,035	347,801,087	14,809,173	-
2008	1,921,741,462	351,218,507	20,010,233	-
2009	2,138,636,766	430,585,395	20,661,813	-
2010	2,199,236,152	441,241,852	16,391,700	-
2011	2,255,170,983	443,808,680	21,782,851	-
2012	2,295,440,702	466,519,335	26,141,962	-
2013	2,388,725,104	474,596,546	32,025,838	-
<b>2014</b>	<b>2,454,761,423</b>	<b>459,073,798</b>	<b>34,047,133</b>	-

**Source:** Scott County Auditor

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

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Public Utility	Agricultural Property	Total Assessed Value (1)	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
15,445,981	4,700,968	2,024,399,457		12.34932	1,163,981,114	57.50
15,613,994	4,529,273	2,173,796,542	7.38%	12.34952	1,231,469,607	56.65
15,077,966	4,459,440	2,233,450,701	2.74%	12.60000	1,224,008,170	54.60
14,536,012	4,437,370	2,311,943,584	3.51%	12.95000	1,261,266,735	54.55
14,365,946	4,692,920	2,608,942,840	12.85%	12.85000	1,404,665,394	53.84
14,034,322	4,727,390	2,675,631,416	2.56%	12.60000	1,474,385,310	55.10
14,232,920	6,407,620	2,741,403,054	5.08%	12.60000	1,535,809,491	56.02
14,671,227	6,382,570	2,809,155,796	7.67%	12.55000	1,620,307,396	57.68
15,976,961	7,248,670	2,918,573,119	26.24%	12.55000	1,733,928,823	59.41%
<b>14,660,242</b>	<b>7,138,250</b>	<b>2,969,680,846</b>	<b>13.83%</b>	<b>12.55000</b>	<b>1,803,564,703</b>	<b>60.73%</b>

## City of Bettendorf, Iowa

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

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Tax Year Levied	City Direct Rates				
	General Fund	Employee Benefits	Insurance	Debt Service	Total Direct
2005	7.04761	1.23016	0.27175	3.79980	12.34932
2006	7.04761	1.23016	0.27175	3.80000	12.34952
2007	7.04809	1.23016	0.27175	4.05000	12.60000
2008	6.87883	1.23016	0.34101	4.50000	12.95000
2009	6.48340	1.50164	0.36496	4.50000	12.85000
2010	5.71631	1.54366	0.34003	5.00000	12.60000
2011	5.49661	1.78467	0.31872	5.00000	12.60000
2012	7.55000	-	-	5.00000	12.55000
2013	7.55000	-	-	5.00000	12.55000
<b>2014</b>	<b>7.55000</b>	<b>-</b>	<b>-</b>	<b>5.00000</b>	<b>12.55000</b>

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

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Overlapping Rates

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Bettendorf School District	Scott County	County Assessor	Area IX	Other	Total Levy
15.46630	4.75497	0.27124	0.59216	0.06939	33.50338
14.69042	5.56513	0.27404	0.59269	0.06973	33.54153
15.00216	5.51106	0.29563	0.61277	0.07034	34.09196
15.00025	5.54040	0.28899	0.60785	0.07079	34.45828
14.85367	5.47607	0.33733	0.87714	0.06845	34.46266
15.00820	6.37607	0.28465	0.92444	0.06946	35.26282
15.00244	6.37759	0.28110	1.01724	0.06891	35.34728
15.00292	6.30156	0.28081	0.91511	0.06865	35.11905
14.54629	6.23534	0.27996	0.92043	0.06890	34.60092
<b>14.01636</b>	<b>6.13204</b>	<b>0.27068</b>	<b>0.92782</b>	<b>0.07009</b>	<b>33.96699</b>

**City of Bettendorf, Iowa**

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Isle of Capri Bettendorf LC	80,752,204	1	33.31	\$ 45,002,320	1	38.28
MidAmerican Energy Company	57,751,967	2	23.82			
Continental 203 Fund LLC	20,982,954	3	8.66			
CMS/Chateau Knoll	18,631,819	4	7.69	15,027,300	2	12.78
Haversian Canal Systems LLP	16,422,356	5	6.77			
Duck Creek LLC	12,338,449	6	5.09	8,141,820	5	6.92
First Equity Mngmt LC	9,933,884	7	4.10			
Olympic Steel Iowa, Inc.	9,586,346	8	3.95	5,856,590	10	4.98
Bettendorf Regency Apartments LC	8,119,650	9	3.35	8,368,880	4	7.12
Lockard Terrace Park LLC	7,883,442	10	3.25			
Green Bridge Co.				6,429,170	7	5.47
Genventures, Inc.				9,294,230	3	7.90
Americold Real Estate LP				6,905,370	6	5.87
GMS Realty Co.				6,349,630	8	5.40
Iter-Care				6,200,000	9	5.27
<b>Total</b>	<b>\$ 242,403,071</b>		<b>100.00</b>	<b>\$ 117,575,310</b>		<b>100.00</b>

Total assessed value

Source: Scott County Auditor



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**City of Bettendorf, Iowa**

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

Fiscal Year Ended June 30:	Tax Year	Net Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2005	2003	14,559,439	14,536,037	99.84
2006	2004	15,419,061	15,378,320	99.74
2007	2005	15,663,030	15,606,270	99.64
2008	2006	16,797,824	16,749,669	99.71
2009	2007	18,559,049	18,375,091	99.01
2010	2008	19,466,344	19,259,546	98.94
2011	2009	19,860,334	19,814,066	99.77
2012	2010	20,787,360	20,772,796	99.93
2013	2011	22,095,379	22,060,321	99.84
<b>2014</b>	<b>2012</b>	<b>22,985,618</b>	<b>22,959,076</b>	<b>99.88%</b>

**Source:** City records

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

Information not available by levy year.

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Delinquent Tax Collections	Total Collections to Date	
	Amount	Percentage of Levy
95,132	14,631,169	100.49
4,795	15,383,115	99.77
13,519	15,619,789	99.72
13,480	16,763,149	99.79
9,334	18,384,425	99.06
7,825	19,267,371	98.98
15,453	19,829,519	99.84
13,936	20,786,732	100.00
1,203	22,061,524	99.85
<b>11,363</b>	<b>22,970,439</b>	<b>99.93%</b>

**City of Bettendorf, Iowa**

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

Fiscal Year	General Bonded Debt			Net General Bonded Debt	Percentage of Actual Taxable Value of Property
	Governmental Activities General Obligation Bonds	Business Type Activities General Obligation Bonds	Less Amount Available in Debt Service		
2005	43,737,074	6,672,926	1,605,452	\$ 48,804,548	4.19
2006	43,972,916	8,432,084	1,202,568	\$ 51,202,432	4.16
2007	48,128,700	7,756,300	4,658,472	\$ 51,226,528	4.19
2008	50,208,700	12,151,300	724,672	\$ 61,635,328	4.89
2009	59,213,300	11,296,700	806,085	\$ 69,703,915	4.96
2010	76,265,200	13,739,800	8,105,133	\$ 81,899,867	5.55
2011	78,845,900	14,654,100	607,182	\$ 92,892,818	6.05
2012	93,826,249	15,990,813	7,306,137	\$ 102,510,925	6.16
2013	94,820,315	16,464,164	2,950,043	\$ 108,334,436	6.25
<b>2014</b>	<b>109,488,871</b>	<b>16,895,915</b>	<b>2,889,447</b>	<b>\$ 123,495,339</b>	<b>6.85</b>

**Source:** City records

\* Information not available

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Debt Per Capita	Other Governmental	Business Type	Total Primary Government	Percentage of Personal Income	Per Capita
	Activities	Activities			
	Debt Revenue Bonds	Debt Revenue Bonds			
1,560	5,865,000	1,010,000	\$ 55,679,548	9.98	\$ 1,725
1,637	5,120,000	740,000	\$ 57,062,432	9.53	\$ 1,754
1,638	4,320,000	460,000	\$ 56,006,528	9.31	\$ 1,826
1,971	3,465,000	180,000	\$ 65,280,328	9.51	\$ 1,987
2,229	2,140,000	13,565,000	\$ 85,408,915	12.42	\$ 2,596
2,466	1,180,000	13,055,000	\$ 96,134,867	14.22	\$ 3,138
2,797	-	12,510,000	\$ 105,402,818	13.48	\$ 3,191
3,005	-	11,925,000	\$ 114,435,925	14.96	\$ 3,665
3,261	-	11,300,000	\$ 119,634,436	*	\$ 3,690
<b>3,718</b>	-	<b>10,140,000</b>	\$ 133,635,339	*	\$ 4,110

**City of Bettendorf, Iowa**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended June 30, 2014  
(Unaudited)**

Name of Governmental Unit	Total General Long-term Bonded Debt Outstanding	Percent Applicable to the City of Bettendorf	Amount Applicable to the City of Bettendorf
School District, Bettendorf	\$ -	0.00%	\$ -
School District, North Scott	-	0.00%	-
School District, Pleasant Valley	2,100,000	68.93%	1,447,530
Scott County	12,455,000	24.35%	3,032,793
Eastern Iowa Community College	64,245,000	14.48%	9,302,676
	<u>78,800,000</u>		<u>13,782,999</u>
City of Bettendorf	109,488,871	100.00%	109,488,871
	<u>\$ 188,288,871</u>		<u>\$ 123,271,870</u>

**Source:** Scott County Auditor

**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. This process recognizes that, when considering the City'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.



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**City of Bettendorf, Iowa**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

	Fiscal Year			
	2005	2006	2007	2008
100% assessed valuation	\$ 2,024,482,166	\$ 2,169,267,269	\$ 2,228,991,261	\$ 2,307,506,214
Plus: Public gas and electric utilities	57,805,090	60,744,311	65,453,665	70,778,591
Plus: Captured tax increment value	60,265,733	66,666,168	69,956,005	113,012,248
Less: Military exemption	(4,517,028)	(4,457,764)	(4,397,572)	(4,389,236)
Total assessed valuation of the property of the City of Bettendorf	<u>\$ 2,138,035,961</u>	<u>\$ 2,292,219,984</u>	<u>\$ 2,360,003,359</u>	<u>\$ 2,486,907,817</u>
Debt limit, 5% of total actual valuation	\$ 106,901,798	\$ 114,610,999	\$ 118,000,168	\$ 124,345,391
Debt applicable to debt limit:				
Governmental activities general obligation bonds	43,737,074	43,972,916	48,128,700	50,208,700
Business-type activities TIF revenue bonds	5,865,000	5,120,000	4,320,000	3,465,000
Business-type activities general obligation bonds	6,672,926	8,432,085	7,756,300	12,151,300
	<u>56,275,000</u>	<u>57,525,001</u>	<u>60,205,000</u>	<u>65,825,000</u>
<b>Legal debt margin</b>	<u>\$ 50,626,798</u>	<u>\$ 57,085,998</u>	<u>\$ 57,795,168</u>	<u>\$ 58,520,391</u>

\* Information not available

Source: City records

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 2,604,249,920	\$ 2,670,904,026	\$ 2,734,995,434	\$ 2,802,773,226	\$ 2,911,324,449	\$ 2,962,542,596	
71,650,075	80,870,681	82,943,113	85,204,466	87,269,980	90,426,037	
122,409,826	125,373,346	109,976,871	82,751,531	74,877,772	78,344,205	
(4,306,822)	(4,245,706)	(4,197,554)	(4,148,478)	(4,063,286)	(3,959,644)	
<b>\$ 2,794,002,999</b>	<b>\$ 2,872,902,347</b>	<b>\$ 2,923,717,864</b>	<b>\$ 2,966,580,745</b>	<b>\$ 3,069,408,915</b>	<b>\$ 3,127,353,194</b>	
\$ 139,700,150	\$ 143,645,117	\$ 146,185,893	\$ 148,329,037	\$ 153,470,446	\$ 156,367,660	
59,213,300	76,265,200	78,845,900	91,440,000	91,755,000	105,550,000	
15,705,000	14,235,000	12,510,000	11,925,000	11,300,000	10,140,000	
11,296,700	13,739,800	14,654,100	15,680,000	16,165,000	16,480,000	
86,215,000	104,240,000	106,010,000	119,045,000	119,220,000	132,170,000	
<b>\$ 53,485,150</b>	<b>\$ 39,405,117</b>	<b>\$ 40,175,893</b>	<b>\$ 29,284,037</b>	<b>\$ 34,250,446</b>	<b>\$ 24,197,660</b>	

**City of Bettendorf, Iowa**

**Pledged-Revenue Coverage**

**Last Ten Fiscal Years**

*(dollars in thousands)*

**(Unaudited)**

Sewer Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	\$ 2,481,261	\$ 1,610,415	\$ 870,846	\$ 250,000	\$ 25,805	\$ 275,805
2006	2,593,811	1,689,887	903,924	270,000	21,430	291,430
2007	2,634,901	1,714,330	920,571	280,000	16,030	296,030
2008	2,558,846	1,750,477	808,369	280,000	10,430	290,430
2009	2,620,392	1,830,696	789,696	180,000	4,410	184,410
2010	2,571,232	2,003,140	568,092	-	-	-
2011	2,596,567	2,011,581	584,986	-	-	-
2012	2,861,243	2,027,202	834,041	-	-	-
2013	2,977,498	2,015,705	961,793	-	-	-
<b>2014</b>	<b>3,308,437</b>	<b>2,130,936</b>	<b>1,177,501</b>	-	-	-

**Source:** City records

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Tax Increment Financing Bonds

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Tax Increment Financing Revenue	Debt Service		Coverage
	Principal	Interest	
\$ 1,175,808	\$ 700,000	\$ 508,018	\$ 1,208,018
1,217,433	745,000	460,855	1,205,855
1,215,580	800,000	407,575	1,207,575
1,150,068	855,000	349,600	1,204,600
1,541,249	1,785,000	1,064,737	2,849,737
2,246,183	1,470,000	1,145,235	2,615,235
3,140,542	1,725,000	1,012,430	2,209,449
2,329,649	585,000	866,259	1,451,259
2,080,391	625,000	823,467	1,448,467
<b>2,038,969</b>	<b>1,160,000</b>	<b>614,117</b>	<b>1,774,117</b>

**City of Bettendorf, Iowa**

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

Fiscal Year Ended June 30,	Population (3)	Personal Income (1)	Per Capita Personal Income (1)	Building Permits (4)		School Enrollment (2)	Unemployment Rate (3)
				Number of Permits	Assessed Value of Permits		
2005	31,275	5,738,432	36,195	1,298	67,539,589	4,896	3.4
2006	31,275	6,112,472	38,299	1,488	105,551,442	4,822	2.8
2007	31,275	6,515,556	40,703	1,179	60,087,091	4,955	3.3
2008	31,275	6,938,518	42,877	1,328	102,484,540	4,962	3.6
2009	31,275	6,942,723	42,442	1,143	45,307,916	4,975	6.0
2010	33,217	7,332,919	44,233	1,128	36,350,429	5,101	5.5
2011	33,217	7,861,586	47,026	1,667	22,771,605	5,194	5.5
2012	33,217	8,137,008	48,205	1,236	67,240,197	5,152	5.3
2013	33,217	*	*	1,171	71,143,183	5,221	4.6
<b>2014</b>	<b>33,217</b>	*	*	<b>1,293</b>	<b>94,395,514</b>	<b>5,150</b>	<b>4.7</b>

**Sources:**

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

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

(3) Iowa Workforce Development

(4) City records

\* Information not available

## City of Bettendorf, Iowa

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Aluminum Company of America	2,300	1	2.76%	2,200	1	2.69%
Isle of Capri ( formerly Lady Luck Casino)	1,050	2	1.26%	837	2	1.02%
Bettendorf Community School District	603	3	0.72%	593	3	0.72%
Pleasant Valley School District	502	4	0.60%			
Eastern Iowa Community College District	402	5	0.48%	461	4	0.56%
Sivyer Steel	255	6	0.31%	283	8	0.35%
HyVee Food Stores	375	7	0.45%	400	5	0.49%
City of Bettendorf	414	8	0.50%	308	7	0.38%
Genesis	315	9	0.38%			
Trinity	212	10	0.25%			
Mississippi Bend Area Education Agency				375	6	0.46%
The Lodge, Inc. (formerly Jumer's Castle Lodge)				136	10	0.17%
The Schebler Co.				154	9	0.19%
<b>Total</b>	<b>6,428</b>		<b>7.72%</b>	<b>5,747</b>		<b>7.02%</b>

Total County Employment as of 6/30/2013: 83,310

Total County Employment in 2004: 81,910

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

**City of Bettendorf, Iowa**

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

<b>Fund Type/Function</b>	Full-Time Equivalent Employees for Fiscal Year Beginning July 1			
	<b>2014</b>	2013	2012	2011
<b>General Fund:</b>				
Administration	1.94	1.84	1.84	1.84
Community & Economic Development	10.50	10.00	10.50	9.50
Elected officials	13.00	13.00	13.00	13.00
Fire department	27.50	27.50	26.50	26.50
Finance	6.24	6.22	6.22	6.22
Human resources	1.88	1.88	1.88	1.88
Library	30.91	32.04	32.15	32.02
Legal	1.11	1.11	1.11	1.11
Police	55.14	55.33	55.74	55.64
Parks and recreation	8.50	8.60	8.80	8.80
Public works	6.34	6.34	6.12	6.42
<b>Special revenue funds:</b>				
Administration	0.05	0.15	0.15	0.15
Community development	1.50	2.00	2.50	1.50
Economic development	-	-	-	1.00
Finance	0.33	0.33	0.34	0.34
Human resources	0.10	0.10	0.10	0.10
Legal	0.01	0.01	0.01	0.01
Parks and recreation	-	-	-	-
Public works	22.22	23.14	23.24	23.24
<b>Enterprise funds:</b>				
Administration	0.01	0.01	0.01	0.01
Finance	1.43	1.42	1.42	1.42
Human resources	0.02	0.02	0.02	0.02
Legal	0.03	0.03	0.03	0.03
Museum	19.28	17.81	17.33	17.70
Parks and recreation	8.63	7.77	8.53	10.53
Public works	35.67	36.49	37.58	37.52
<b>Internal service funds:</b>				
Finance	4.02	4.02	4.02	4.02
Legal	-	-	-	-
Public works	6.86	6.40	6.16	6.16
<b>Total</b>	<b>263.22</b>	<b>263.56</b>	<b>265.30</b>	<b>266.68</b>
<b>Budget book personnel summary</b>				
Officials	13.00	13.00	13.00	13.00
Administration	4.00	4.00	4.00	4.00
Legal	1.15	1.15	1.15	1.15
Finance	12.00	12.00	12.00	12.00
Community & Economic Development	12.00	12.00	13.00	12.00
Public works	71.11	72.35	72.10	73.34
Police	55.14	55.34	55.74	55.64
Fire	27.50	27.50	26.50	26.50
Library	30.91	32.04	32.15	32.02
Museum	19.28	17.81	18.33	17.70
Parks	17.13	16.37	17.33	19.33
<b>Total</b>	<b>263.22</b>	<b>263.56</b>	<b>265.30</b>	<b>266.68</b>

Source: City of Bettendorf Budget Books

Full-Time Equivalent Employees for Fiscal Year Beginning July 1

2010	2009	2008	2007	2006	2005
1.83	1.82	1.82	1.78	1.77	1.92
9.50	9.50	9.50	9.50	8.50	8.50
13.00	13.00	13.00	13.00	13.00	13.00
26.50	23.50	23.50	20.50	20.50	20.50
6.21	5.17	5.17	5.17	4.80	4.80
1.80	1.81	1.80	1.80	1.80	1.77
31.67	30.91	30.91	30.91	29.63	29.63
1.08	1.08	1.08	1.07	1.07	1.05
63.06	62.84	62.62	62.62	62.60	61.10
8.80	9.49	9.20	9.59	13.50	13.50
6.42	6.46	6.37	6.28	12.61	12.61
0.15	0.15	0.15	0.20	0.20	0.05
1.50	1.50	2.50	2.50	2.20	2.20
1.00	1.00	1.00	1.00	1.00	1.00
0.34	0.34	0.35	0.35	0.36	0.36
0.10	0.10	0.10	0.10	0.10	0.10
0.01	0.01	0.01	0.02	0.02	0.02
-	-	-	-	-	-
23.24	22.44	22.44	22.95	22.95	22.95
0.03	0.03	0.03	0.03	0.03	0.03
1.44	1.48	1.46	1.46	1.59	1.59
0.10	0.09	0.10	0.10	0.10	0.13
0.06	0.05	0.06	0.05	0.05	0.07
17.60	16.85	16.98	16.98	18.94	18.94
10.67	10.02	10.31	9.92	44.46	44.46
35.08	34.74	34.23	32.87	31.19	31.19
4.02	4.02	5.02	5.02	5.00	5.00
-	-	-	0.01	0.01	0.01
6.16	6.16	5.16	6.35	6.25	6.25
271.37	264.56	264.87	262.13	304.23	302.73
13.00	13.00	13.00	13.00	13.00	13.00
4.00	4.00	4.00	4.01	4.00	4.00
1.15	1.15	1.15	1.15	1.15	1.15
12.00	11.00	12.00	12.00	11.75	11.75
12.00	12.00	13.00	13.00	11.70	11.70
70.90	69.80	68.20	68.45	73.00	73.00
63.06	62.84	62.62	62.62	62.60	61.10
26.50	23.50	23.50	20.50	20.50	20.50
31.67	30.91	30.91	30.91	29.63	29.63
17.60	16.85	16.98	16.98	18.94	18.94
19.47	19.51	19.51	19.51	57.96	57.96
271.35	264.56	264.87	262.13	304.23	302.73

**City of Bettendorf, Iowa**

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

Function/Program	Fiscal Year			
	04/05	05/06	06/07	07/08
<b>Police:</b>				
Calls for service	40,000	37,015	40,136	39,505
# of Group A offenses	2,100	1,801	1,771	1,830
# of Group B offenses	855	882	1,033	468
Traffic citations	6,000	8,640	11,380	8,847
<b>Fire:</b>				
Fire call volume	741	606	544	823
EMS call volume	1,520	1,611	1,631	1,831
Property loss	\$ 500,000	\$ 894,288	\$ 4,913,775	\$ 475,685
<b>Building safety:</b>				
Total building permits	3,300	4,112	3,306	3,291
Total revenue generated by permits	\$ 417,000	\$ 785,142	\$ 463,714	\$ 461,722
<b>Library:</b>				
Number of materials circulated	524,487	563,732	559,109	560,000
Number of registered borrowers	21,866	24,221	21,177	21,000
<b>Public Works:</b>				
Garbage collected (ton)	8,334	7,410	7,857	7,769
Recycle collected (ton)	2,680	2,671	2,661	2,668
Miles of streets maintained	187	195	195	220
Number of traffic signals	270	290	290	320
Miles of sanitary sewers maintained	162	174	178	178
<b>Parks and Recreation:</b>				
Recreation program attendance	152,976	128,350	135,486	135,500
Aquatics program attendance	46,086	42,240	41,424	47,799
Golf rounds played	32,750	34,812	32,209	30,026
Fitness Center memberships sold	1,393	1,495	1,658	1,687
Acres maintained	563	580	585	585

**Source:** City records

\* Information not available.

Fiscal Year						
08/09	09/10	10/11	11/12	12/13	13/14	
40,962	35,683	29,114	25,643	24,616	<b>23,798</b>	
1,836	1,151	1,127	970	768	<b>1,289</b>	
466	470	235	173	148	<b>751</b>	
5,999	5,576	4,624	4,330	4,563	<b>3,404</b>	
526	953	922	1,099	381	<b>385</b>	
1,653	1,896	1,904	1,973	2,846	<b>3,034</b>	
\$ 500,000	\$ 411,365	\$ 1,314,530	\$ 1,896,705	\$ 452,170	<b>\$ 991,001</b>	
3,200	2,817	1,667	3,554	3,301	<b>3,754</b>	
\$ 359,784	\$ 533,574	\$ 504,038	\$ 558,859	\$ 576,135	<b>\$ 720,489</b>	
552,686	605,325	602,775	620,206	624,484	<b>622,951</b>	
22,264	20,375	22,608	22,936	23,000	<b>20,087</b>	
9,055	9,305	9,100	7,950	8,196	<b>8,362</b>	
2,676	2,320	2,496	2,321	2,140	<b>2,057</b>	
221	221	221	223	223	<b>223</b>	
345	345	345	345	345	<b>345</b>	
179	179	179	180	180	<b>180</b>	
87,404	86,218	88,006	76,626	112,040	<b>123,050</b>	
56,606	40,312	46,531	58,879	48,852	<b>50,226</b>	
30,066	29,519	28,490	27,384	25,417	<b>25,691</b>	
1,725	1,923	1,822	1,874	1,862	<b>1,733</b>	
585	585	585	585	585	<b>585</b>	

**City of Bettendorf, Iowa**

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Police:				
Stations	1	1	1	1
Squad cars	14	18	18	18
Fire, fire stations	4	4	4	4
Refuse collection:				
Collection trucks	11	12	12	12
Streets (miles)	195	195	220	221
Traffic signals	270	290	290	320
Parks and recreation:				
Acreage	563	580	585	585
Parks	21	21	21	21
Golf course	1	1	1	1
Baseball/softball diamonds	32	32	32	32
Soccer/football fields	8	8	8	8
Basketball courts	9	9	9	9
Tennis courts	8	8	8	8
Swimming pools	1	1	1	1
Parks with playground equipment	16	16	16	16
Picnic shelters	6	6	6	6
Community centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	524,487	150,242	153,000	153,000
Wastewater:				
Sanitary sewers (miles)	162	174	178	178
Storm sewers (miles)				

**Source:** City records

Fiscal Year						
2009	2010	2011	2012	2013	<b>2014</b>	
1	1	1	1	1	1	<b>1</b>
18	18	18	18	18	19	<b>19</b>
4	4	4	4	4	4	<b>4</b>
13	13	13	13	13	13	<b>14</b>
221	221	221	223	223	223	<b>223</b>
345	345	345	345	345	345	<b>345</b>
585	585	585	585	585	585	<b>585</b>
21	21	21	21	21	21	<b>21</b>
1	1	1	1	1	1	<b>1</b>
32	32	32	32	32	32	<b>32</b>
8	8	8	8	8	8	<b>8</b>
9	9	9	9	9	9	<b>9</b>
8	8	8	8	8	8	<b>8</b>
1	1	1	1	1	1	<b>1</b>
16	16	16	16	16	16	<b>16</b>
6	6	6	6	6	6	<b>6</b>
1	1	1	1	1	1	<b>1</b>
1	1	1	1	1	1	<b>1</b>
153,000	175,000	201,699	195,075	200,000	200,000	<b>200,000</b>
179	179	179	180	180	180	<b>180</b>



**Bettendorf** IOWA  
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**City of Bettendorf, Iowa**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
Direct Program, Urban Mass Transit Formula Grants,			
Federal Transit - Formula Grants	IA-90-X386-00	20.507	\$ 500,538
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety Police Traffic Services	13-04, Task 05	20.600	15,970
State and Community Highway Safety Police Traffic Services	14-402, Task 03	20.600	29,619
Subtotal			<u>45,589</u>
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	HDP-0587(626)--71-82	20.205	88,292
Highway Planning and Construction	STP-U-0587(627)-70-82	20.205	17,368
Highway Planning and Construction	STP-E-0587(634)-8V-82	20.205	708,591
Highway Planning and Construction	STP-U-0587(636)-70-82	20.205	68,558
Highway Planning and Construction	STP-U-0587(630)-70-82	20.205	(8,074)
Subtotal			<u>874,735</u>
Urban Mass Transit, Riverfront Circulator	95-X003-587-09	20.507	65,719
			<u>940,454</u>
			<u>1,486,581</u>
<b>U.S. Department of Justice</b>			
Passed through the Scott County Attorney's office:			
AVI/AVZ Grant	2011-DJ-BX-2273	16.738	67,240
AUV Grant	2010- DJ-BX-0797	16.738	16,833
Subtotal			<u>84,073</u>
Bulletproof Vest Program	N/A	16.607	4,181
<b>Total U.S. Department of Justice</b>			<u>88,254</u>
<b>Executive Office of the President</b>			
Passed through Quad City Metropolitan Enforcement Group,			
HIDTA Overtime Reimbursement	G11MW0002A	95.001	4,059
<b>Department of Homeland Security</b>			
Direct Program, Port Security Grant	EMW2011PU00210	97.056	8,881
			<u>8,881</u>
			<u>\$ 1,587,775</u>

See Notes to Schedule of Expenditures of Federal Awards.



Bettendorf IOWA  
*a premier city*

**City of Bettendorf, Iowa**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bettendorf, Iowa for the year ended June 30, 2014. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. In addition, for governmental funds, revenue from federal awards is recognized when it also becomes both measurable and available.

Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principals contained in OMB Circular A-87, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business. Pass-through entity identifying numbers are presented where available.

**Note 3. Total by Program**

The total for the Federal Transit Grant CFDA No. 20.507 is \$566,257.

**City of Bettendorf, Iowa**

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

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Finding	Status	Corrective Action Plan or Other Explanation
<b>Other Findings Related to Required Statutory Reporting</b>		
13-IV-F    The City did not publish a summary of all receipts received monthly.	Corrected	
13-IV-J    The Tax Increment Financing Fund had a deficit fund balance of \$162,782 as of June 30, 2013.	Uncorrected	See finding and corrective action plan at 14-IV-J.



**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 Bettendorf, Iowa  
Bettendorf, 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, each major fund, and the aggregate remaining fund information of City of Bettendorf, 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 5, 2014.

**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*. However, we noted certain immaterial instances of noncompliance that is described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory or 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 financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory or other legal matters are not intended to constitute legal interpretations of those statutes.

## **The City's Response to Findings**

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

## **Purpose of this Report**

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



Davenport, Iowa  
December 5, 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 Bettendorf, Iowa  
Bettendorf, Iowa

#### Report on Compliance for Each Major Federal Program

We have audited the City's (the 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 the City's major federal program for the year ended June 30, 2014. The City's major federal program is 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 the City's major federal program 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 the 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 the major federal program 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



Davenport, Iowa  
December 5, 2014

**City of Bettendorf, Iowa**

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

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**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiencies identified?
- Noncompliance material to financial statements noted?

- Yes  No
- Yes  None Reported
- Yes  No

**Federal Awards**

Internal control over major programs:

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

- Yes  No
- Yes  None Reported

Type of auditor's report issued on compliance for major programs: 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
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee?

- Yes  No

(Continued)

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

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

**A. Internal Control**

None reported

**B. Compliance Findings**

None reported

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

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

None reported

**B. Instances of Noncompliance**

None reported

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

**14-IV-A Certified Budget**

No expenditures exceeded the amended certified budget amounts.

**14-IV-B Questionable Disbursements**

No questionable disbursements were noted.

**14-IV-C Travel Expense**

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

**14-IV-D Business Transactions**

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

**14-IV-E Bond Coverage**

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

(Continued)

**City of Bettendorf, Iowa**

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

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**14-IV-F Council Minutes**

We noted no months where the Council minutes were not published. However, we noted instances where the minutes were not published within the required 15 days.

Finding: The City is required to publish council minutes within 15 days of a Council meeting. The City posted minutes for each meeting during the year, but two of the five minutes tested were published within 17 days of the meeting.

Recommendation: The City should publish the Council minutes within the required 15 days after the Council meeting.

Response and Corrective Action Plan: This task has been assigned to a new employee who has been diligent about posting timely.

**14-IV-G Deposits and Investments**

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

**14-IV-H Revenue Notes**

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

**14-IV-I Telecommunication Services**

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

**14-IV-J Deficit Balances**

Finding: The Tax Increment Financing Fund has a deficit fund balance of \$109,435 as of June 30, 2014.

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

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

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

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

**City of Bettendorf, Iowa**

**Corrective Action Plan  
Year Ended June 30, 2014**

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Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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**Other Findings Related to Required Statutory Reporting**

14-IV-F	The City did not publish Council minutes for two of five meetings tested within 15 days after the Council meetings.	See corrective action plan at 14-IV-F.	June 2015	Carol Barnes Finance Director
14-IV-J	The Tax Increment Financing Fund has a deficit balance of \$109,435 as of June 30, 2014.	See corrective action plan at 14-IV-J.	June 2015	Carol Barnes Finance Director