



CITY OF CEDAR RAPIDS, IOWA



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015



About the Cover

Animal Care & Control Center, 900 76th Avenue Drive SW: The Animal Control and Care Center is a 14,000 square-foot animal shelter that has the capability to house up to 43 dogs and 124 cats at one time. The \$4.55 million new facility was funded with a Federal Emergency Management Agency Public Assistance Disaster Grant for \$1 million and the remaining funding coming from local option sales tax funds. The new facility location provides ready access to I-380 and Hwy 30, which allows efficient response routes to all areas of the community.

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF CEDAR RAPIDS, IOWA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**PUBLISHED BY
FINANCE DEPARTMENT**

**CITY OF
CEDAR RAPIDS, IOWA**

CITY OF CEDAR RAPIDS, IOWA

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CEDAR RAPIDS

City of Five Seasons®



December 28, 2015

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

The City of Cedar Rapids, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Rapids, Iowa (City) for the fiscal year ended June 30, 2015 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

RSM US, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2015. The independent auditor’s report is located at the front of the financial section of this report.

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

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

PROFILE OF THE CITY OF CEDAR RAPIDS

The City of Cedar Rapids, incorporated in 1849, is located twenty-five miles north of Iowa City and one hundred-thirty miles east of Des Moines, the State Capitol. Cedar Rapids is an important manufacturing, service, and trade area servicing an eight county area with a combined population estimated at 479,394 and occupies 71 square miles. The population of Linn County based upon the 2014 census is 217,751 of which 129,195 reside within Cedar Rapids. The City of Cedar Rapids is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

The City of Cedar Rapids is finishing the rebuilding of its facilities and infrastructure that were damaged due to the 2008 flood. Overall, the community recovery costs are estimated to be \$5 billion dollars and it will take as long as 20 years to complete the demolition, reconstruction, and installation of adequate flood control system for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with finalizing recovery efforts.

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

Progress with flood recovery can clearly be seen throughout the flood impacted area as property buyouts and structures demolition have been completed. In addition, the City has completed construction of major facilities such as the Main Library, the Convention Center and Arena, the Hotel, City Services Building, Ground Transportation Center, and the Central Fire Station.

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

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

- The City ranks in top 10% of nation's best affordable places to live.
- The City ranks 7th most livable city for median cities (pop. 100,000 to 500,000)
- The City ranks 6th best place to start a business in the nation.
- The City was the 1st in State of Iowa to install protected bike lanes.
- Cedar Rapids Public Library received 2015 American Institute of Architects/American Library Association Library Building Award.
- The City ranked 65 in 2015 Top 100 places to live.
- The City ranked 6th best budgeters in the United States

Cedar Rapids is one of only seven cities in Iowa to have adopted a complete streets policy – directing transportation planners and engineers to design road improvement projects that enable safe access to all users, regardless of age, ability or mode of transportation.

The City of Cedar Rapids is committed to using community resources and incentives as a catalyst to promote business growth and investment by the private sector. The following five (5) objectives, adopted by the City Council in the Economic Development Investment Policy, provide a framework for consideration to ensure both sound investment and quality results.

1. Facilitates significant investment that demonstrates growth of the tax base and strong commitment to the community.
2. Facilitates creation or retention of high-quality jobs.
3. Encourages diversification in the regional economic cluster and employment base.
4. Provides a long-term community benefit in return for the City's investment.
5. Demonstrates quality development that exceeds City development standards and is consistent with the City's Smart Growth Development principles.

Refining our Economic Development Strategy

The City of Cedar Rapids recently partnered with AngelouEconomics, one of the nation's leading economic development consulting firms, to develop a comprehensive strategy to leverage Cedar Rapids' assets for future economic prosperity.

Cedar Rapids' unemployment rate decreased 0.7% to 3.8% for fiscal year ending 2015, which is slightly higher than the state unemployment rate of 3.7% and is lower than the national unemployment rate of 5.3% for the same time period.

The Cedar Rapids MSA mean household income in 2015 was \$57,746 as compared to \$57,520 in 2014. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2015 was approximately \$237.4 million. This compares with an amount of \$231.0 million for FY 2014.

Long-term financial planning

The minimal fund balance in the general fund is \$29.2 million or 70% of total fund balance less nonspendable fund balance. This percentage falls within the City's policy guidelines for reserves, which at a minimum must be 25 percent of next fiscal year's budgeted general fund expenditures as established by Council resolution. By maintaining an appropriate reserve balance the City is able to react to both known and unknown events that will have an impact on the City finances without disrupting services provided to its citizens in the short term.

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

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

Relevant financial policies

Internal Controls

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

Single Audit

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

Budgetary Controls

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

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

Debt Administration

The City's debt management policy strives to repay 30 to 60 percent of the principal amount of its general obligation debt within five years and at least 60 percent within ten fiscal years. Capital projects financed through issuance of debt are programmed to be paid off completely within the expected useful life of the capital project. Currently, the City is on pace to repay over 68 percent of its GO debt and over 65 percent of all debt within ten fiscal years. Moody's Investor Services rate the City's general obligation bonds Aa1. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base.

Cash Management

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

Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer and retention. Safety and loss prevention programs help identify and reduce the City's exposures to risks. Risks that cannot be eliminated or reduced are transferred when possible and cost effective. Retaining risks by self-funding enables the City to stabilize insurance costs, build a fund to provide a reliable and constant source of funds to pay claims, and seeks to provide a high level of service by handling claims promptly and courteously. During fiscal year 2015, the City purchased liability insurance to cover its airport, underground fuel tanks, two specific vehicles used in housing operations and liquor liability. The City self-insures up to \$500,000 for its general liability, errors and employment practices liability, police liability, auto liability and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund with claims exceeding \$500,000 being covered through purchasing of an insurance policy. The City also self-insures its health insurance and dental insurance in addition has purchased stop loss insurance to protect the health fund. Workers compensation is self-insured and does not use excess insurance. The City's property exposures are insured through a large deductible program. The City accounts for and finances its retained risks through the Risk Management Internal Service Fund. In compliance with Statement 10 of the Governmental Accounting Standards Board, the City's financial statements show as an expense and liability the estimated cost of all claims which have occurred. Claim liabilities are based on the estimated total cost of all claims including claims reported but not settled and claims incurred but not reported. The tort liability and workers' compensation claims liabilities are shown at a 95% confidence level, as determined by an independent actuary, in the City's June 30, 2015 financial statements. The amount of incurred but unpaid health and dental bills were determined by an independent actuary along with calculations to comply with Statement 45 of the Governmental Accounting Standards Board.

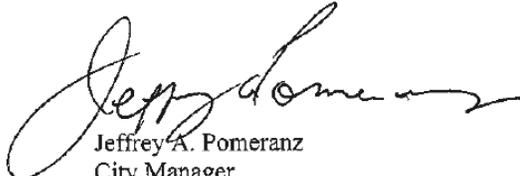
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids, Iowa, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the thirty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

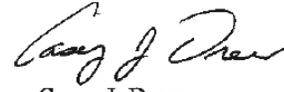
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Jeffrey A. Pomeranz
City Manager



Casey J. Drew
Finance Director



Government Finance Officers Association

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

Presented to

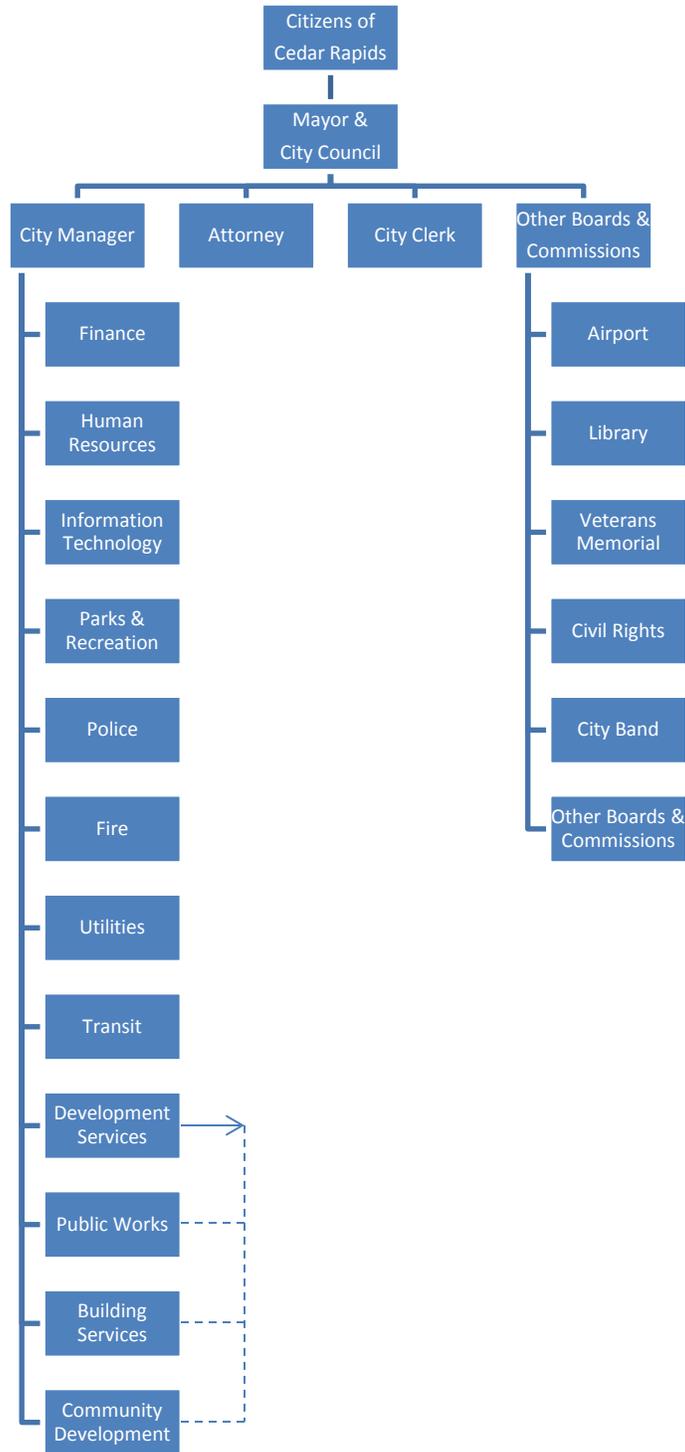
**City of Cedar Rapids
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

The City of Cedar Rapids Organizational Chart



CITY OF CEDAR RAPIDS, IOWA

City Manager Form of Government

CITY COUNCIL

Ron Corbett
Mayor

Sussie Weinacht
At-Large

Ann Poe
At-Large

Ralph Russell
At-Large

Kris Gulick
District 1

Monica Vernon
District 2

Pat Shey
District 3

Scott Olson
District 4

Justin Shields
District 5

STAFF

Casey J. Drew, CPA
Finance Director

Jeffrey A. Pomeranz
City Manager



RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of one of the discretely presented component units, Cedar Rapids Public Library Foundation, which represents 3 percent, 3 percent and 1 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cedar Rapids Public Library Foundation, is based solely on the reports of the other auditors.

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

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, as of June 30, 2015, 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.

Emphasis of Matter

As explained in Note 19 to the basic financial statements, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contribution Made Subsequent to the Measurement Date*, which restated beginning net position, net pension liability and deferred outflows of resources of the governmental activities, business-type activities, each major enterprise fund, the aggregate remaining fund information and the aggregate discretely presented component units.

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 18-26, the budgetary comparison information on pages 87-89, the City's retiree healthcare plan schedule of funding progress on page 90 and the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System of Iowa pension plan schedules on pages 91-98, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, capital assets used in the operation of governmental funds and accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Davenport, Iowa
December 28, 2015



CEDAR RAPIDS

City of Five Seasons®

Management's Discussion and Analysis

As management of the City of Cedar Rapids, Iowa, we offer readers of the City of Cedar Rapids' financial statements this narrative overview and analysis of the financial statements of the City of Cedar Rapids for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-10 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Cedar Rapids exceeded its liabilities and deferred inflows of resources at the close of June 30, 2015, by \$975.9 million (net position).
- The government's total assets increased by approximately \$63.6 million.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of \$127.8 million, which is an increase of 26.1% from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$39.0 million, or 32.3 percent of the total general fund expenditures.
- The City has a minimum fund balance policy of 25% of next year's budgeted general fund expenditures. The minimum fund balance for fiscal year 2015 is \$29.2 million or 70.0% of total fund balance less nonspendable.
- Total debt decreased by \$4.2 million during the current fiscal year. The City issued \$11.7 million of new general obligation bonds, refunded \$25.8 million in general obligation bonds, issued \$17.0 million of revenue bonds and retired \$58.7 million of existing bonds and notes payable.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

Statement of Net Position for the Fiscal years Ended June 30, 2015 and 2014:

A condensed version of the Statement of Net Position as of June 30, 2015 and 2014 follows:

Table 1
Statement of Net Position
For Fiscal years Ending June 30, 2015 and 2014
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Cash and investments	\$ 196.1	\$ 164.1	\$ 81.3	\$ 76.0	\$ 277.4	\$ 240.1
Restricted assets	29.3	28.7	38.4	41.7	67.7	70.4
Other assets	141.6	146.2	24.4	23.2	166.0	169.4
Capital assets	687.7	660.5	544.1	538.9	1,231.8	1,199.4
Total assets	<u>1,054.7</u>	<u>999.5</u>	<u>688.2</u>	<u>679.8</u>	<u>1,742.9</u>	<u>1,679.3</u>
Deferred outflows of resources	<u>14.5</u>	<u>10.1</u>	<u>2.4</u>	<u>1.7</u>	<u>16.9</u>	<u>11.8</u>
Other liabilities	98.6	99.7	37.2	35.6	135.8	135.3
Noncurrent liabilities	<u>236.0</u>	<u>245.4</u>	<u>281.6</u>	<u>286.9</u>	<u>517.6</u>	<u>532.3</u>
Total liabilities	<u>334.6</u>	<u>345.1</u>	<u>318.8</u>	<u>322.5</u>	<u>653.4</u>	<u>667.6</u>
Deferred inflows of resources	<u>121.2</u>	<u>100.1</u>	<u>9.3</u>	<u>4.7</u>	<u>130.5</u>	<u>104.8</u>
Net position:						
Net investment in capital assets	552.2	523.4	280.4	280.1	832.6	803.5
Restricted	43.9	46.4	-	-	43.9	46.4
Unrestricted	17.3	(5.4)	82.1	74.2	99.4	68.8
Total net position	<u>\$ 613.4</u>	<u>\$ 564.4</u>	<u>\$ 362.5</u>	<u>\$ 354.3</u>	<u>\$ 975.9</u>	<u>\$ 918.7</u>

Governmental Activities

Total net position increased \$49.0 million or 8.7 percent for fiscal year 2015. The change is mainly an increase in improvements & structures due to increase in infrastructure capital projects and property acquired as part of the 2008 flood recovery process.

Business-Type Activities

Total net position increased \$8.2 million or 2.3 percent for fiscal year 2015. The increase is mainly due to an increase in capital improvement projects within the City.

Statement of Activities for the Fiscal years Ended June 30, 2015 and 2014:

A condensed version of the Statement of Activities as of June 30, 2015 and 2014 follows:

Table 2
Governmental and Business-type Activities
For Fiscal years Ending June 30, 2015 and 2014
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues						
Charges for services	\$ 45.5	\$ 40.2	\$ 116.7	\$ 111.1	\$ 162.2	\$ 151.3
Operating grants and contributions	45.6	55.3	3.9	3.9	49.5	59.2
Capital grants and contributions	40.1	61.6	4.5	9.4	44.6	71.0
General revenues:						
Property taxes	99.0	95.7	4.7	4.7	103.7	100.4
Hotel-Motel taxes	3.5	3.1	-	-	3.5	3.1
Local option sales taxes	19.3	18.5	-	-	19.3	18.5
Franchise taxes	6.7	7.0	-	-	6.7	7.0
Investment income	1.6	0.1	0.4	0.3	2.0	0.4
Gain on sale of assets	-	-	0.1	-	0.1	-
Total revenues	261.3	281.5	130.3	129.4	391.5	410.9
Expenses						
Public safety	75.5	116.3	-	-	75.5	116.3
Public works	41.7	47.7	-	-	41.7	47.7
Culture and recreation	19.3	22.6	-	-	19.3	22.6
Community and economic development	36.5	45.4	-	-	36.5	45.4
General government	33.8	26.9	-	-	33.8	26.9
Debt service	6.2	6.1	-	-	6.2	6.1
Water	-	-	29.9	32.7	29.9	32.7
Water pollution control	-	-	27.1	32.5	27.1	32.5
Sanitary sewer	-	-	7.3	8.1	7.3	8.1
U.S. cellular center	-	-	13.8	12.7	13.8	12.7
Doubletree by Hilton	-	-	11.1	10.3	11.1	10.3
Ground transportation system	-	-	8.7	11.1	8.7	11.1
Parking system	-	-	1.1	2.9	1.1	2.9
Solid waste management	-	-	11.9	11.5	11.9	11.5
Golf	-	-	3.3	4.2	3.3	4.2
Storm Sewer	-	-	1.6	1.5	1.6	1.5
Paramount theatre	-	-	3.7	4.0	3.7	4.0
Ice arena	-	-	1.9	1.6	1.9	1.6
Total expenses	213.0	265.0	121.4	133.1	334.4	398.1
Increase in net position before transfers	48.3	16.5	8.9	(3.7)	57.2	12.8
Transfers	0.7	(6.5)	(0.7)	6.5	-	-
Changes in net position	49.0	10.0	8.2	2.8	57.2	12.8
Beginning net position	564.4	554.4	354.3	351.5	918.7	905.9
Ending net position	\$ 613.4	\$ 564.4	\$ 362.5	\$ 354.3	\$ 975.9	\$ 918.7

Governmental Activities

Charges for services make up 17.4 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 32.8 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes & one-percent local option sales tax.

Business-type Activities

As expected, charges for services are the primary revenue source for business-type activities. Water fees, wastewater fees and sanitary sewer charges are the primary charges for services that make up 63.8 percent of charges for services. Operating and capital grants only make up 6.5 percent of overall revenue, grants for ground transportation system and sanitary sewer projects make up 84.1 percent of that amount.

Fund Financial Statements

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

Governmental Funds

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

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

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

The General Fund revenues increased \$7.1 million and expenditures increased \$6.0 million over the prior year thus resulting in an increase in the change in fund balance of \$1.7 million in the past two fiscal years. Property tax revenue increased \$0.4 million or 0.8 percent due to property tax valuations increasing 1.99% to \$5.87 billion. Personal services also increased \$2.7 million due to increase in retirement contribution rates and health insurance. The City's contribution rate to MFPRSI (Municipal Fire Police Retirement System of Iowa) increased from fiscal year 2014 to 2015 from 30.12% to 30.41% respectively. The City has continued to maintain its minimum fund balance policy of 25 percent of the next year's expenditure budget in the General Fund of \$29.2 million and is 70% of total fund balance, less nonspendable fund balance. Infrastructure Construction Fund expenditures increased by \$15.3 million or 86.5 percent due to increase in streets improvements. Revenue increased in the Infrastructure Construction Fund by \$10.2 million, resulting in a decrease in fund balance of \$9.8 million as compared to a decrease of \$4.7 million in the prior year. The Flood Fund had a increase in fund balance of \$26.9 million, which has led to the fund to have an overall positive fund balance of \$3.5 million.

Proprietary Funds

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

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

Water's change in net position increased in the current year by \$5.8 million as compared to an increase of \$7.2 million in fiscal year 2014. The decrease is related to operating revenues decreasing 1.5 percent in the current year. Water Pollution Control's change in net position increased in the current year by \$6.4 million as compared to an increase of \$0.4 million in fiscal year 2014. The increase is related to operating expenses decreasing 3.1 percent over in the current year. Sanitary Sewer's change in net position decreased \$2.8 million compared to an increase of \$4.3 million in fiscal year 2014. The decrease is related to the transfer of funds of \$6.0 to the Flood Fund to cover prior and future projects run through the City's Flood Fund.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-85 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 99-113 of this report.

Budgetary Highlights

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

The City had one budget amendment during the fiscal year that is our common practice. This amendment increased the expenditure budget by \$21.1 million to a total of \$600.3 million. This represented a 3.7 percent increase. Public safety expenditures increased due to charges for use of internal administrative services and bad debt expense. Community Development increased due to economic development grants and cost of internal administrative services. Debt service is increasing due to refunding of debt during the fiscal year. Enterprise funds decreased due to timing of capital improvement projects. Budgetary comparison can be found on pages 87-88 of this report.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2015, the City had invested \$1.2 billion in capital assets as reflected in the following table. This investment includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 116.8	\$ 126.9	\$ 21.9	\$ 21.9	\$ 138.7	\$ 148.8
Building and structures	146.6	106.4	209.9	218.1	356.5	324.5
Improvements other than buildings	344.3	288.3	271.6	257.0	615.9	545.3
Machinery and equipment	45.0	28.9	12.3	12.1	57.3	41.0
Construction in progress	35.0	110.0	28.4	29.8	63.4	139.8
Total	<u>\$ 687.7</u>	<u>\$ 660.5</u>	<u>\$ 544.1</u>	<u>\$ 538.9</u>	<u>\$ 1,231.8</u>	<u>\$ 1,199.4</u>

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is \$687.7 million that represents a 4.1 percent increase. For business type activities the amount is \$544.1 million that is a 1.0 percent increase. Detail of this summary is presented on pages 55- 96 of the notes.

Table 4
Change in Capital Assets
(in millions)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Beginning Balance	\$ 660.5	\$ 597.0	\$ 538.9	\$ 526.7	\$ 1,199.4	\$ 1,123.7
Additions	63.9	91.4	25.6	32.8	89.5	124.2
Retirement	(14.9)	(10.8)	(2.9)	(2.2)	(17.8)	(13.0)
Depreciation, net	(21.8)	(17.1)	(17.5)	(18.4)	(39.3)	(35.5)
Ending Balance	<u>\$ 687.7</u>	<u>\$ 660.5</u>	<u>\$ 544.1</u>	<u>\$ 538.9</u>	<u>\$ 1,231.8</u>	<u>\$ 1,199.4</u>

Governmental Activities

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

- Street Improvements, \$31.4 million or 49.2% of total additions
- Flood recovery purchases, \$9.2 million or 14.3% of total additions
- Fleet purchases \$7.3 million or 11.5% of total additions

Business-type Activities

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

- Improvements at Water Pollution Control plant, \$12.2 million or 13.3% of total additions
- Improvements at Water Distribution plant, \$8.0 million or 8.7% of total additions
- Sanitary Sewer improvements, \$5.0 million or 5.4% of total additions

Additional information on the City of Cedar Rapids' capital assets can be found in note 7 on pages 55-58 of this report.

Debt Administration

The amount of debt outstanding at fiscal year end was \$443.5 million as compared to \$447.7 million last fiscal year. Of the total debt outstanding, \$315.2 million is backed by the full faith and credit of the City. The remainder is revenue debt and loans abated by enterprise revenues.

Table 5
Outstanding Debt at Year End
(in millions)

	Totals	
	2015	2014
Governmental		
General obligation	\$ 160.6	\$ 162.6
Business-type		
General obligation		
Abated by:		
Water	23.0	28.0
Water Pollution Control	23.2	26.8
Sanitary Sewer	11.9	13.7
U.S. Cellular Center	44.9	46.0
Doubletree by Hilton	44.4	46.3
Other	7.2	7.2
Sub-totals	<u>154.6</u>	<u>168.0</u>
Notes Payable		
Abated by:		
Water	29.9	31.6
Water Pollution Control	12.8	13.5
Other	-	0.2
Sub-totals	<u>42.7</u>	<u>45.3</u>
Revenue		
Abated by:		
Water	45.3	36.9
Water Pollution Control	30.8	25.8
Sanitary Sewer	9.5	9.1
Sub-totals	<u>85.6</u>	<u>71.8</u>
Totals	<u>\$ 443.5</u>	<u>\$ 447.7</u>

Moody's Investor Services rated the City's general obligation bonds Aa1.

For more detailed information on the City's debt and amortization terms, please refer to pages 68-73 of the Notes to the Financial Statements.

Economic Factors

Cedar Rapids' unemployment rate decreased 0.7% to 3.8% for fiscal year ending 2015, which is slightly higher than the state unemployment rate of 3.7% and is lower than the national unemployment rate of 5.3% for the same time period.

The Cedar Rapids MSA mean household income in 2015 was \$57,746 as compared to \$57,520 in 2014. These amounts are presented in 1996 constant dollar.

The total value of building permits in FY 2015 was approximately \$237.4 million. This compares with an amount of \$231.0 million for FY 2014.

Next Year's Budget and Rates

Approximately 70.7 percent of our operating costs in the General fund are for Personal Services. Changes in Personal Services can be due to changes in the pay rates, changes in benefits and cost of benefits, changes in number of employees, or any combination of these. The Personal Services within the General Fund increased by \$2.3 million or an increase of 2.9 percent.

Water, Sewer and Solid Waste fees combined are expected to increase approximately 2.2 percent in fiscal year 2016 for the average residential customer. The amount of dollar increase on the average residential user (usage of 10 units of water per month) will be \$21.72 annually. Even with these increases in rates, our combined water and sewer rates are still far below other large cities in Iowa that provide similar services.

Financial Information Contact

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



CEDAR RAPIDS

City of Five Seasons®

**City of Cedar Rapids, Iowa
Statement of Net Position
June 30, 2015**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
ASSETS						
Current assets:						
Cash and investments	\$ 196,130,711	\$ 81,255,492	\$ 277,386,203	\$ 150	\$ 5,186,574	\$ 6,005,494
Receivables:						
Taxes	103,098,740	4,858,394	107,957,134	-	-	-
Accounts and unbilled usage, net						
\$7,528,550 of allowance for doubtful accounts	9,361,344	10,723,804	20,085,148	832,628	757,697	722,908
Special assessments	4,029,808	-	4,029,808	-	-	-
Interest	388,764	363,646	752,410	-	23,569	-
Internal balances, net	(2,885,739)	2,885,739	-	-	-	-
Due from primary government	-	-	-	47,505,268	-	-
Due from other governments	15,407,161	3,889,857	19,297,018	1,712,187	228,957	-
Inventories	1,382,957	688,757	2,071,714	-	-	-
Land held for resale	5,147,708	-	5,147,708	-	-	-
Prepaid items	2,598,931	298,074	2,897,005	27,500	169,914	1,604
Other assets	245,200	707,996	953,196	-	-	-
Total current assets	334,905,585	105,671,759	440,577,344	50,077,733	6,366,711	6,730,006
Noncurrent assets:						
Restricted cash and investments	29,342,927	38,418,044	67,760,971	-	20,089,474	-
Notes receivable	2,760,657	-	2,760,657	-	-	-
Land	116,747,321	21,920,293	138,667,614	8,965,808	5,872,991	-
Buildings and structures	180,838,970	370,424,849	551,263,819	84,923,899	12,215,634	-
Improvements other than buildings	542,866,268	425,480,694	968,346,962	126,060,274	29,394,289	-
Machinery and equipment	84,513,380	30,059,808	114,573,188	6,339,974	6,847,186	11,557
Accumulated depreciation	(272,281,126)	(332,142,262)	(604,423,388)	(104,506,585)	(15,271,796)	(11,185)
Construction in progress	35,015,888	28,373,725	63,389,613	19,000,630	8,710	-
Total noncurrent assets	719,804,285	582,535,151	1,302,339,436	140,784,000	59,156,488	372
Total assets	1,054,709,870	688,206,910	1,742,916,780	190,861,733	65,523,199	6,730,378
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	14,455,401	2,432,817	16,888,218	292,754	213,751	-
Total deferred outflows of resources	14,455,401	2,432,817	16,888,218	292,754	213,751	-
LIABILITIES						
Current liabilities:						
Vouchers payable	17,418,276	8,519,548	25,937,824	2,876,134	515,614	429,245
Contracts payable	1,853,897	1,206,345	3,060,242	547,239	-	-
Claims and judgments payable	1,973,592	-	1,973,592	-	-	-
Accrued expenses	3,653,747	3,568,029	7,221,776	165,272	29,139	4,465
Revenues collected in advance	966,583	1,606,751	2,573,334	-	12,162	-
Due to component unit	47,505,268	-	47,505,268	-	-	-
Due to other governments	3,804,352	397,352	4,201,704	-	260,485	-
Due to general public	372,561	1,865	374,426	-	-	-
Security deposits	4,078	712,113	716,191	18,001	76,600	-
General obligation bonds payable, net	14,493,706	12,706,294	27,200,000	-	-	-
Revenue bonds payable, net	-	3,780,000	3,780,000	-	-	-
Interest payable	503,948	834,279	1,338,227	-	-	-
Closure/post closure landfill	-	-	-	-	359,192	-
Compensated absences	6,037,481	1,408,354	7,445,835	267,583	131,544	-
Note Payable	-	2,526,000	2,526,000	-	-	-
Total current liabilities	98,587,489	37,266,930	135,854,419	3,874,229	1,384,736	433,710
Noncurrent liabilities:						
Claims and judgments payable	11,964,951	-	11,964,951	-	-	-
General obligation bonds payable, net	150,318,037	144,973,952	295,291,989	-	-	-
Revenue bonds payable, net	-	83,791,696	83,791,696	-	-	-
Note Payable	-	40,233,920	40,233,920	-	-	-
Closure/post closure landfill	-	770,727	770,727	-	17,360,626	-
Post-employment liabilities	5,264,998	-	5,264,998	-	-	-
Compensated absences	204,560	48,693	253,253	-	-	-
Net pension liability	68,172,821	11,752,561	79,925,382	740,750	1,125,768	-
Total noncurrent liabilities	235,925,367	281,571,549	517,496,916	740,750	18,486,394	-
Total liabilities	334,512,856	318,838,479	653,351,335	4,614,979	19,871,130	433,710
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred outflows	23,467,020	4,482,087	27,949,107	596,950	431,431	-
Property taxes	97,755,110	4,830,136	102,585,246	-	-	-
Total deferred outflows of resources	121,222,130	9,312,223	130,534,353	596,950	431,431	-
NET POSITION						
Net investment in capital assets	552,231,885	285,181,418	837,413,303	140,784,000	39,067,014	372
Restricted for:						
Debt service	900,543	-	900,543	-	-	-
Donor restrictions - expendable	-	-	-	-	-	1,997,924
Donor restrictions - non-expendable	112,990	-	112,990	-	-	1,584,732
Community and economic development	11,435,500	-	11,435,500	-	-	-
General government	633,313	-	633,313	-	-	-
Public safety	556,730	-	556,730	-	-	-
Culture and recreation	1,848,818	-	1,848,818	-	-	-
Public works	109,546	-	109,546	-	-	-
SSMID projects	1,218,765	-	1,218,765	-	-	-
Capital projects	16,149,589	-	16,149,589	-	-	-
Flood recovery	10,975,285	-	10,975,285	-	-	-
Unrestricted	17,257,321	77,307,607	94,564,928	45,158,558	6,367,375	2,713,640
Total	\$ 613,430,285	\$ 362,489,025	\$ 975,919,310	\$ 185,942,558	\$ 45,434,389	\$ 6,296,668

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

**City of Cedar Rapids, Iowa
Statement of Activities
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 75,484,947	\$ 13,880,729	\$ 2,677,702	\$ 209,858
Public works	41,712,704	4,768,013	5,541,686	27,534,947
Culture and recreation	19,338,905	3,398,843	4,363,868	408,724
Community and economic development	36,510,740	2,664,507	27,140,389	6,638,645
General government	33,755,032	20,785,657	5,811,897	5,287,528
Interest on long-term debt	6,166,942	-	-	-
Total governmental activities	<u>212,969,270</u>	<u>45,497,749</u>	<u>45,535,542</u>	<u>40,079,702</u>
Business-type activities:				
Water	29,890,562	33,679,744	6,826	674,516
Water pollution control	27,085,717	32,976,588	18,622	-
Sanitary sewer	7,311,198	7,716,165	-	1,955,407
U.S. Cellular Center	13,798,661	10,075,277	-	497,960
DoubleTree by Hilton	11,079,544	9,918,527	-	-
Ground transportation system	8,696,186	1,133,690	3,764,791	1,342,334
Parking system	1,136,893	1,177,383	4,584	-
Solid waste management	11,865,450	9,980,061	60,101	-
Golf	3,275,241	2,601,524	41,732	-
Storm sewer	1,615,746	4,181,679	-	-
Paramount Theatre	3,715,189	1,853,066	-	-
Ice arena	1,896,615	1,355,487	-	-
Total business-type activities	<u>121,367,002</u>	<u>116,649,191</u>	<u>3,896,656</u>	<u>4,470,217</u>
Total primary government	<u>334,336,272</u>	<u>162,146,940</u>	<u>49,432,198</u>	<u>44,549,919</u>
Component units:				
Airport	16,204,014	18,087,633	104,889	7,794,866
Cedar Rapids / Linn County Solid Waste Agency	8,347,594	8,917,701	108,898	-
Cedar Rapids Public Library Foundation	521,397	-	2,166	-
Total component units	<u>25,073,005</u>	<u>27,005,334</u>	<u>215,953</u>	<u>7,794,866</u>

General revenues:
 Property taxes
 Hotel-Motel taxes
 Local option sales taxes
 Franchise taxes
 Investment income
 Gain on sale of assets
 Transfers
 Total general revenues and transfers

Change in net position
 Net position - beginning, as restated
 Net position - ending

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
\$ (58,716,658)	\$ -	\$ (58,716,658)	\$ -	\$ -	\$ -
(3,868,058)	-	(3,868,058)	-	-	-
(11,167,470)	-	(11,167,470)	-	-	-
(67,199)	-	(67,199)	-	-	-
(1,869,950)	-	(1,869,950)	-	-	-
(6,166,942)	-	(6,166,942)	-	-	-
<u>(81,856,277)</u>	<u>-</u>	<u>(81,856,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,470,524	4,470,524	-	-	-
-	5,909,493	5,909,493	-	-	-
-	2,360,374	2,360,374	-	-	-
-	(3,225,424)	(3,225,424)	-	-	-
-	(1,161,017)	(1,161,017)	-	-	-
-	(2,455,371)	(2,455,371)	-	-	-
-	45,074	45,074	-	-	-
-	(1,825,288)	(1,825,288)	-	-	-
-	(631,985)	(631,985)	-	-	-
-	2,565,933	2,565,933	-	-	-
-	(1,862,123)	(1,862,123)	-	-	-
-	(541,128)	(541,128)	-	-	-
-	3,649,062	3,649,062	-	-	-
<u>(81,856,277)</u>	<u>3,649,062</u>	<u>(78,207,215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	9,783,374	-	-
-	-	-	-	679,005	-
-	-	-	-	-	(519,231)
-	-	-	9,783,374	679,005	(519,231)
99,019,891	4,704,287	103,724,178	-	-	-
3,512,298	-	3,512,298	-	-	-
19,331,507	-	19,331,507	-	-	-
6,666,465	-	6,666,465	-	-	-
1,589,169	426,959	2,016,128	88,950	82,111	247,776
-	88,700	88,700	20,019	35,155	-
726,063	(726,063)	-	-	-	-
<u>130,845,393</u>	<u>4,493,883</u>	<u>135,339,276</u>	<u>108,969</u>	<u>117,266</u>	<u>247,776</u>
48,989,116	8,142,945	57,132,061	9,892,343	796,271	(271,455)
564,441,169	354,346,080	918,787,249	176,050,215	44,638,118	6,568,123
<u>\$ 613,430,285</u>	<u>\$ 362,489,025</u>	<u>\$ 975,919,310</u>	<u>\$ 185,942,558</u>	<u>\$ 45,434,389</u>	<u>\$ 6,296,668</u>

**City of Cedar Rapids, Iowa
Balance Sheet
Governmental Funds
June 30, 2015**

	General	Infrastructure Construction	Flood	Debt Service	Nonmajor Governmental Funds	Total
ASSETS						
Cash and investments	\$ 87,837,106	\$ 26,429,601	\$ 4,973,940	\$ 2,987,560	\$ 50,772,755	\$ 173,000,962
Receivables:						
Taxes	50,932,082	-	-	16,962,007	35,204,651	103,098,740
Accounts, net \$6,670,643 of allowance for doubtful accounts	6,238,574	1,850	5,301	-	36,660	6,282,385
Special assessments	402,488	3,561,191	-	-	66,129	4,029,808
Interest	246,472	-	-	-	141,405	387,877
Due from other funds	-	1,729,425	-	-	-	1,729,425
Due from other governments	172,454	1,787,832	5,313,182	-	8,083,479	15,356,947
Notes Receivable	-	-	119,893	-	2,640,764	2,760,657
Inventories	529,431	-	-	-	-	529,431
Land held for resale	-	-	5,147,708	-	-	5,147,708
Prepaid items	748,974	-	-	-	490,483	1,239,457
Other assets	47,690	-	-	-	-	47,690
Total assets	<u>147,155,271</u>	<u>33,509,899</u>	<u>15,560,024</u>	<u>19,949,567</u>	<u>97,436,326</u>	<u>313,611,087</u>
LIABILITIES						
Vouchers payable	3,632,220	4,109,883	5,004,962	36,953	2,679,201	15,463,219
Contracts payable	4,110	928,949	834,723	-	86,115	1,853,897
Accrued expenditures	3,297,288	-	23,434	-	63,791	3,384,513
Revenues collected in advance	107,289	3,324	4,714	-	827,085	942,412
Due to other funds	-	-	-	-	134,042	134,042
Advance from other funds	-	-	-	-	159,397	159,397
Due to component unit	47,505,268	-	-	-	-	47,505,268
Due to general public	10	-	-	-	372,551	372,561
Due to other governments	707,422	68,861	1,190,268	-	1,837,801	3,804,352
Security deposits	3,160	-	-	-	300	3,460
Total liabilities	<u>55,256,767</u>	<u>5,111,017</u>	<u>7,058,101</u>	<u>36,953</u>	<u>6,160,283</u>	<u>73,623,121</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	50,636,050	-	-	16,857,245	30,261,815	97,755,110
Unavailable revenue - other taxes	-	-	-	-	4,352,536	4,352,536
Unavailable revenue - intergovernmental	17,690	1,148,746	4,980,137	-	347,622	6,494,195
Unavailable revenue - special assessments	46,762	3,561,191	-	-	-	3,607,953
Total deferred inflows of resources	<u>50,700,502</u>	<u>4,709,937</u>	<u>4,980,137</u>	<u>16,857,245</u>	<u>34,961,973</u>	<u>112,209,794</u>
FUND BALANCES						
Nonspendable	1,278,405	-	5,147,708	-	603,473	7,029,586
Restricted	671,113	8,774,697	-	3,055,369	51,256,738	63,757,917
Committed	-	-	-	-	4,598,289	4,598,289
Assigned	200,000	14,914,248	-	-	-	15,114,248
Unassigned	39,048,484	-	(1,625,922)	-	(144,430)	37,278,132
Total fund balances	<u>41,198,002</u>	<u>23,688,945</u>	<u>3,521,786</u>	<u>3,055,369</u>	<u>56,314,070</u>	<u>127,778,172</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 147,155,271</u>	<u>\$ 33,509,899</u>	<u>\$ 15,560,024</u>	<u>\$ 19,949,567</u>	<u>\$ 97,436,326</u>	<u>\$ 313,611,087</u>

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

City of Cedar Rapids, Iowa
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2015

Fund balances-total governmental funds		\$ 127,778,172
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.		644,241,640
Other long-term assets not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds		14,454,684
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources	13,861,591	
Deferred inflows of resources	(22,373,016)	(8,511,425)
Internal service funds:		
Capital assets	43,459,061	
Other current assets	58,013,246	
Internal balances	159,397	
Deferred outflows of resources	593,810	
Other current liabilities	(4,518,396)	
Noncurrent liabilities	(20,099,906)	
Deferred inflows of resources	(1,094,004)	76,513,208
Internal service funds allocated to business-type activities		(4,481,122)
Long-term liabilities, including bonds payable, compensated absences payable, net pension liabilities and accrued interest payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(5,944,965)	
Net pension liability	(65,304,216)	
Bonds payable	(160,620,185)	
Bond premium	(4,484,664)	
Bond discount	293,106	
Accrued interest on long-term debt	(503,948)	(236,564,872)
Net position of governmental activities		\$ 613,430,285

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General	Infrastructure Construction	Flood	Debt Service	Nonmajor Governmental Funds	Total
Revenues:						
Property taxes	\$ 49,340,296	\$ -	\$ -	\$ 16,416,932	\$ 33,262,663	\$ 99,019,891
Hotel-Motel taxes	-	-	-	-	3,441,535	3,441,535
Local option sales taxes	-	-	-	-	19,331,507	19,331,507
Franchise taxes	6,666,465	-	-	-	-	6,666,465
Licenses and permits	2,482,865	-	-	-	43,725	2,526,590
Intergovernmental	2,215,603	3,639,718	44,552,779	474,690	29,914,445	80,797,235
Charges for services	22,222,674	54,212	-	-	217,532	22,494,418
Fines and forfeits	9,652,470	-	-	-	103,919	9,756,389
Use of money and property	899,681	128,064	10,034	335,572	107,639	1,480,990
Rents and royalties	659,852	16,214	20	-	340,699	1,016,785
Miscellaneous	708,266	214,460	649,586	-	1,769,838	3,342,150
Total revenues	<u>94,848,172</u>	<u>4,052,668</u>	<u>45,212,419</u>	<u>17,227,194</u>	<u>88,533,502</u>	<u>249,873,955</u>
Expenditures:						
Current:						
Public safety	62,472,698	-	1,023,961	-	913,855	64,410,514
Public works	20,664,248	1,294,533	3,524,040	-	285,797	25,768,618
Culture and recreation	15,751,294	-	1,398,972	-	637,029	17,787,295
Community and economic development	4,657,319	-	16,250,633	-	16,167,694	37,075,646
General government	17,154,325	-	1,193,319	-	292,193	18,639,837
Debt service:						
Principal	-	-	-	25,711,403	-	25,711,403
Interest	-	-	-	6,067,307	-	6,067,307
Bond issuance costs	-	-	-	343,725	-	343,725
Capital outlay	396,343	31,415,015	15,203,363	-	8,253,032	55,267,753
Total expenditures	<u>121,096,227</u>	<u>32,709,548</u>	<u>38,594,288</u>	<u>32,122,435</u>	<u>26,549,600</u>	<u>251,072,098</u>
Excess (deficiency) of revenues over expenditures	<u>(26,248,055)</u>	<u>(28,656,880)</u>	<u>6,618,131</u>	<u>(14,895,241)</u>	<u>61,983,902</u>	<u>(1,198,143)</u>
Other Financing Sources (Uses):						
Long-term debt issued	-	-	10,570,000	10,875,000	2,260,000	23,705,000
Premium on bonds issued	-	-	-	1,323,364	-	1,323,364
Discount on bonds issued	-	-	-	(72,424)	-	(72,424)
Proceeds from sale of capital assets	283,954	-	310,672	-	882,117	1,476,743
Transfers in	32,141,476	19,053,073	13,613,350	6,823,697	8,359,184	79,990,780
Transfers (out)	(4,526,906)	(178,265)	(4,177,250)	(3,741,425)	(66,119,783)	(78,743,629)
Total other financing sources (uses)	<u>27,898,524</u>	<u>18,874,808</u>	<u>20,316,772</u>	<u>15,208,212</u>	<u>(54,618,482)</u>	<u>27,679,834</u>
Net change in fund balances	1,650,469	(9,782,072)	26,934,903	312,971	7,365,420	26,481,691
Fund balances - July 1, 2014	39,547,533	33,471,017	(23,413,117)	2,742,398	48,948,650	101,296,481
Fund balances - June 30, 2015	<u>\$ 41,198,002</u>	<u>\$ 23,688,945</u>	<u>\$ 3,521,786</u>	<u>\$ 3,055,369</u>	<u>\$ 56,314,070</u>	<u>\$ 127,778,172</u>

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

**City of Cedar Rapids, Iowa
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2015**

Net change in fund balances-total governmental funds		\$	26,481,691
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>			
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>			
Capital outlay		55,267,753	
Contributions of capital assets		792,816	
Depreciation expense		<u>(20,519,803)</u>	35,540,766
Governmental funds reported proceeds from sale of capital assets			(1,476,743)
Loss on sale of capital assets			(10,416,355)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			2,829,401
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>			
Payments of bond principal		25,711,403	
Premium on bond issued		(1,323,364)	
Discount on bond issued		72,424	
Issuance of debt		(23,705,000)	
Accrued interest		15,812	
Amortization		228,278	999,553
The current year City employer share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the statement of net position.			9,991,105
<p>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, as follows:</p>			
Compensated absences			(227,326)
Pension expense			(18,846,354)
Internal service funds net change reported in governmental activities			3,789,827
Change in internal service funds activities allocated to business-type activities			323,551
Change in net position - governmental activities		<u>\$</u>	<u>48,989,116</u>

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

City of Cedar Rapids, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
ASSETS				
Current assets:				
Cash and investments	\$ 28,673,919	\$ 30,072,360	\$ 6,577,430	\$ 557,388
Receivables:				
Taxes	-	-	-	-
Accounts and unbilled usage, net				
\$810,110 of allowance for doubtful accounts	3,512,864	4,387,452	657	174,806
Interest	363,646	-	-	-
Due from other governments	6,829	4	1,267,933	-
Inventories	464,631	-	-	20,863
Prepaid items	48,757	25,518	300	52,158
Other assets	-	-	-	10,482
Total current assets	<u>33,070,646</u>	<u>34,485,334</u>	<u>7,846,320</u>	<u>815,697</u>
Noncurrent assets:				
Restricted cash and investments	15,902,349	12,530,948	3,436,679	767,624
Advance to other funds	-	-	-	-
Land	520,557	1,361,147	1,051,379	9,345,794
Buildings and structures	55,189,706	88,843,323	-	101,874,003
Improvements other than buildings	180,851,814	97,654,433	133,138,468	709,948
Machinery and equipment	7,072,101	3,833,211	1,961,861	999,340
Accumulated depreciation	(87,981,211)	(129,022,028)	(48,723,188)	(13,494,825)
Construction in progress	13,161,508	4,169,351	-	-
Total noncurrent assets	<u>184,716,824</u>	<u>79,370,385</u>	<u>90,865,199</u>	<u>100,201,884</u>
Total assets	<u>217,787,470</u>	<u>113,855,719</u>	<u>98,711,519</u>	<u>101,017,581</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	805,861	645,827	182,334	-
Total deferred outflows of resources	<u>805,861</u>	<u>645,827</u>	<u>182,334</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	2,631,585	2,228,268	580,278	89,066
Claims and judgments payable	-	-	-	-
Contracts payable	490,561	93,383	251,700	297,516
Accrued expenses	348,883	282,234	90,352	918,980
Compensated absences	533,493	381,101	73,958	-
Revenues collected in advance	197,962	340	-	791,633
Due to other funds	-	-	-	-
Due to other governments	306,352	-	-	84,645
Due to general public	1,865	-	-	-
Security deposits	711,113	-	-	-
Notes payable	1,750,000	776,000	-	-
General obligation bonds payable, net	3,266,657	3,589,757	1,394,203	1,351,000
Revenue bonds payable, net	2,030,000	1,355,000	395,000	-
Matured bonds interest payable	289,145	206,900	68,483	130,617
Total current liabilities	<u>12,557,616</u>	<u>8,912,983</u>	<u>2,853,974</u>	<u>3,663,457</u>
Noncurrent liabilities:				
Claims and judgments payable	-	-	-	-
General obligation bonds payable, net	20,569,284	20,095,781	11,033,600	44,294,117
Revenue bonds payable, net bond discount	44,910,428	29,688,998	9,192,270	-
Notes payable	28,158,000	12,075,920	-	-
Post-employment liability	-	-	-	-
Closure/post closure landfill	-	770,727	-	-
Compensated absences	37,928	-	-	-
Net pension liability	3,892,992	3,119,890	880,827	-
Total noncurrent liabilities	<u>97,568,632</u>	<u>65,751,316</u>	<u>21,106,697</u>	<u>44,294,117</u>
Total liabilities	<u>110,126,248</u>	<u>74,664,299</u>	<u>23,960,671</u>	<u>47,957,574</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	1,484,675	1,189,836	335,922	-
Property taxes	-	-	-	-
Total deferred inflows of resources	<u>1,484,675</u>	<u>1,189,836</u>	<u>335,922</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	78,735,798	6,844,172	67,060,923	54,556,767
Unrestricted (deficit)	28,246,610	31,803,239	7,536,337	(1,496,760)
	<u>\$ 106,982,408</u>	<u>\$ 38,647,411</u>	<u>\$ 74,597,260</u>	<u>\$ 53,060,007</u>

Total enterprise fund net position

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

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

DoubleTree by Hilton	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 2,237,093	\$ 13,137,302	\$ 81,255,492	\$ 52,472,676
-	4,858,394	4,858,394	-
399,912	2,248,113	10,723,804	3,078,959
-	-	363,646	887
-	2,615,091	3,889,857	50,214
35,252	168,011	688,757	853,526
84,911	86,430	298,074	1,359,474
17,223	680,291	707,996	197,510
<u>2,774,391</u>	<u>23,793,632</u>	<u>102,786,020</u>	<u>58,013,246</u>
4,205,609	1,574,835	38,418,044	-
-	-	-	159,397
-	9,641,416	21,920,293	1,016,663
39,839,062	84,678,755	370,424,849	15,998,195
-	13,126,031	425,480,694	1,876,747
308,950	15,884,345	30,059,808	46,435,285
(2,298,635)	(50,622,375)	(332,142,262)	(21,867,829)
-	11,042,866	28,373,725	-
<u>42,054,986</u>	<u>85,325,873</u>	<u>582,535,151</u>	<u>43,618,458</u>
<u>44,829,377</u>	<u>109,119,505</u>	<u>685,321,171</u>	<u>101,631,704</u>
-	798,795	2,432,817	593,810
-	798,795	2,432,817	593,810
176,883	2,813,468	8,519,548	1,955,057
-	-	-	1,973,592
-	73,185	1,206,345	-
1,435,971	491,609	3,568,029	269,234
-	419,802	1,408,354	295,724
-	616,816	1,606,751	24,171
-	1,595,383	1,595,383	-
-	6,355	397,352	-
-	-	1,865	-
-	1,000	712,113	618
-	-	2,526,000	-
2,020,000	1,084,677	12,706,294	-
-	-	3,780,000	-
117,411	21,723	834,279	-
<u>3,750,265</u>	<u>7,124,018</u>	<u>38,862,313</u>	<u>4,518,396</u>
-	-	-	11,964,951
42,776,869	6,204,301	144,973,952	-
-	-	83,791,696	-
-	-	40,233,920	-
-	-	-	5,264,998
-	-	770,727	-
-	10,765	48,693	1,352
-	3,858,852	11,752,561	2,868,605
<u>42,776,869</u>	<u>10,073,918</u>	<u>281,571,549</u>	<u>20,099,906</u>
<u>46,527,134</u>	<u>17,197,936</u>	<u>320,433,862</u>	<u>24,618,302</u>
-	1,471,654	4,482,087	1,094,004
-	4,830,136	4,830,136	-
-	6,301,790	9,312,223	1,094,004
-	77,983,758	285,181,418	43,459,061
(1,697,757)	8,434,816	72,826,485	33,054,147
<u>\$ (1,697,757)</u>	<u>\$ 86,418,574</u>	<u>\$ 358,007,903</u>	<u>\$ 76,513,208</u>
		\$ 358,007,903	
		4,481,122	
		<u>\$ 362,489,025</u>	

City of Cedar Rapids, Iowa
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
Operating revenues:				
Charges for services	\$ 33,177,807	\$ 32,964,257	\$ 7,714,085	\$ 9,531,649
Use of money and property	393,034	375	-	-
Rents and royalties	32,664	-	-	-
Miscellaneous	76,239	11,956	2,080	543,628
Total operating revenues	<u>33,679,744</u>	<u>32,976,588</u>	<u>7,716,165</u>	<u>10,075,277</u>
Operating expenses:				
Personal services	9,361,536	7,388,569	2,263,686	-
Purchased services	6,766,781	7,750,290	1,636,378	8,251,307
Supplies and materials	3,450,487	3,969,469	190,245	1,963,931
Other	514,957	300,170	18,830	-
Depreciation	5,169,793	5,887,430	2,285,498	2,010,838
Total operating expenses	<u>25,263,554</u>	<u>25,295,928</u>	<u>6,394,637</u>	<u>12,226,076</u>
Operating income (loss)	<u>8,416,190</u>	<u>7,680,660</u>	<u>1,321,528</u>	<u>(2,150,799)</u>
Nonoperating revenues (expenses):				
Intergovernmental	6,826	18,622	1,440,048	-
Investment earnings	186,248	166,697	39,645	7,043
Property tax revenue	-	-	-	-
Gain (loss) on sale of capital assets	35,280	3,568	45,388	(1,905)
Issuance costs	(350,852)	(201,699)	(51,611)	(678)
Interest expense	(3,288,922)	(2,400,971)	(842,206)	(1,570,002)
Total nonoperating revenue (expenses)	<u>(3,411,420)</u>	<u>(2,413,783)</u>	<u>631,264</u>	<u>(1,565,542)</u>
Income (loss) before transfers and capital contributions	5,004,770	5,266,877	1,952,792	(3,716,341)
Capital contributions	674,516	-	515,359	497,960
Transfers in	321,077	1,890,327	800,000	3,162,228
Transfers out	(190,973)	(751,420)	(6,127,678)	(115,383)
Change in net position	5,809,390	6,405,784	(2,859,527)	(171,536)
Total net position, beginning, as restated	101,173,018	32,241,627	77,456,787	53,231,543
Total net position, ending	<u>\$ 106,982,408</u>	<u>\$ 38,647,411</u>	<u>\$ 74,597,260</u>	<u>\$ 53,060,007</u>

Net changes in net position in enterprise funds

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

Change in net position of business-type activities

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

DoubleTree by Hilton	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 9,918,527	\$ 19,190,032	\$ 112,496,357	\$ 45,003,318
-	657	394,066	-
-	707,498	740,162	2,095,322
-	2,384,703	3,018,606	3,893,025
<u>9,918,527</u>	<u>22,282,890</u>	<u>116,649,191</u>	<u>50,991,665</u>
-	9,891,751	28,905,542	10,993,708
6,052,513	11,217,557	41,674,826	29,715,842
1,627,706	2,338,012	13,539,850	4,722,754
991,390	3,935,996	5,761,343	429,220
956,703	3,799,919	20,110,181	4,147,981
<u>9,628,312</u>	<u>31,183,235</u>	<u>109,991,742</u>	<u>50,009,505</u>
<u>290,215</u>	<u>(8,900,345)</u>	<u>6,657,449</u>	<u>982,160</u>
-	5,213,542	6,679,038	25,348
126	27,200	426,959	111,092
-	4,704,287	4,704,287	-
-	(128,636)	(46,305)	295,072
-	(10,000)	(614,840)	-
<u>(1,436,853)</u>	<u>(762,910)</u>	<u>(10,301,864)</u>	<u>-</u>
<u>(1,436,727)</u>	<u>9,043,483</u>	<u>847,275</u>	<u>431,512</u>
(1,146,512)	143,138	7,504,724	1,413,672
-	-	1,687,835	2,897,243
1,863,757	2,745,130	10,782,519	1,209,264
<u>(212,994)</u>	<u>(4,110,134)</u>	<u>(11,508,582)</u>	<u>(1,730,352)</u>
504,251	(1,221,866)	8,466,496	3,789,827
<u>(2,202,008)</u>	<u>87,640,440</u>	<u>349,541,407</u>	<u>72,723,381</u>
<u>\$ (1,697,757)</u>	<u>\$ 86,418,574</u>	<u>\$ 358,007,903</u>	<u>\$ 76,513,208</u>
		8,466,496	
		<u>(323,551)</u>	
		<u>\$ 8,142,945</u>	

City of Cedar Rapids, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	U.S. Cellular Center
Cash flows from operating activities:				
Cash received from users	\$ 33,900,281	\$ 33,620,621	\$ 8,171,832	\$ 9,549,548
Cash paid to employees	(9,532,808)	(7,584,562)	(2,252,049)	-
Cash paid to suppliers	(9,660,238)	(12,115,572)	(1,736,903)	(10,414,670)
Net cash flows provided by (used in) operating activities	<u>14,707,235</u>	<u>13,920,487</u>	<u>4,182,880</u>	<u>(865,122)</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	-	-	-	-
Loans to other funds	-	-	-	-
Closure/post-closure landfill costs	-	15,252	-	-
Intergovernmental	6,826	18,622	2,190,661	-
Transfers in	321,077	1,890,327	800,000	3,162,228
Transfers out	(190,973)	(751,420)	(6,127,678)	(115,383)
Property taxes	-	-	-	-
Net cash flows provided by (used in) non-capital financing activities	<u>136,930</u>	<u>1,172,781</u>	<u>(3,137,017)</u>	<u>3,046,845</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(12,060,587)	(5,440,225)	(4,679,181)	(21,249)
Proceeds from disposition of capital assets	56,409	3,568	45,388	2,977
Capital contributions	-	-	-	497,960
Revenue bonds issued	9,945,000	6,270,000	755,000	-
Notes payable issued	-	11,920	-	-
General obligation bonds issued	8,825,000	640,000	3,215,000	55,000
Premium on bonds	1,287,464	201,469	368,209	5,678
Principal paid	(17,080,365)	(6,140,496)	(5,364,867)	(1,246,000)
Issuance costs paid	(350,852)	(201,699)	(51,611)	(678)
Interest paid	(3,395,912)	(2,470,281)	(863,753)	(1,591,227)
Net cash flows (used in) capital and related financing activities	<u>(12,773,843)</u>	<u>(7,125,744)</u>	<u>(6,575,815)</u>	<u>(2,297,539)</u>
Cash flows from investing activities:				
Interest on investments	202,986	166,697	39,645	7,043
Purchase of investments	(20,827,323)	(21,620,501)	(5,165,782)	-
Sale of investments	17,502,155	15,485,177	8,088,786	-
Net cash flows provided by (used in) investing activities	<u>(3,122,182)</u>	<u>(5,968,627)</u>	<u>2,962,649</u>	<u>7,043</u>
Net increase (decrease) in cash and cash equivalents	(1,051,860)	1,998,897	(2,567,303)	(108,773)
Cash and cash equivalents, July 1, 2014	14,735,547	8,535,331	4,919,153	1,433,785
Cash and cash equivalents, June 30, 2015	<u>\$ 13,683,687</u>	<u>\$ 10,534,228</u>	<u>\$ 2,351,850</u>	<u>\$ 1,325,012</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities				
Operating income (loss)	\$ 8,416,190	\$ 7,680,660	\$ 1,321,528	\$ (2,150,799)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	5,169,793	5,887,430	2,285,498	2,010,838
Change in assets and liabilities:				
(Increase) in prepaid items	(46,123)	(20,287)	(67)	(7,176)
Increase (decrease) in vouchers payable	1,008,471	(75,356)	108,617	(188,468)
Increase (decrease) in accrued expenses	20,160	2,548	(3,187)	(928,637)
Increase (decrease) in compensated absences	8,994	16,580	(4,652)	-
(Increase) decrease in accounts receivable	(42,363)	642,798	455,667	(90,613)
(Increase) in other assets	-	-	-	(10,482)
(Increase) decrease in inventories	109,639	-	-	(3,788)
(Increase) decrease in due from other governments	(6,827)	1,235	-	-
Increase (decrease) in due to other governments	65,164	-	-	-
Increase in due to general public	821	-	-	-
Increase in revenues collected in advance	65,953	-	-	504,003
Increase in security deposit	137,789	-	-	-
(Increase) in pension deferred outflows	(243,005)	(188,320)	(62,628)	-
Increase in pension deferred inflows	1,484,675	1,189,836	335,922	-
Increase in net pension liability	(1,442,096)	(1,216,637)	(253,818)	-
(Decrease) in post-employment liability	-	-	-	-
Increase in open claims payable	-	-	-	-
Net cash flows provided by (used in) operating activities	<u>\$ 14,707,235</u>	<u>\$ 13,920,487</u>	<u>\$ 4,182,880</u>	<u>\$ (865,122)</u>
Reconciliation of cash and cash equivalents to specific assets on the combined statement of net position:				
Cash and investments	\$ 44,576,268	\$ 42,603,308	\$ 10,014,109	\$ 1,325,012
Less items not meeting the definition of cash equivalents	(30,892,581)	(32,069,080)	(7,662,259)	-
Cash and cash equivalents at end of the year	<u>\$ 13,683,687</u>	<u>\$ 10,534,228</u>	<u>\$ 2,351,850</u>	<u>\$ 1,325,012</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through accounts and contracts payable	<u>\$ 350,810</u>	<u>\$ (476,462)</u>	<u>\$ (219,071)</u>	<u>\$ (43,259)</u>
Acquisition of capital assets through private contributions	<u>\$ 674,516</u>	<u>\$ -</u>	<u>\$ 515,359</u>	<u>\$ -</u>

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

DoubleTree by Hilton	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 9,763,196	\$ 21,674,758	\$ 116,680,236	\$ 50,235,196
-	(10,314,884)	(29,684,303)	(8,549,535)
(7,339,343)	(17,362,701)	(58,629,427)	(34,662,305)
<u>2,423,853</u>	<u>(6,002,827)</u>	<u>28,366,506</u>	<u>7,023,356</u>
-	697,120	697,120	85,317
-	(366,238)	(366,238)	25,348
-	-	15,252	-
-	2,620,187	4,836,296	-
1,863,757	2,745,130	10,782,519	1,209,264
(212,994)	(4,110,134)	(11,508,582)	(1,730,352)
-	4,708,109	4,708,109	-
<u>1,650,763</u>	<u>6,294,174</u>	<u>9,164,476</u>	<u>(410,423)</u>
(95,575)	(2,845,053)	(25,141,870)	(7,822,446)
-	66,141	174,483	419,000
-	-	497,960	2,897,243
-	-	16,970,000	-
-	-	11,920	-
-	1,010,000	13,745,000	-
-	-	1,862,820	-
(1,970,000)	(1,141,559)	(32,943,287)	-
-	(10,000)	(614,840)	-
(1,460,087)	(771,680)	(10,552,940)	-
<u>(3,525,662)</u>	<u>(3,692,151)</u>	<u>(35,990,754)</u>	<u>(4,506,203)</u>
126	27,200	443,697	111,349
(1,306,929)	(6,933,732)	(55,854,267)	(30,722,548)
1,061,969	10,325,150	52,463,237	30,536,163
<u>(244,834)</u>	<u>3,418,618</u>	<u>(2,947,333)</u>	<u>(75,036)</u>
304,120	17,814	(1,407,105)	2,031,694
4,200,051	4,409,714	38,233,581	4,871,093
<u>\$ 4,504,171</u>	<u>\$ 4,427,528</u>	<u>\$ 36,826,476</u>	<u>\$ 6,902,787</u>
\$ 290,215	\$ (8,900,345)	\$ 6,657,449	\$ 982,160
956,703	3,799,919	20,110,181	4,147,981
(14,522)	(1,676)	(89,851)	(447,148)
(79,744)	108,897	882,417	823,941
1,418,628	(319)	509,193	7,126
-	(24,244)	(3,322)	6,521
(144,108)	(372,213)	449,168	(600,383)
(11,223)	(425,941)	(447,646)	(119,234)
7,904	21,437	135,192	(160,615)
-	-	(5,592)	(37,634)
-	(238)	64,926	-
-	-	821	-
-	190,466	760,422	782
-	-	137,789	-
-	(217,298)	(711,251)	(164,866)
-	1,471,654	4,482,087	1,094,004
-	(1,652,926)	(4,565,477)	(1,197,184)
-	-	-	(21,922)
-	-	-	2,709,827
<u>\$ 2,423,853</u>	<u>\$ (6,002,827)</u>	<u>\$ 28,366,506</u>	<u>\$ 7,023,356</u>
\$ 6,442,702	\$ 14,712,137	\$ 119,673,536	\$ 52,472,676
(1,938,531)	(10,284,609)	(82,847,060)	(45,569,889)
<u>\$ 4,504,171</u>	<u>\$ 4,427,528</u>	<u>\$ 36,826,476</u>	<u>\$ 6,902,787</u>
\$ -	\$ (392,480)	\$ (780,462)	\$ -
\$ -	\$ -	\$ 1,189,875	\$ -

**City of Cedar Rapids, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2015**

	<u>Agency Funds</u>
ASSETS	
Due from other governments	\$ 823,538
Total assets	<u>\$ 823,538</u>
 LIABILITIES	
Vouchers payable	\$ 65,305
Due to other governments	228,236
Security deposits	529,997
Total liabilities	<u>\$ 823,538</u>

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies

Reporting Entity

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

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

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

1. The Eastern Iowa Airport (Airport) and related parking is operated by the Cedar Rapids Airport Commission. The Commission has all the powers granted to the City except for the authority to sell the airport. The Mayor appoints the members of the Airport Commission with City Council approval. The City also approves its operating budget. The Eastern Iowa Airport does not publish its own annual financial report.
2. The Cedar Rapids/Linn County Solid Waste Agency (CRLCSWA) is the result of a 28E agreement as provided under the Code of Iowa. CRLCSWA disposes of solid wastes into the combined City/County landfills in an integrated manner for the public benefit. The City of Cedar Rapids has the authority to appoint the majority of CRLCSWA's board of directors, and is able to impose its will on CRLCSWA's operations. CRLCSWA publishes its own annual financial report, which is available at their office, 1954 County Home Road, Marion, Iowa 52302 upon request. Further reference regarding the City's ongoing financial interest as a result of this agreement can be found in Note 15 Closure and Post closure Care Cost.
3. The Cedar Rapids Public Library Foundation is a nonprofit corporation organized under the laws of the State of Iowa. The purpose the Foundation is to provide resources to be used for the direct benefit of the Cedar Rapids Public Library, a department of the City. The Foundation publishes its own annual financial report, using the Financial Accounting Standards Board guidance reporting model, which is available at their office, 450 5th Ave S.E., Cedar Rapids, IA 52401.

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. The City owns 100% of Courthouse II Parent, LLC (Courthouse), 100% of Courthouse Developer LLC and the affiliated subsidiaries of the 50.99% owned Courthouse II Manager, LLC (Courthouse Manager), the 0.1% owned Courthouse II Tenant, LLC (Courthouse Tenant) and the 100% owned subsidiary of Courthouse Tenant and Courthouse Manager, Courthouse II, LLC. Courthouse II is presented as a blended component unit internal service fund in the basic financial statements as the governing board is substantially the same, the City and Courthouse have a financial benefit/burden relationship and the component unit provides services that exclusively benefit the primary government. Courthouse is a blended component unit in the internal service fund.

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

Neither Courthouse nor Paramount publishes their own annual financial report.

Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available (susceptible to accrual). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, pensions and claims and judgments, are recorded only when payment is due (matured).

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

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

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

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

General Fund

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

Infrastructure Construction Fund

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

Flood Fund

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

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term and special debt principal, interest and related costs.

The City reports the following major enterprise funds:

Water Fund

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

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Water Pollution Control Fund

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

Sanitary Sewer Fund

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

U.S. Cellular Center

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

DoubleTree by Hilton

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

Additionally, the City reports the following fund types:

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

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

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

Fiduciary funds account for assets held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. The City's fiduciary funds consist of Agency funds, which are custodial in nature, report only assets and liabilities and do not involve measurement of the results of operations. The City has the following agency funds: developers security deposit, contractors permit deposit, regional planning, and metropolitan coalition.

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

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

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

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

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

Capital contributions include both cash and noncash contributions.

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

Cash Management and Investments

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

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

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

For purposes of the Statement of Cash Flows, the City considers investments with maturities of less than a year of when purchased to be cash equivalents.

Receivables and Payables

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

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

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Property taxes levied by the Linn County Auditor for the year ended June 30, 2015, were due by July 1, 2014, with the first half installment being delinquent after September 30, 2014, and the second half installment being delinquent after March 31, 2015. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The tax receivable represents the 2015 levy certified on March 15, 2015, based on 2014 assessed valuations. As the levy is intended for use in the 2016 fiscal year, the deferred inflow of resources has been recorded as deferred inflows of resources in the Statement of Net Position and in the Balance Sheet for governmental funds.

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2015, no interest expense was added to the cost of assets acquired in the business-type activities.

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

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

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

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Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Compensated Absences

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

The non-vested portion of sick leave benefits, which are not included within these financial statements, at June 30, 2015, are as follows:

Governmental	\$	14,892,990
Business-type		3,471,766
Subtotal		18,364,756
Component Units		499,738
Total	\$	18,864,494

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

Long-term Obligations

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

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

Revenues Collected in Advance

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

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MRPRSI) and additions to/deductions from IPERS and MFPRSI's fiduciary net position have been determined on the same basis as they are reported by IPERS and MFPRSI. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental and enterprise funds report unavailable revenues property taxes. The governmental funds also report unavailable revenues from special assessments, other taxes and intergovernmental revenue. These amounts are considered a deferred inflow of resources until the period that the amounts become available. In the City's government wide statements, only the property tax revenue remains under the modified accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for. In the Statement of Net Position deferred inflows of resources also consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between contributions and proportionate share of contributions related to pensions.

Fund balance

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

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

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

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

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the City Manager and Finance Director. The general and infrastructure fund amounts were constrained for the intent to be used for a specific purpose as approved through the budgeting process approved by City Council.

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

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

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

CITY OF CEDAR RAPIDS, IOWA
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Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent bond proceeds. There were unspent bond proceeds in the Sanitary Sewer fund of \$1,647,476, Water fund of \$10,605,692, Water Pollution Control fund of \$7,586,191, U.S. Cellular Center fund of \$767,624, DoubleTree by Hilton fund of \$2,185,609, Parking System Fund of \$1,521,698 and \$29,342,927 in governmental activities. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted net position and unrestricted net position are available for use, it is the City's policy to use restricted-net position first and then unrestricted net position.

Net position restricted through enabling legislation included \$900,543 for debt service, \$633,313 for general government, \$16,149,589 for capital projects, \$11,435,500 for community and economic development, \$556,730 for public safety, \$1,848,818 for culture and recreation, \$109,546 for public works, \$10,975,285 for flood recovery, and \$1,218,765 for Self-Supported Municipal Improvement District (SSMID) projects.

Use of Estimates

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

Budgetary Control, Compliance, and Appropriation Data

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

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

Fund receivables and payables at June 30, 2015, were:

	Receivables	Payables
Due to/from other funds:		
Governmental:		
Infrastructure Construction Fund	\$ 1,729,425	\$ -
Nonmajor Funds	-	134,042
Total Governmental	1,729,425	134,042
Business-type:		
Nonmajor Funds	-	1,595,383
Total Business-type	-	1,595,383
Total due to/from other funds	\$ 1,729,425	\$ 1,729,425

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

	<u>Advances to/Receivable</u>	<u>Advances from/Payable</u>
Governmental:		
Nonmajor Funds	\$ -	\$ 159,397
Internal Service Fund		
Risk Management	<u>159,397</u>	<u>-</u>
Total advance to/from other funds	<u>\$ 159,397</u>	<u>\$ 159,397</u>

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

Primary government and component unit Receivables and Payables:

	<u>Receivables</u>	<u>Payables</u>
Governmental:		
General	\$ -	\$ 47,505,268
Component Unit:		
Airport	47,505,268	-
Total primary government and component unit	<u>\$ 47,505,268</u>	<u>\$ 47,505,268</u>

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

Note 3: Fund Transfer Reconciliation

Transfers in and out for the year ended June 30, 2015, were:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental:		
General Fund	\$ 32,141,476	\$ 4,526,906
Infrastructure Construction Fund	19,053,073	178,265
Flood Fund	13,613,350	4,177,250
Debt Service Fund	6,823,697	3,741,425
Nonmajor Funds	8,359,184	66,119,783
Internal Service Funds	<u>1,209,264</u>	<u>1,730,352</u>
Total Governmental	<u>81,200,044</u>	<u>80,473,981</u>
Business-type:		
Water	321,077	190,973
Water Pollution Control	1,890,327	751,420
Sanitary Sewer	800,000	6,127,678
US Cellular Center	3,162,228	115,383
DoubleTree by Hilton	1,863,757	212,994
Nonmajor Funds	<u>2,745,130</u>	<u>4,110,134</u>
Total Business-Type	<u>10,782,519</u>	<u>11,508,582</u>
Total	<u>\$ 91,982,563</u>	<u>\$ 91,982,563</u>

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

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Note 4: Self-Supported Municipal Improvement District

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

The Medical Self-Supporting Municipal Improvement District (SSMID) was approved in 2010, as 55 square blocks adjacent to the Downtown SSMID. The City established the Medical Cedar Rapids Self-Supported Municipal Improvement District (SSMID) pursuant to the provisions of Chapter 386, Code of Iowa (the Act). By establishing SSMID, the City may certify taxes against the property within the district each year, in addition to all other taxes, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2012, and continuing for 19 additional years. The levy is for the purpose of paying expenses of the District as are authorized by the Act, including, but not limited to, the administrative expenses of the District and part or all of the maintenance expenses of improvements or self-liquidating improvements, as defined in the Act, for a period of 20 years. Even though the boundaries of SSMID overlap the Tax Incremental Financing District, as amended, they are not co-terminus.

The amount of property taxes received for SSMID during the year ended June 30, 2015, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

	Downtown SSMID	Medical SSMID
SSMID only	\$ 264,908	\$ 227,574
SSMID within TIF	202,593	147,462
	\$ 467,501	\$ 375,036

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

Note 5: Construction Commitments

The total outstanding construction commitments of the City at June 30, 2015 amount to \$94,749,735. The majority of these commitments relate to road construction and flood recovery. Of these commitments, \$27,162,824 will be funded by federal and state grants. The total outstanding construction commitments of the Airport, a discretely presented component unit, at June 30, 2015 amount to \$12,618,208. Of these commitments, \$4,090,658 will be funded by federal and state grants.

Note 6: Cash and Investments

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

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

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

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

As of June 30, 2015, the City had the following investments with the following maturities:

Investment Type:	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Totals
GNMA'S	\$ 605,112	\$ -	\$ 12,830	\$ 183,700	\$ 408,582	\$ 605,112
FFCB	14,768,478	-	14,768,478	-	-	14,768,478
FHLB	31,060,976	500,214	30,560,761	-	-	31,060,976
FHLMC	62,784,398	-	62,715,813	-	68,585	62,784,398
FNMA	19,958,900	-	19,958,900	-	-	19,958,900
Total	\$ 129,177,863	\$ 500,214	\$ 128,016,782	\$ 183,700	\$ 477,167	\$ 129,177,864

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

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As of June 30, 2015 the City's investments had the following ratings:

Investment Type:	Moody's	Standard & Poor's
FFCB	AAA	AA+
FHLB	AAA	AA+
FHLMC	AAA	AA+
FNMA	AAA	AA+

Concentration of Credit Risk: The City's investment policy seeks diversification to reduce overall portfolio risk. Where possible, it is the policy of the City to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. The City's investment policy limits holding of securities by single issuer to no more than 5% of the investment portfolio and commercial paper, other short-term corporate debt, or bankers' prime acceptances to no more than 10% of the total investment portfolio for each class as mentioned above. The City's investments are in accordance with these policies regarding diversification. More than 5% of the City's investments are in FFCB, FHLB, FHLMC and FNMA securities. These securities represent 11%, 24%, 49% and 15% of the City's total investments, respectively.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2015, the City's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The City's investments are not exposed to custodial credit risk as of June 30, 2015 as they are held by financial institutions in the name of the City.

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consist of deposits, including certificates of deposit. As of June 30, 2015, the Agency's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds. The Agency held no investments in the current year subject to custodial credit risk.

The Cedar Rapids Public Library Foundation follows Financial Accounting Standards Board guidance, therefore, GASB Statements No. 3 and No. 40 are not applicable. The Airport's cash and investments consist of \$150 in cash and in petty cash, which are not subject to custodial credit risk.

CITY OF CEDAR RAPIDS, IOWA
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Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 126,875,698	\$ 1,423,778	\$ (11,552,155)	\$ 116,747,321
Construction in progress	110,042,206	11,736,171	(86,762,489)	35,015,888
Total capital assets, not being depreciated	<u>236,917,904</u>	<u>13,159,949</u>	<u>(98,314,644)</u>	<u>151,763,209</u>
Capital assets, being depreciated:				
Buildings	137,459,942	44,178,060	(799,032)	180,838,970
Improvements other than buildings	471,902,603	70,963,665	-	542,866,268
Machinery and equipment	64,756,824	22,343,830	(2,587,274)	84,513,380
Total capital assets being depreciated	<u>674,119,369</u>	<u>137,485,555</u>	<u>(3,386,306)</u>	<u>808,218,618</u>
Less accumulated depreciation for:				
Buildings	(31,015,464)	(3,757,477)	557,333	(34,215,608)
Improvements other than buildings	(183,582,974)	(14,998,821)	-	(198,581,795)
Machinery and equipment	(35,936,339)	(5,911,486)	2,364,102	(39,483,723)
Total accumulated depreciation	<u>(250,534,777)</u>	<u>(24,667,784)</u>	<u>2,921,435</u>	<u>(272,281,126)</u>
Total capital assets, being depreciated, net	<u>423,584,592</u>	<u>112,817,771</u>	<u>(464,871)</u>	<u>535,937,492</u>
Governmental activities capital assets, net	<u>\$ 660,502,496</u>	<u>\$ 125,977,720</u>	<u>\$ (98,779,515)</u>	<u>\$ 687,700,701</u>

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

Governmental activities:	
Public safety	\$ 952,442
Public works	16,690,361
Culture and recreation	1,616,361
Community and economic development	61,907
General government	1,198,732
Internal service funds	4,147,981
Total depreciation expense - governmental activities	<u>\$ 24,667,784</u>

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 21,920,293	\$ -	\$ -	\$ 21,920,293
Construction in progress	<u>29,757,668</u>	<u>10,936,769</u>	<u>(12,320,712)</u>	<u>28,373,725</u>
Total capital assets, not being depreciated	<u>51,677,961</u>	<u>10,936,769</u>	<u>(12,320,712)</u>	<u>50,294,018</u>
Capital assets, being depreciated:				
Buildings	370,452,603	111,252	(139,006)	370,424,849
Improvements other than buildings	400,653,710	24,826,984	-	425,480,694
Machinery and equipment	<u>30,782,147</u>	<u>1,996,990</u>	<u>(2,719,329)</u>	<u>30,059,808</u>
Total capital assets being depreciated	<u>801,888,460</u>	<u>26,935,226</u>	<u>(2,858,335)</u>	<u>825,965,351</u>
Less accumulated depreciation for:				
Buildings	(152,402,295)	(8,238,426)	139,006	(160,501,715)
Improvements other than buildings	(143,644,498)	(10,277,327)	-	(153,921,825)
Machinery and equipment	<u>(18,622,835)</u>	<u>(1,594,428)</u>	<u>2,498,541</u>	<u>(17,718,722)</u>
Total accumulated depreciation	<u>(314,669,628)</u>	<u>(20,110,181)</u>	<u>2,637,547</u>	<u>(332,142,262)</u>
Total capital assets, being depreciated, net	<u>487,218,832</u>	<u>6,825,045</u>	<u>(220,788)</u>	<u>493,823,089</u>
Business-type activities capital assets, net	<u>\$ 538,896,793</u>	<u>\$ 17,761,814</u>	<u>\$ (12,541,500)</u>	<u>\$ 544,117,107</u>
Business-type activities:				
Water			\$ 5,169,793	
Water Pollution Control			5,887,430	
Sanitary Sewer			2,285,498	
Storm Sewer			1,613	
U.S. Cellular Center			2,010,838	
DoubleTree by Hilton			956,703	
Paramount Theatre			1,981,878	
Transit System			588,726	
Parking System			537,298	
Solid Waste Management			50,534	
Golf			203,441	
Ice Arena			<u>436,429</u>	
Total depreciation expense - business-type activities			<u>\$ 20,110,181</u>	

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Activity for the Airport for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	\$ 8,938,208	\$ 27,600	\$ -	\$ 8,965,808
Construction in progress	8,283,424	14,311,522	(3,594,316)	19,000,630
Total capital assets, not being depreciated	<u>17,221,632</u>	<u>14,339,122</u>	<u>(3,594,316)</u>	<u>27,966,438</u>
Capital assets, being depreciated:				
Buildings	84,139,933	783,966	-	84,923,899
Improvements other than buildings	122,555,274	3,505,000	-	126,060,274
Machinery and equipment	6,508,834	117,677	(286,537)	6,339,974
Total capital assets being depreciated	<u>213,204,041</u>	<u>4,406,643</u>	<u>(286,537)</u>	<u>217,324,147</u>
Less accumulated depreciation for:				
Buildings	(34,399,090)	(2,402,676)	-	(36,801,766)
Improvements other than buildings	(57,390,019)	(5,439,518)	-	(62,829,537)
Machinery and equipment	(4,854,949)	(306,870)	286,537	(4,875,282)
Total accumulated depreciation	<u>(96,644,058)</u>	<u>(8,149,064)</u>	<u>286,537</u>	<u>(104,506,585)</u>
Total capital assets, being depreciated, net	<u>116,559,983</u>	<u>(3,742,421)</u>	<u>-</u>	<u>112,817,562</u>
Airport capital assets, net	<u>\$ 133,781,615</u>	<u>\$ 10,596,701</u>	<u>\$ (3,594,316)</u>	<u>\$ 140,784,000</u>

Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	\$ 5,872,991	\$ -	\$ -	\$ 5,872,991
Construction in progress	8,710	-	-	8,710
Total capital assets, not being depreciated	<u>5,881,701</u>	<u>-</u>	<u>-</u>	<u>5,881,701</u>
Capital assets, being depreciated:				
Buildings and structures	12,187,286	28,348	-	12,215,634
Improvements other than buildings	29,298,921	109,468	(14,100)	29,394,289
Machinery and equipment	7,933,176	72,759	(1,158,749)	6,847,186
Total capital assets being depreciated	<u>49,419,383</u>	<u>210,575</u>	<u>(1,172,849)</u>	<u>48,457,109</u>
Less accumulated depreciation for:				
Buildings and structures	(1,137,945)	(586,221)	-	(1,724,166)
Improvements other than buildings	(7,096,153)	(1,228,836)	14,100	(8,310,889)
Machinery and equipment	(5,818,224)	(577,266)	1,158,749	(5,236,741)
Total accumulated depreciation	<u>(14,052,322)</u>	<u>(2,392,323)</u>	<u>1,172,849</u>	<u>(15,271,796)</u>
Total capital assets, being depreciated, net	<u>35,367,061</u>	<u>(2,181,748)</u>	<u>-</u>	<u>33,185,313</u>
CRLCSWA capital assets, net	<u>\$ 41,248,762</u>	<u>\$ (2,181,748)</u>	<u>\$ -</u>	<u>\$ 39,067,014</u>

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Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	\$ 11,557	\$ -	\$ -	\$ 11,557
Accumulated depreciation	(10,457)	(728)	-	(11,185)
Total capital assets, being depreciated, net	<u>\$ 1,100</u>	<u>\$ (728)</u>	<u>\$ -</u>	<u>\$ 372</u>

Note 8: Retirement Systems

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers of the City. Members of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive Suite 201 West Des Moines, IA 50266 or at www.MFPRSI.org.

MFPRSI benefits are established under Iowa Code Chapter 411 and the administrative rules thereunder. Chapter 411 and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – Participating members are entitled to the benefit provision in effect on the member’s date of termination. The following is a summary of MFPRSI benefit provisions as of June 30, 2014:

Retirement – Members with four or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (22 years). Members with less than four years of service are entitled to a refund of their contribution only, with interest for the period of employment.

Benefits are calculated based upon the member’s highest three years of compensation. The average of these 3 years becomes the member’s average final compensation. The base benefit is 66 percent of the member’s average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent additional year of service, up to a maximum of eight years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Disability and Death – Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member’s average final compensation or the member’s service retirement benefits calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member’s average final compensation, for those with 5 or more years of service, or the member’s service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40 percent of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50 percent of the previous year’s earnable compensation of the member or equal to the amount of the member’s total contributions plus interest.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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Benefits are increased (escalated) annually in accordance with Iowa Code Chapter 411.6 which states a standard formula for the increases.

Traumatic Personal Injury – The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Deferred Retirement Option Program (DROP) – Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the DROP Program. The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4 or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Contributions – Member contribution rates are set by state statute. In accordance with Iowa Code Chapter 411 as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protection Act, the contribution rate was 9.40% of the earnable compensation for the year ended June 30, 2015. Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation for all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of the earnable compensation. The contribution rate was 30.14% for the year ended June 30, 2015. State appropriations are approved by the state legislature and may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans.

The City's contributions to MFPRSI for the year end June 30, 2015 were \$7,462,460.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported a liability of \$48,448,867 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2014, the City's collective proportion was 9.301296 percent which was an increase of 0.091858 percent from its proportion measured as of June 30, 2013.

CITY OF CEDAR RAPIDS, IOWA
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For the year ended June 30, 2015, the City recognized pension expense of \$17,621,256. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 95,423
Changes in assumptions	2,492,027	-
Net difference between projected and actual earnings on pension plan investments	-	15,849,448
Changes in proportion and differences between City contributions and proportionate share of contributions	417,995	-
City contributions subsequent to the measurement date	7,462,460	-
Total	\$ 10,372,482	\$ 15,944,871

\$7,462,460 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 5.6 years or 5 years (as of the beginning of the fiscal year) as follows:

Year End	
June 30,	
2016	\$ (3,350,493)
2017	(3,350,493)
2018	(3,350,493)
2019	(3,350,493)
2020	367,123
	\$ (13,034,849)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00 percent per annum
Salary increases	4.5 to 15.11 percent including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience study for the period of July 1, 2002 to June 30, 2012. There were no significant changes of benefit terms.

CITY OF CEDAR RAPIDS, IOWA
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Mortality rates used were based on weighting equal to 2/12 of the 1971 GAM table and 10/12 of the 1994 GAM table with no projection of future mortality improvement. The City updated the mortality rates used by the MFPRSI actuary to the PR-2000 Blue Collar Mortality with project mortality improvement using scale BB-2D. As a result, the City increased its net pension obligation by approximately \$14,732,000 as of June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	7.0%	3.80
Emerging Markets Debt	3.0%	6.50
Domestic Equities	12.5%	6.00
Master Limited Partnerships	5.0%	8.50
International Equities	12.5%	7.00
Core Investments	40.0%	
Tactical Asset Allocation	35.0%	6.00
Private Equity/Debt	15.0%	9.80
Private Non Core Real Estate	5.0%	9.30
Private Core Real Estate	5.0%	6.80
Real Estate	10.0%	
	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, MFPRSI fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease	Discount Rate	1% Increase
	(6.5%)	(7.5%)	(8.5%)
City's proportionate share of the net pension liability	\$ 81,232,938	\$ 48,448,867	\$ 21,208,255

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI website at www.mfprsi.org.

CITY OF CEDAR RAPIDS, IOWA
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Payables to the Pension Plan – At June 30, 2015, the City reported payables to the defined benefit pension plan of \$622,075 for legally required employer contributions and \$192,289 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

Iowa Public Employees Retirement System (IPERS)

Plan Description – IPERS membership is mandatory for employees of the City, which includes the Airport, a discretely present component unit of the City and Cedar Rapids/Linn County Solid Waste Agency (Agency), except for those covered by another retirement system. Employees of the City and Agency are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Protection occupation members may retire at normal retirement age which is generally at age 55. Protection occupation members may retire any time after reaching 50 with 22 or more years of covered employment.

The formula used to calculate protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

CITY OF CEDAR RAPIDS, IOWA
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Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City, Airport and Agency contributed 8.93 percent for a total rate of 14.88 percent. Protection occupation members at the Airport contributed 6.76 percent of pay and the Airport contributed 10.14 percent for a total rate of 16.80 percent.

The City and Agency’s total contributions to IPERS for the year ended June 30, 2015 were \$4,958,360, which includes \$236,243 related to the Airport, and \$151,833 respectively.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City and Agency reported a liability of \$32,217,265 and \$1,125,768 respectively for the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City and Agency’s proportion of the net pension liability was based on the City and Agency’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City and Agency’s collective proportion was 0.8123556 and 0.0283861 percent respectively. This represent an increase to the City .0220040% and for the Agency a decrease of 0.0009103 percent from its proportion measured as of June 30, 2013.

The Airport, which is included in the City’s proportionate share, was allocated \$740,750 of the City’s net pension liability as of June 30, 2015. Deferred outflows of resources and deferred inflows of resources of the City were also allocated to the Airport as indicated on the following pages.

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For the year ended June 30, 2015, the City recognized pension expense of \$2,365,216. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 342,088	\$ -
Changes in assumptions	1,389,131	-
Net difference between projected and actual earnings on pension plan investments	-	12,004,236
Changes in proportion and differences between City contributions and proportionate share of contributions	62,400	-
City contributions subsequent to the measurement date	4,722,117	-
Total	\$ 6,515,736	\$ 12,004,236

\$4,722,117 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 5.28 years or 5 years (as of the beginning of the fiscal year) as follows:

Year End June 30,		
2016	\$	(2,581,989)
2017		(2,581,989)
2018		(2,581,989)
2019		(2,581,989)
2020		117,339
	\$	(10,210,617)

CITY OF CEDAR RAPIDS, IOWA
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For the year ended June 30, 2015, the Airport recognized pension expense of \$92,234. At June 30, 2015, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,400	\$ 19,477
Changes in assumptions	41,767	-
Net difference between projected and actual earnings on pension plan investments	-	577,473
Changes in proportion and differences between Airport contributions and proportionate share of contributions	4,343	-
Airport contributions subsequent to the measurement date	236,243	-
Total	\$ 292,754	\$ 596,950

\$236,243 reported as deferred outflows of resources related to pensions resulting from the Airport contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 5.28 years or 5 years (as of the beginning of the fiscal year) as follows:

Year End June 30,		
2016	\$	(135,716)
2017		(135,716)
2018		(135,716)
2019		(135,716)
2020		2,424
	\$	(540,440)

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For the year ended June 30, 2015, the Agency recognized pension expense of \$84,261. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,235	\$ -
Changes in assumptions	49,683	-
Net difference between projected and actual earnings on pension plan investments	-	429,336
Changes in proportion and differences between Agency contributions and proportionate share of contributions	-	2,095
Agency contributions subsequent to the measurement date	151,833	-
Total	\$ 213,751	\$ 431,431

\$151,833 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 5.28 years or 5 years (as of the beginning of the fiscal year) as follows:

Year End June 30,	
2016	\$ (93,357)
2017	(93,357)
2018	(93,357)
2019	(93,357)
2020	3,915
	\$ (369,513)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

CITY OF CEDAR RAPIDS, IOWA
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Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15%	6.76
Private Equity	13%	11.34
Real Estate	8%	3.52
Core Plus Fixed Income	28%	2.06
Credit Opportunities	5%	3.67
TIPS	5%	1.92
Other Real Assets	2%	6.27
Cash	1%	-0.69
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City, Airport and Agency will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City, including the Airport, and Agency’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City, Airport and Agency’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City, Airport and Agency’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 61,510,086	\$ 32,217,265	\$ 7,491,735
Agency's proportionate share of the net pension liability	\$ 2,127,108	\$ 1,125,768	\$ 280,534

CITY OF CEDAR RAPIDS, IOWA
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Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2015, the City reported payables to the defined benefit pension plan of \$382,118 for legally required employer contributions and \$254,924 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS. At June 30, 2015, the Airport reported payables to the defined benefit pension plan of \$20,775 for legally required employer contributions and \$13,525 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS. At June 30, 2015, the Agency reported payables to the defined benefit pension plan of \$11,751 for legally required employer contributions and \$7,829 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 9: Subsequent Event – Pension and Retirement Systems

Subsequent to the actuarial valuation date used by the Plan and Society of Actuaries issued updated mortality scales and mortality improvement scales; MP2014 and MP-15. It is expected these scales may increase the total pension liability by 4%-8% unless the plan experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined appropriate for the plan, will have a material impact on the City’s net pension obligation.

Note 10: Long-Term Liabilities

Bonded Debt

General Obligation Bonds

There was \$315,200,000 of general obligation bonds outstanding as of June 30, 2015. Un-matured general obligation bonds to be paid by governmental funds totaled \$160,620,185. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total \$154,579,815. These general obligation bonds bear interest rates ranging from 1.35% to 6.25% and mature in varying amounts ranging from \$40,000 to \$5,730,000 with the final payments due in the year ending June 30, 2043.

During the year ended June 30, 2015, the City issued \$11,180,000 Series B general obligation bonds. These bonds were issued for the construction, repair, and improvement of streetscape and sidewalks, trails and bike paths. Also, for the replacement of trees and rehabilitation of City parks, including the construction/improvement of recreational facilities, trails, public space amenities. Also included is sewer improvements; the acquisition of a fire pumper truck; police department facility improvements, including renovations to the outdoor range, roof, caulk, and carpet improvements. The parking lot at Ambroz will be updated, as well as an FMS project management assessment of city facilities. Enterprise software, applications and data management systems; the construction and remodeling of the Usher’s Ferry lodge are also included. Lastly, they are being used for the planning, undertaking, and carrying out of the urban renewal project activities. These bonds bear interest at 3% to 4% and mature in varying amounts ranging from \$445,000 to \$730,000 through fiscal year ending June 30, 2035 with an average life of 11.09 years.

On June 18, 2015, the City issued \$26,270,000 Series A refunding general obligation bonds. The proceeds of the bonds were used to currently refund, in advance of their maturity, the following bonds (collectively, the “Refunded Bonds”):

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Original Issue	Refunded Maturities	Principal Amount To be Refunded
General Obligation		
Bonds, Series 2004A, Dated September 9, 2004	2016-2024	\$ 9,715,000
General Obligation		
Bonds, Series 2005A, Dated September 7, 2005	2016-2025	14,165,000
General Obligation		
Bonds, Series 2005B, Dated September 7, 2005	2016-2025	<u>1,885,000</u>
Total General Obligation Bonds Refunded		\$ <u>25,765,000</u>

The refunding was conducted to achieve interest savings. The proceeds of the notes were used to pay the principal of the Refunded Bonds at a price of par plus accrued interest. These bonds were currently refunded and are therefore no longer included in these financial statements. The refunding bonds bear interest at 3% to 5% and mature in varying amounts ranging from \$175,000 to \$3,270,000 through fiscal year ending June 30, 2035 with an average life of 6.09 years. The City completed the current refunding to reduce its total debt service payments by \$2,757,385. The net present value benefit of this refunding, the economic gain, is \$2,463,974.

Revenue Bonds

Water Pollution Control:

There was \$30,790,000 of revenue bonds outstanding as of June 30, 2015 related to Water Pollution Control. The City has pledged future water pollution control customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principal and interest remaining to be paid on the bonds is \$42,350,613 and is payable through 2035. Principal and interest paid for the current year and total customer net revenues were \$2,057,962 and \$13,568,090, respectively. The revenue bonds were issued to finance construction and improvements at the wastewater treatment facilities.

Sanitary Sewer:

There was \$9,495,000 of revenue bonds outstanding as of June 30, 2015 related to Sanitary Sewer. The City has pledged future sanitary sewer customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principal and interest remaining to be paid on the bonds is \$12,879,424 and is payable through 2035. Principal and interest paid for the current year and total customer net revenues were \$647,724 and \$3,607,026, respectively. The revenue bonds were issued to finance improvements and extension to the Municipal Sanitary Sewer System.

Water:

There was \$45,255,000 of revenue bonds outstanding as of June 30, 2015 related to Water. The City has pledged future water customer revenue, net of specified operating expenses, to repay these revenue bonds. Total principal and interest remaining to be paid on the bonds is \$62,218,451 and is payable through 2035. Principal and interest paid for the current year and total customer net revenues were \$2,960,657 and \$13,585,983, respectively. The revenue bonds were issued to finance improvements and extensions to the Municipal Waterworks System.

During the year ended June 30, 2015 the City issued \$9,945,000 in water revenue bonds, \$755,000 in sewer revenue bonds, and \$6,270,000 in water pollution control revenue bonds to fund various water, sewer, and water pollution control construction projects. The water revenue bonds are due in annual principal installments of \$405,000 to \$635,000 through fiscal year ending June 30, 2035 and bear interest at 2.0% to 5.0%. The sewer and water pollution control revenue bonds are due in annual principal installments of \$255,000 to \$470,000 through fiscal year ending June 30, 2035 and bear interest at 2.0% to 4.0%.

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Notes Payable

During FY2008, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$39.39 million. Total outstanding as of June 30, 2015 was \$29,908,000. This line of credit was taken out to finance the ultra-violet disinfection system improvements by the Water Fund. The interest rate for this line of credit is 3.25%. Annual payments began in FY 2010, with the last payment in fiscal year 2029. The City has pledged future water customer revenues, net of specified operating expenses, to repay the note payable.

The note payable is payable solely from water customer net revenues included in the Water Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$37,067,200. Principal and interest paid for the current year and total customer net revenues were \$2,647,210 and \$13,585,983, respectively.

During FY2009, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$10.9 million dollars. Total outstanding as of June 30, 2015 was \$7,964,000. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Annual payments began in FY2010, with the last payment in fiscal year 2029. The City has pledged future waste water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$9,879,770. Principal and interest paid for the current year and total customer net revenues were \$696,240 and \$13,568,090, respectively.

During FY2011, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$5.767 million dollars. Total outstanding as of June 30, 2015 was \$4,887,920. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Annual payments began in FY2014, with the last payment in FY2033. The City has pledged future waste water customer revenues in the Water Pollution Control Fund, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$6,384,600. Principal and interest paid for the current year and total customer net revenues were \$349,796 and \$13,568,090, respectively.

During the current year, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$2.13 million dollars. This line of credit was taken out to finance a roughing dome for Water Pollution Control. The interest rate for this line of credit is 1.75%. Annual payments will begin FY16, with the last payment in 2035. The City has pledged future waste water customer revenues in the Water Pollution Control Fund, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues included in the Water Pollution Control Fund. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$2,540,310.71. Principal and interest paid for the current year and total customer net revenues were \$0 and \$13,568,090, respectively.

CITY OF CEDAR RAPIDS, IOWA
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JUNE 30, 2015

Changes in long-term liabilities:

Long-term debt activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Primary government:				
Governmental				
General obligation:	\$ 162,626,588	\$ 23,705,000	\$ 25,711,403	\$ 160,620,185
Plus: unamortized premium	3,419,700	1,323,364	258,400	4,484,664
Less: unamortized discount	<u>250,804</u>	<u>72,424</u>	<u>30,122</u>	<u>293,106</u>
Total General Obligation	<u>165,795,484</u>	<u>24,955,940</u>	<u>25,939,681</u>	<u>164,811,743</u>
Business-type activities				
General obligation:				
Water Pollution Control	26,922,173	640,000	4,399,070	23,163,103
Sanitary Sewer	13,732,570	3,215,000	5,009,867	11,937,703
Water	28,017,013	8,825,000	13,801,365	23,040,648
US Cellular Center	46,047,000	55,000	1,246,000	44,856,000
DoubleTree by Hilton	46,335,000	-	1,970,000	44,365,000
Other business-type funds	7,165,754	1,010,000	958,393	7,217,361
Notes Payable:				
Water Pollution Control	13,481,427	11,920	641,427	12,851,920
Water	31,607,000	-	1,699,000	29,908,000
Other business-type funds	183,165	-	183,165	-
Revenue Bonds:				
Water Pollution Control	25,620,000	6,270,000	1,100,000	30,790,000
Water	36,890,000	9,945,000	1,580,000	45,255,000
Sewer	9,095,000	755,000	355,000	9,495,000
Plus: unamortized premium	3,803,047	1,862,820	288,206	5,377,661
Less: unamortized discounts	<u>274,207</u>	<u>-</u>	<u>28,673</u>	<u>245,534</u>
Total business-type activities	<u>288,624,942</u>	<u>32,589,740</u>	<u>33,202,820</u>	<u>288,011,862</u>
Total primary government	<u>454,420,426</u>	<u>57,545,680</u>	<u>59,142,501</u>	<u>452,823,605</u>
Component unit:				
General obligation for Airport:	23,902	-	23,902	-
Plus: unamortized premiums	15,371	-	15,371	-
Less: unamortized discounts	<u>11,677</u>	<u>-</u>	<u>11,677</u>	<u>-</u>
Total component unit	<u>27,596</u>	<u>-</u>	<u>27,596</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 454,448,022</u>	<u>\$ 57,545,680</u>	<u>\$ 59,170,097</u>	<u>\$ 452,823,605</u>

	Due within one year
Primary government:	
Governmental	
General obligation	\$ 14,493,706
Business-type activities:	
Water pollution control	5,720,757
Sanitary Sewer	1,789,203
Water	7,046,657
DoubleTree by Hilton	2,020,000
US Cellular Center	1,351,000
Other business-type funds	<u>1,084,676</u>
Total primary government	<u>\$ 33,506,000</u>

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

At June 30, 2015, the general obligation debt issued by the City did not exceed its legal debt margin compiled as follows:

Total Estimated actual valuation - real property	\$ 9,648,549,360
Debt limit - 5% of total valuation	482,427,468
Debt applicable to debt limit:	
General obligation bonded debt outstanding	315,200,000
Legal Debt Margin	\$ 167,227,468

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

Year Ending June 30:	Governmental General Obligation		Business-type activities General Obligation		General Obligation Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$ 14,493,706	\$ 5,986,577	\$ 12,706,294	\$ 5,546,979	\$ 27,200,000
2017	14,969,470	5,525,534	12,765,530	5,117,721	27,735,000	10,643,255
2018	13,595,095	4,976,963	12,764,905	4,652,494	26,360,000	9,629,458
2019	13,452,626	4,518,885	11,967,374	4,228,762	25,420,000	8,747,648
2020	10,494,229	4,035,287	10,545,771	3,804,761	21,040,000	7,840,048
2021-2025	43,723,535	14,623,383	42,136,465	14,084,996	85,860,000	28,708,379
2026-2030	31,949,775	7,204,774	30,100,225	7,628,063	62,050,000	14,832,838
2031-2035	13,951,750	2,167,621	16,443,250	2,372,438	30,395,000	4,540,059
2036-2040	3,645,000	574,860	3,350,000	803,754	6,995,000	1,378,614
2041-2043	345,000	15,956	1,800,000	127,625	2,145,000	143,581
	\$ 160,620,185	\$49,629,841	\$ 154,579,815	\$ 48,367,593	\$ 315,200,000	\$ 97,997,435

Year Ending June 30:	Revenue	
	Principal	Interest
2016	\$ 3,780,000	\$ 3,089,814
2017	3,925,000	3,009,394
2018	4,040,000	2,892,589
2019	4,165,000	2,763,319
2020	4,300,000	2,626,759
2021-2025	23,980,000	10,746,128
2026-2030	28,090,000	5,600,488
2031-2035	13,260,000	1,180,000
	\$ 85,540,000	\$ 31,908,489

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

Year Ending	Note Payable	
	June 30:	Principal
2016	\$ 2,526,000	\$ 1,286,717
2017	2,601,000	1,219,769
2018	2,679,000	1,144,480
2019	2,758,000	1,066,917
2020	2,840,000	987,051
2021-2025	15,518,000	3,650,941
2026-2030	13,837,920	1,219,043
	\$ 42,759,920	\$ 10,574,917

Changes in other long-term liabilities:

Other long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Claims and Judgments	\$ 11,228,716	\$ 12,806,053	\$ 10,096,226	\$ 13,938,543	\$ 1,973,592
Compensated absences	6,008,194	5,109,551	4,875,704	6,242,041	6,037,481
Governmental activity					
Long-term liabilities	\$ 17,236,910	\$ 17,915,604	\$ 14,971,930	\$ 20,180,584	\$ 8,011,073
Business-type activities:					
Compensated absences	\$ 1,460,370	\$ 1,306,449	\$ 1,309,772	\$ 1,457,047	\$ 1,408,354
Closure/post closure landfill	755,475	15,252	-	770,727	-
Business-type activity					
Long-term liabilities	\$ 2,215,845	\$ 1,321,701	\$ 1,309,773	\$ 2,227,773	\$ 1,408,354
Component Units:					
Airport					
Compensated absences	\$ 220,050	\$ 217,395	\$ 169,862	\$ 267,583	\$ 267,583
CRLCSWA					
Compensated absences	\$ 134,533	\$ 185,459	\$ 188,448	\$ 131,544	\$ 131,544
Closure/post closure landfill	18,072,728	-	352,910	17,719,818	359,192
Long-term liabilities	\$ 18,207,261	\$ 185,459	\$ 541,398	\$ 17,851,322	\$ 490,736

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. In the past, approximately 87.2% has been paid by the General Fund and the remainder by other governmental and internal service funds. The claims and judgment liability will generally be liquidated by the City's Risk Management Fund (See Note 13, also). The Risk Management Fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by the individual funds. Currently, the General Fund bears approximately 65% of the claims and judgment costs; no other individual fund is charged more than 9% of the total amount.

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Industrial Revenue Bonds

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

As of June 30, 2015, there were 74 series of Industrial Revenue Bonds outstanding issued prior to July 1, 1995. Of the 74 series, a total of 21 have been closed. The aggregate principal amount payable could not be determined, however; their original issue amounts totaled \$81,139,500.

The aggregate principal balance as of June 30, 2015 due on bonds issued after July 1, 1995, is \$71,285,000.

Note 11: Deficit Fund Equity

At June 30, 2015, individual funds with deficit fund balances were as follows:

Special Revenue:	
Community Development Block Grants	\$41,412
Enterprise:	
DoubleTree by Hilton	\$1,697,757
Golf	\$102,443

Management feels that these are temporary deficits and will be rectified within future fiscal years.

Note 12: Deferred Compensation Plans

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

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

Note 13: Risk Management

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

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

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

CITY OF CEDAR RAPIDS, IOWA
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Torts and errors:

During fiscal year 2015, the City purchased liability insurance to cover its airport, underground fuel tanks, two specific vehicles used in housing operations and liquor liability. The City self-insures for its general liability, errors and employment practices liability, police liability, auto liability and bus liability exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. Losses on claims are limited under the City purchased public entity excess liability insurance policy with a \$500,000 self-insured retention and a \$10,000,000 limit of liability to cover its public liability exposures. The City self-administers claims and utilizes an independent appraisal firm to write vehicle damage repair estimates and an adjusting firm to negotiate bodily injury and non-vehicle property damage claims. All City Departments and Enterprise Funds are charged a liability premium based on their exposures and loss experience. The total premium charged for fiscal year 2015 was determined using independent actuarial projections for ultimate limited liability losses, liability expenses and premiums for separate insurance policies. An estimated outstanding liability of \$1,479,160 as of June 30, 2015 was calculated by an independent actuary at a 95% confidence level by using the case reserves, the development of known claims and incurred but not reported claims. The claims liabilities shown below are in accordance with the requirements of GASB Statement No. 10.

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

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/13 – 6/14	\$2,771,000	\$146,904	(\$381,709)	\$2,536,195
7/14 – 6/15	\$2,536,195	(\$740,387)	(\$316,648)	\$1,479,160

Theft of, damage to, or destruction of assets:

The City purchased property insurance with a \$250,000 per occurrence deductible. The City added a 25% excess coverage for its flood exposure with a \$500,000 deductible. City Departments and Enterprise Funds are charged a property insurance premium based on a percentage of the projected cost of full coverage. The difference between the premium charged departments and the premium paid to the insurer is used to pay losses that fall between the \$5,000 departmental deductible and the \$250,000 policy deductible. The City's infrastructure assets are not insured.

Job related injuries to employees:

Benefits due to City employees under the Iowa Workers' Compensation Laws are accounted for and financed under a separate subdivision of the Risk Management Fund without excess insurance. Claims administration is performed by City staff. All City Departments and Enterprise funds are charged a premium based on their share of past losses. The June 30, 2015 claims liability of \$10,578,083 was calculated at a 95% confidence level by an independent actuary.

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

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/13 – 6/14	\$6,844,000	\$2,426,600	(\$1,943,630)	\$7,326,971
7/14 – 6/15	\$7,326,971	\$4,964,146	(\$1,713,034)	\$10,578,083

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Health care benefits for employees, retirees, and dependents:

The City has been accounting for and financing health care benefits under a separate subdivision of the Risk Management Fund since January 1, 1992. Claims administration is provided by a third party administrator. The City does purchase stop loss insurance as part of the healthcare coverage. All City Departments and Enterprise Funds are charged a premium based on the number of single and family plans in place each month. Retirees and COBRA participants pay 102% of the monthly plan premium. The total premium charged is the amount needed to pay expected claim and administrative costs. A \$1,847,000 claims liability for incurred but unpaid medical bills as of June 30, 2015 was determined by an independent actuary. Changes in the Health Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/13 – 6/14	\$1,637,000	\$20,026,536	(\$20,330,536)	\$1,333,000
7/14 – 6/15	\$1,333,000	\$23,026,298	(\$22,512,298)	\$1,847,000

Dental Care benefits for employees and dependents:

Effective April 1, 1993, the City began to account for and finance dental care benefits under a separate subdivision of the Risk Management Fund. Claims administration is provided by a third party administrator. All City Departments and Enterprise Funds are charged a premium based on the number of plans in place each month. Employees pay the extra cost to purchase family plan coverage. COBRA participants pay 102% of the single or family plan monthly premium. The total premium charged is the estimated amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid dental bills as of June 30, 2015 to be \$34,300. Changes in the Dental Fund's claims liability amount are as follows:

	Beginning Fiscal Year <u>Liability</u>	Additions & Change in <u>Accrual</u>	<u>Claims Paid</u>	Ending Fiscal Year <u>Liability</u>
7/13 – 6/14	\$40,400	\$855,992	(\$863,842)	\$32,550
7/14 – 6/15	\$32,550	\$925,479	(\$923,729)	\$34,300

Note 14: Contingent Liabilities

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 15: Closure and Postclosure Care Cost

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

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

Cedar Rapids/Linn County Solid Waste Agency is liable for all closure and postclosure care costs at the two landfill sites except for the liabilities retained by the City and Linn County. Cedar Rapids/Linn County Solid Waste Agency's liability as of June 30, 2015, is summarized below.

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

	Former City Landfill	Former County Landfill	Total
Total care costs	\$ 7,772,224	\$ 14,704,500	\$ 22,476,724
Care costs remaining to be recognized attributable to unutilized capacity	-	(4,756,906)	(4,756,906)
Care costs recognized attributable to utilized capacity	<u>\$ 7,772,224</u>	<u>\$ 9,947,594</u>	<u>\$ 17,719,818</u>
Capacity utilized	<u>100.00%</u>	<u>67.65%</u>	
Estimated remaining life	<u>0 years</u>	<u>9.1 years</u>	

The City operates an ash sanitary landfill consisting of two lagoons at the City's Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2015, was estimated by a professional engineer and is \$770,727. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 16: Operating Leases

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

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

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

Fiscal Year	Amount
2016	\$ 3,664,858
2017	3,180,571
2018	1,835,865
2019	348,657
2020	348,657
2021-2025	1,743,285
2026-2030	1,624,806
2031-2035	323,317
2036-2040	5,350
2041-2045	4,913
2046-2050	977
Total lease payments	\$ 13,081,256

Note 17: Other Post Employment Benefits (OPEB)

Plan Description and Funding Policy

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

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the City contributed \$921,618. Retiree and COBRA participants receiving benefits contributed \$383,520 through their required contribution of:

Effective January 1, 2014

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

Effective January 1, 2015

Plan	Retiree	Retiree & Spouse	Retiree & Children	Family
Traditional	\$679	\$ -	\$ -	\$1,616
Choice	616	948	1,232	1,665

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

Annual required contribution	\$ 890,885
Interest on net OPEB obligation	185,042
Adjustment to annual required contribution	(176,231)
Annual OPEB cost (expense)	899,696
Contributions made	(921,618)
Decrease in net OPEB obligation	(21,922)
Net OPEB obligation – July 1, 2014	5,286,920
Net OPEB obligation – June 30, 2015	<u>\$ 5,264,998</u>

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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 839,262	81.7%	\$4,894,770
6/30/14	\$ 805,067	51.3%	\$5,286,920
6/30/15	\$ 899,696	102.4%	\$5,264,998

Funded Status and Funding Progress

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

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

Actuarial Methods and Assumptions

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

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB Statement No. 45. The excess of the AAL over the actuarial value of plan assets is the Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over a maximum 30 years in level dollar amounts on an open period amortization basis. The sum of the Normal

Cost and the amortization of the Unfunded Actuarial Accrued Liability is the Annual Required Contribution, which with interest at the valuation rate, determines the Annual OPEB Cost. The investment rate of return is 3.5%. Expenses are assumed to increase with inflation at 3.0%. Salary increases are anticipated to increase 3.5%.

Demographic Assumptions

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

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2015 is shown below and is assumed to increase by the HCCT shown below.

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

Actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Benefits are projected based on benefit levels and cost-sharing arrangements as of July 1, 2013 and do not explicitly reflect the potential effects of legal or contractual funding limitations. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 18: Governmental Fund Balance Classification

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

	General	Infrastructure Construction	Flood	Debt Service	Other Governmental	Total
Fund Balances:						
Nonspendable:						
Corpus of principal	\$ -	\$ -	\$ -	\$ -	\$ 112,990	\$ 112,990
Inventories	529,431	-	-	-	-	529,431
Land held for resale	-	-	5,147,708	-	-	5,147,708
Prepaid items	748,974	-	-	-	490,483	1,239,457
Total Nonspendable	1,278,405	-	5,147,708	-	603,473	7,029,586
Restricted:						
Capital projects	-	8,774,697	-	-	21,760,319	30,535,016
Community and economic development	-	-	-	-	11,435,500	11,435,500
Culture and recreation						
Library	-	-	-	-	701,587	701,587
Band	81,490	-	-	-	-	81,490
Parks	-	-	-	-	1,065,742	1,065,742
Debt service	-	-	-	3,055,369	-	3,055,369
Employee benefits	-	-	-	-	3,389,576	3,389,576
Flood recovery	-	-	-	-	10,975,285	10,975,285
General government	480,078	-	-	-	153,235	633,313
Public safety						
Fire	-	-	-	-	53,315	53,315
Police	-	-	-	-	503,415	503,415
Public works	109,546	-	-	-	-	109,546
SSMID	-	-	-	-	1,218,765	1,218,765
Total Restricted	671,113	8,774,697	-	3,055,369	51,256,739	63,757,919
Committed:						
Culture and recreation	-	-	-	-	672,252	672,252
Economic development	-	-	-	-	2,397,002	2,397,002
General government	-	-	-	-	1,030,123	1,030,123
Public safety services	-	-	-	-	498,912	498,912
Total Committed	-	-	-	-	4,598,289	4,598,289
Assigned:						
Capital improvements and equipment	-	14,914,248	-	-	-	14,914,248
Encumbrances	200,000	-	-	-	-	200,000
Total Assigned	200,000	14,914,248	-	-	-	15,114,248
Unassigned:						
	39,048,484	-	(1,625,922)	-	(144,431)	37,278,131
Total fund balances	\$ 41,198,002	\$ 23,688,945	\$ 3,521,786	\$ 3,055,369	\$ 56,314,070	\$ 127,778,172

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 19: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental activities, business-type activities, each major enterprise fund, aggregate remaining fund information and the aggregate discretely present component units were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business-type Activities	Water	Water Pollution Control
Net position June 30, 2014, as previously reported	\$ 633,038,406	\$ 368,942,552	\$ 105,945,250	\$ 36,120,647
Net pension liability at June 30, 2014	(78,668,876)	(16,318,038)	(5,335,088)	(4,336,527)
Change in deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	10,071,639	1,721,566	562,856	457,507
Net position July 1, 2014 as restated	<u>\$ 564,441,169</u>	<u>\$ 354,346,080</u>	<u>\$ 101,173,018</u>	<u>\$ 32,241,627</u>
	Sanitary Sewer	Aggregate Remaining Funds	Aggregate Discretely Presented Component Unit	
Net position June 30, 2014, as previously reported	\$ 78,471,726	\$ 217,879,597	\$ 229,847,777	
Net pension liability at June 30, 2014	(1,134,645)	(9,577,567)	(2,986,892)	
Change in deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	119,706	1,010,441	395,571	
Net position July 1, 2014 as restated	<u>\$ 77,456,787</u>	<u>\$ 209,312,471</u>	<u>\$ 227,256,456</u>	

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 20: New Pronouncements

The City adopted the following statements during the year ended June 30, 2015:

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

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

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

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the City beginning with its year ending June 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements of *Governmental Accounting Standards*. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the City beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

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



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa
Required Supplementary Information
Budgetary Comparison Schedule of Receipts,
Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds,
and Discretely Presented Component Units
Year ended June 30, 2015

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
Revenues:			
Property taxes	\$ 85,499,881	\$ 4,704,287	\$ -
TIF revenues	13,520,010	-	-
Other taxes	29,439,507	-	-
Licenses and permits	2,526,590	-	5,025
Use of money and property	1,480,990	394,066	13,607,417
Intergovernmental	80,797,235	6,704,386	8,008,654
Charges for services	23,511,203	157,499,675	11,450,970
Special assessments	324,952	-	33,447
Miscellaneous	12,773,587	6,911,631	2,134,710
Total revenues	<u>249,873,955</u>	<u>176,214,045</u>	<u>35,240,223</u>
Expenditures:			
Current:			
Public safety	63,545,703	-	-
Public works	20,688,849	-	-
Culture and recreation	16,248,125	-	-
Community and economic development	21,087,816	-	-
General government	17,503,178	-	-
Debt service	32,194,859	-	-
Capital projects	84,338,469	-	-
Business-type	-	212,412,565	33,149,496
Total expenditures	<u>255,606,999</u>	<u>212,412,565</u>	<u>33,149,496</u>
Excess (deficiency) of revenues over (under) expenditures	(5,733,044)	(36,198,520)	2,090,727
Other financing sources, net	32,214,735	30,221,526	-
Net change in fund balances, net position	26,481,691	(5,976,994)	2,090,727
Fund balances, budgetary basis net position - July 1, 2014	101,296,481	335,473,627	169,622,760
Fund balances, budgetary basis net position - June 30, 2015	<u>\$ 127,778,172</u>	<u>\$ 329,496,633</u>	<u>\$ 171,713,487</u>
Adjustments not budgeted:			
Other accrued liabilities	-	(17,134)	(1,047,418)
Sale of capital assets	-	706,605	45,042
Bond proceeds	-	(109,005,895)	-
Accrued bond interest	-	(10,452,969)	(1,844,604)
Capital outlay variance from depreciation	-	223,793,871	62,510,440
Fund balances, net position - June 30, 2015 GAAP basis	<u>\$ 127,778,172</u>	<u>\$ 434,521,111</u>	<u>\$ 231,376,947</u>

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

Net	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 90,204,168	\$ 86,247,107	\$ 86,247,107	\$ 3,957,061
13,520,010	13,909,638	13,909,638	(389,628)
29,439,507	32,063,063	32,063,063	(2,623,556)
2,531,615	2,430,777	2,430,777	100,838
15,482,473	16,651,460	18,129,798	(2,647,325)
95,510,275	141,167,303	141,241,244	(45,730,969)
192,461,848	161,267,153	174,718,163	17,743,685
358,399	699,300	1,030,100	(671,701)
21,819,928	35,501,667	40,646,170	(18,826,242)
<u>461,328,223</u>	<u>489,937,468</u>	<u>510,416,060</u>	<u>(49,087,837)</u>
63,545,703	56,442,482	64,009,814	464,111
20,688,849	24,990,421	22,306,601	1,617,752
16,248,125	15,531,195	17,077,180	829,055
21,087,816	16,275,225	23,303,037	2,215,221
17,503,178	16,513,150	19,143,494	1,640,316
32,194,859	19,923,685	32,122,471	(72,388)
84,338,469	155,464,274	155,464,274	71,125,805
<u>245,562,061</u>	<u>274,050,179</u>	<u>266,903,491</u>	<u>21,341,430</u>
<u>501,169,060</u>	<u>579,190,611</u>	<u>600,330,362</u>	<u>99,161,302</u>
(39,840,837)	(89,253,143)	(89,914,302)	50,073,465
62,436,261	71,119,500	58,183,100	4,253,161
22,595,424	(18,133,643)	(31,731,202)	54,326,626
606,392,868	267,432,291	127,954,874	478,437,994
<u>\$ 628,988,292</u>	<u>\$ 249,298,648</u>	<u>\$ 96,223,672</u>	<u>\$ 532,764,620</u>

CITY OF CEDAR RAPIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information – Budgetary Reporting
June 30, 2015

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budget disbursements by \$21,139,751. This budget amendment is reflected in the final budgeted amounts. During the year ended June 30, 2015, disbursements in the debt service function exceeded the amounts budgeted.

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

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

Actuarial Valuation Date	Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	6/30/2013	\$ -	\$ 6,498,684	\$ 6,498,684	0.00%	\$ 70,607,909	9.20%
7/1/2013	6/30/2014	\$ -	\$ 8,805,998	\$ 8,805,998	0.00%	\$ 73,191,696	12.03%
7/1/2013	6/30/2015	\$ -	\$ 8,805,998	\$ 8,805,998	0.00%	\$ 73,191,696	12.03%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2013. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. Economic assumptions are as follows: healthcare cost trend rates of 5.0-9.0%; discount rate of 3.5%
- d. The amortization method is level dollar over thirty years based on an open group.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Year ended June 30, 2015

Iowa Public Employees' Retirement System

	2014
City's proportion of the net pension liability (asset)	0.812356%
City's proportionate share of the net pension liability	\$ 32,217,265
City's covered-employee payroll	\$ 54,399,409
City's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	59.22%
Plan fiduciary net pension as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of the measurement date.

See note to required supplementary information.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City's Contributions
Iowa Public Employees' Retirement System
Year ended June 30, 2015

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 4,958,360	\$ 4,868,583	\$ 4,615,565	\$ 4,169,542	\$ 3,681,913
Contributions in relation to the statutorily required contribution	\$ (4,958,360)	\$ (4,868,583)	\$ (4,615,565)	\$ (4,169,542)	\$ (3,681,913)
Contribution deficiency (excess)	-	-	-	-	-
City's covered-employee payroll	\$ 55,400,903	\$ 54,399,409	\$ 53,084,505	\$ 51,503,907	\$ 52,723,431
Contribution as percentage of covered-employee payroll	8.95%	8.95%	8.69%	8.10%	6.98%
	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 3,272,679	\$ 3,030,023	\$ 2,797,493	\$ 2,681,204	\$ 2,733,038
Contributions in relation to the statutorily required contribution	\$ (3,272,679)	\$ (3,030,023)	\$ (2,797,493)	\$ (2,681,204)	\$ (2,733,038)
Contribution deficiency (excess)	-	-	-	-	-
City's covered-employee payroll	\$ 48,977,299	\$ 47,483,566	\$ 45,952,323	\$ 46,248,100	\$ 47,128,675
Contribution as percentage of covered-employee payroll	6.68%	6.38%	6.09%	5.80%	5.80%

See note to required supplementary information.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the CRLCSW's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Year ended June 30, 2015

	2014
Agency's proportion of the net pension liability (asset)	0.0283861%
Agency's proportionate share of the net pension liability	\$ 1,125,768
Agency's covered-employee payroll	\$ 1,857,469
Agency's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of the measurement date.

See note to required supplementary information.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the CRLCSW's Contributions
Iowa Public Employees' Retirement System
Year ended June 30, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Statutorily required contribution	\$ 151,833	\$ 165,872	\$ 156,237	\$ 134,296	\$ 111,838
Contributions in relation to the statutorily required contribution	(151,833)	(165,872)	(156,237)	(134,296)	(111,838)
Contribution deficiency (excess)	-	-	-	-	-
Agency's covered-employee payroll	\$ 1,700,258	\$ 1,857,469	\$ 1,802,042	\$ 1,664,142	\$ 1,609,182
Contribution as percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily required contribution	\$ 108,135	\$ 102,552	\$ 83,524	\$ 81,040	\$ 80,154
Contributions in relation to the statutorily required contribution	(108,135)	(102,552)	(83,524)	(81,040)	(80,154)
Contribution deficiency (excess)	-	-	-	-	-
Agency's covered-employee payroll	\$ 1,626,085	\$ 1,614,989	\$ 1,380,554	\$ 1,409,393	\$ 1,393,982
Contribution as percentage of covered-employee payroll	6.65%	6.35%	6.05%	5.75%	5.75%

See note to required supplementary information.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Notes to Other Information – Pension Liability
Iowa Public Employees’ Retirement System
Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member’s first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa
Year ended June 30, 2015

Municipal Fire and Police Retirement System of Iowa

	2014
City's proportion of the net pension liability (asset)	9.301296%
City's proportionate share of the net pension liability	\$ 48,448,867
City's covered-employee payroll	\$ 23,752,726
City's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	203,97%
Plan fiduciary net pension as a percentage of the total pension liability	86.27%

* The amounts presented for each fiscal year were determined as of the measurement date.

See note to required supplementary information.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City's Contributions
Municipal Fire and Police Retirement System of Iowa
Year ended June 30, 2015

Municipal Fire and Police Retirement System of Iowa
Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Statutorily required contribution	\$ 7,462,460	\$ 7,154,321	\$ 6,017,024	\$ 5,613,649	\$ 4,319,577
Contributions in relation to the statutorily required contribution	(7,462,460)	(7,154,321)	(6,017,024)	(5,613,649)	(4,319,577)
Contribution deficiency (excess)	-	-	-	-	-
City's covered-employee payroll	\$ 24,539,494	\$ 23,752,726	\$ 23,036,080	\$ 22,672,250	\$ 21,706,417
Contribution as percentage of covered-employee payroll	30.41%	30.12%	26.12%	24.76%	19.90%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily required contribution	\$ 3,681,466	\$ 3,851,397	\$ 5,015,628	\$ 5,340,880	\$ 5,327,050
Contributions in relation to the statutorily required contribution	(3,681,466)	(3,851,397)	(5,015,628)	(5,340,880)	(5,327,050)
Contribution deficiency (excess)	-	-	-	-	-
City's covered-employee payroll	\$ 21,655,682	\$ 20,540,784	\$ 19,684,568	\$ 19,246,414	\$ 18,883,552
Contribution as percentage of covered-employee payroll	17.00%	18.75%	25.48%	27.75%	28.21%

See note to required supplementary information.

CITY OF CEDAR RPAIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Other Information – Pension Liability
Municipal Fire and Police Retirement System of Iowa
Year ended June 30, 2015

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

Effective July 1, 2014, two additional steps were taken to phase in the 1994 Group Annuity Mortality Table for post-retirement mortality. The two additional steps result in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

The City also updated the mortality assumptions to the RP-2000 Blue Collar Mortality Table with projected mortality improvement using scale BB-2D for the June 30, 2014 measurement date.

**City of Cedar Rapids, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Growth Reinvestment
ASSETS							
Cash and investments	\$ -	\$ 37,534	\$ 847,009	\$ 11,000,224	\$ 8,021,440	\$ 6,252,539	\$ 487,600
Receivables:							
Taxes	-	-	-	4,631,597	10,528,060	-	-
Accounts and unbilled usage, net	-	-	-	-	-	-	-
\$566,985 of allowance for doubtful accounts	1,864	25,984	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Due from other governments	140,375	-	911,570	-	-	3,048,736	3,440,966
Notes receivable	-	-	-	-	2,640,764	-	-
Prepaid items	2,021	-	-	-	-	-	-
Total assets	<u>144,260</u>	<u>63,518</u>	<u>1,758,579</u>	<u>15,631,821</u>	<u>21,190,264</u>	<u>9,301,275</u>	<u>3,928,566</u>
LIABILITIES							
Vouchers payable	33,042	2,930	37,748	24,940	66,097	-	-
Contracts payable	-	-	-	-	-	-	-
Accrued expenditures	18,588	117	-	-	-	-	-
Revenues collected in advance	-	6,000	-	-	-	-	-
Advance from other funds	-	-	159,397	-	-	-	-
Due to other funds	134,042	-	-	-	-	-	-
Due to general public	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Security deposits	-	-	-	-	300	-	-
Total liabilities	<u>185,672</u>	<u>9,047</u>	<u>197,145</u>	<u>24,940</u>	<u>66,397</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	10,339,576	-	-
Unavailable revenue - other taxes	-	-	911,570	-	-	-	3,440,966
Unavailable revenue - intergovernmental	-	25,984	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>25,984</u>	<u>911,570</u>	<u>-</u>	<u>10,339,576</u>	<u>-</u>	<u>3,440,966</u>
FUND BALANCES (DEFICITS)							
Nonspendable	2,021	-	-	-	-	-	-
Restricted	-	28,487	649,864	15,606,881	10,784,291	9,301,275	487,600
Committed	-	-	-	-	-	-	-
Unassigned	(43,433)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(41,412)</u>	<u>28,487</u>	<u>649,864</u>	<u>15,606,881</u>	<u>10,784,291</u>	<u>9,301,275</u>	<u>487,600</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 144,260</u>	<u>\$ 63,518</u>	<u>\$ 1,758,579</u>	<u>\$ 15,631,821</u>	<u>\$ 21,190,264</u>	<u>\$ 9,301,275</u>	<u>\$ 3,928,566</u>

Leased Housing	SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects		Total Nonmajor Governmental Funds
							Other Construction	Flood Mitigation	
\$ 135,484	\$ 1,252,826	\$ 4,334,240	\$ 854,012	\$ 198,733	\$ 7,803,613	\$ 41,225,254	\$ 7,139,110	\$ 2,408,391	\$ 50,772,755
-	462,372	14,771,543	1,924,139	2,886,908	32	35,204,651	-	-	35,204,651
3,299	-	-	-	-	288	31,435	5,225	-	36,660
-	-	-	3,947	137,402	56	141,405	-	-	141,405
-	-	-	-	-	-	-	66,129	-	66,129
13,352	-	-	-	-	284,200	7,839,199	244,280	-	8,083,479
-	-	-	-	-	-	2,640,764	-	-	2,640,764
382,275	-	-	-	-	2,665	386,961	103,522	-	490,483
<u>534,410</u>	<u>1,715,198</u>	<u>19,105,783</u>	<u>2,782,098</u>	<u>3,223,043</u>	<u>8,090,854</u>	<u>87,469,669</u>	<u>7,558,266</u>	<u>2,408,391</u>	<u>97,436,326</u>
15,489	41,221	8,583	1,186	8,119	240,982	480,337	1,116,180	1,082,684	2,679,201
-	-	-	-	-	-	-	74,169	11,946	86,115
23,377	-	-	-	-	21,015	63,097	-	694	63,791
-	-	243	-	-	820,842	827,085	-	-	827,085
-	-	-	-	-	-	159,397	-	-	159,397
-	-	-	-	-	-	134,042	-	-	134,042
214,266	-	-	-	-	158,285	372,551	-	-	372,551
-	-	1,023,437	814,364	-	-	1,837,801	-	-	1,837,801
-	-	-	-	-	-	300	-	-	300
<u>253,132</u>	<u>41,221</u>	<u>1,032,263</u>	<u>815,550</u>	<u>8,119</u>	<u>1,241,124</u>	<u>3,874,610</u>	<u>1,190,349</u>	<u>1,095,324</u>	<u>6,160,283</u>
-	455,212	14,683,944	1,913,233	2,869,850	-	30,261,815	-	-	30,261,815
-	-	-	-	-	-	4,352,536	-	-	4,352,536
-	-	-	-	-	84,023	110,007	237,615	-	347,622
<u>-</u>	<u>455,212</u>	<u>14,683,944</u>	<u>1,913,233</u>	<u>2,869,850</u>	<u>84,023</u>	<u>34,724,358</u>	<u>237,615</u>	<u>-</u>	<u>34,961,973</u>
382,275	-	-	-	-	115,655	499,951	103,522	-	603,473
-	1,218,765	3,389,576	53,315	345,074	2,051,763	43,916,891	6,026,780	1,313,067	51,256,738
-	-	-	-	-	4,598,289	4,598,289	-	-	4,598,289
(100,997)	-	-	-	-	-	(144,430)	-	-	(144,430)
<u>281,278</u>	<u>1,218,765</u>	<u>3,389,576</u>	<u>53,315</u>	<u>345,074</u>	<u>6,765,707</u>	<u>48,870,701</u>	<u>6,130,302</u>	<u>1,313,067</u>	<u>56,314,070</u>
<u>\$ 534,410</u>	<u>\$ 1,715,198</u>	<u>\$ 19,105,783</u>	<u>\$ 2,782,098</u>	<u>\$ 3,223,043</u>	<u>\$ 8,090,854</u>	<u>\$ 87,469,669</u>	<u>\$ 7,558,266</u>	<u>\$ 2,408,391</u>	<u>\$ 97,436,326</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds						
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Local Option Sales Tax	Tax Incremental Financing	Road Use Tax	Growth Reinvestment
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 13,520,010	\$ -	\$ -
Hotel-Motel taxes	-	-	3,441,535	-	-	-	-
Local option sales tax	-	-	-	19,331,507	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,151,304	339,178	-	-	-	13,776,749	7,281,851
Charges for services	4,322	3,887	-	-	70	-	-
Fines and forfeits	-	-	-	-	-	-	-
Use of money and property	-	207	1,507	18,347	34,520	10,688	-
Rents and royalties	-	-	-	-	-	-	-
Miscellaneous	32,382	48,656	-	-	6,000	-	-
Total revenues	<u>1,188,008</u>	<u>391,928</u>	<u>3,443,042</u>	<u>19,349,854</u>	<u>13,560,600</u>	<u>13,787,437</u>	<u>7,281,851</u>
Expenditures:							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community and economic development	1,182,862	386,721	1,754,398	113,849	5,630,350	-	-
General government	-	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,182,862</u>	<u>386,721</u>	<u>1,754,398</u>	<u>113,849</u>	<u>5,630,350</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,146</u>	<u>5,207</u>	<u>1,688,644</u>	<u>19,236,005</u>	<u>7,930,250</u>	<u>13,787,437</u>	<u>7,281,851</u>
Other Financing Sources (Uses):							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	498,817	-	-
Transfers in	-	-	-	-	76,074	-	-
Transfers (out)	-	-	(1,591,088)	(17,210,468)	(5,913,931)	(11,506,000)	(6,794,251)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,591,088)</u>	<u>(17,210,468)</u>	<u>(5,339,040)</u>	<u>(11,506,000)</u>	<u>(6,794,251)</u>
Net change in fund balances	<u>5,146</u>	<u>5,207</u>	<u>97,556</u>	<u>2,025,537</u>	<u>2,591,210</u>	<u>2,281,437</u>	<u>487,600</u>
Fund balances (deficits) - July 1, 2014	(46,558)	23,280	552,308	13,581,344	8,193,081	7,019,838	-
Fund balances (deficits) - June 30, 2015	<u>\$ (41,412)</u>	<u>\$ 28,487</u>	<u>\$ 649,864</u>	<u>\$ 15,606,881</u>	<u>\$ 10,784,291</u>	<u>\$ 9,301,275</u>	<u>\$ 487,600</u>

Leased Housing	SSMID	Employee Benefits	Fire Retirement	Police Retirement	Other	Total	Capital Projects		Total Nonmajor Governmental Funds
							Other Construction	Flood Mitigation	
\$ -	\$ 492,482	\$ 14,591,797	\$ 1,816,711	\$ 2,841,521	\$ 142	\$ 33,262,663	\$ -	\$ -	\$ 33,262,663
-	-	-	-	-	-	3,441,535	-	-	3,441,535
-	-	-	-	-	-	19,331,507	-	-	19,331,507
-	-	-	-	-	43,725	43,725	-	-	43,725
5,151,032	60,998	451,171	56,172	87,858	1,457,010	29,813,323	101,122	-	29,914,445
142,472	-	-	-	-	48,875	199,626	17,906	-	217,532
-	-	-	-	-	103,919	103,919	-	-	103,919
782	1,835	6,675	2,499	6,760	14,187	98,007	9,122	510	107,639
-	-	-	-	-	340,699	340,699	-	-	340,699
32	251,000	119	-	-	260,775	598,964	1,170,874	-	1,769,838
<u>5,294,318</u>	<u>806,315</u>	<u>15,049,762</u>	<u>1,875,382</u>	<u>2,936,139</u>	<u>2,269,332</u>	<u>87,233,968</u>	<u>1,299,024</u>	<u>510</u>	<u>88,533,502</u>
-	-	-	140,775	281,378	476,817	898,970	14,885	-	913,855
-	-	-	-	-	-	-	285,084	713	285,797
-	-	-	-	-	443,744	443,744	193,285	-	637,029
5,713,022	687,834	-	-	-	625,031	16,094,067	73,627	-	16,167,694
-	-	2,933	-	-	137,148	140,081	152,112	-	292,193
-	-	-	-	-	479,154	479,154	4,028,546	3,745,332	8,253,032
<u>5,713,022</u>	<u>687,834</u>	<u>2,933</u>	<u>140,775</u>	<u>281,378</u>	<u>2,161,894</u>	<u>18,056,016</u>	<u>4,747,539</u>	<u>3,746,045</u>	<u>26,549,600</u>
<u>(418,704)</u>	<u>118,481</u>	<u>15,046,829</u>	<u>1,734,607</u>	<u>2,654,761</u>	<u>107,438</u>	<u>69,177,952</u>	<u>(3,448,515)</u>	<u>(3,745,535)</u>	<u>61,983,902</u>
-	-	-	-	-	-	-	2,260,000	-	2,260,000
-	-	-	-	-	-	381,049	879,866	-	882,117
-	350,055	-	-	-	754,662	1,180,791	2,119,760	5,058,633	8,359,184
-	-	(14,954,659)	(1,734,671)	(2,654,829)	(1,694,236)	(64,054,133)	(2,065,650)	-	(66,119,783)
<u>-</u>	<u>350,055</u>	<u>(14,954,659)</u>	<u>(1,734,671)</u>	<u>(2,654,829)</u>	<u>(558,525)</u>	<u>(61,993,476)</u>	<u>2,316,361</u>	<u>5,058,633</u>	<u>(54,618,482)</u>
(418,704)	468,536	92,170	(64)	(68)	(451,087)	7,184,476	(1,132,154)	1,313,098	7,365,420
699,982	750,229	3,297,406	53,379	345,142	7,216,794	41,686,225	7,262,456	(31)	48,948,650
<u>\$ 281,278</u>	<u>\$ 1,218,765</u>	<u>\$ 3,389,576</u>	<u>\$ 53,315</u>	<u>\$ 345,074</u>	<u>\$ 6,765,707</u>	<u>\$ 48,870,701</u>	<u>\$ 6,130,302</u>	<u>\$ 1,313,067</u>	<u>\$ 56,314,070</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2015

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
ASSETS				
Current assets:				
Cash and investments	\$ 4,304,183	\$ -	\$ 5,968,037	\$ 18,198
Receivables:				
Taxes	4,858,394	-	-	-
Accounts and unbilled usage, net				
\$310,780 of allowance for doubtful accounts	42,275	68,918	1,537,012	824
Due from other governments	2,615,091	-	-	-
Inventories	-	-	-	149,940
Prepaid items	-	-	1,800	49,000
Other assets	-	226,768	-	-
Total current assets	<u>11,819,943</u>	<u>295,686</u>	<u>7,506,849</u>	<u>217,962</u>
Noncurrent assets:				
Restricted cash and investments	-	1,521,698	-	-
Land	2,445,367	5,910,123	27,229	602,704
Buildings and structures	8,824,993	22,306,249	214,837	1,181,828
Improvements other than buildings	3,179,167	4,315,410	-	5,378,920
Machinery and equipment	9,637,455	1,502,085	1,893,042	872,664
Accumulated depreciation	(13,793,677)	(19,956,941)	(2,093,122)	(4,146,829)
Construction in progress	-	11,042,866	-	-
Total noncurrent assets	<u>10,293,305</u>	<u>26,641,490</u>	<u>41,986</u>	<u>3,889,287</u>
Total assets	<u>22,113,248</u>	<u>26,937,176</u>	<u>7,548,835</u>	<u>4,107,249</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	340,295	27,595	305,617	125,288
Total deferred outflows of resources	<u>340,295</u>	<u>27,595</u>	<u>305,617</u>	<u>125,288</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	488,832	172,297	927,898	214,942
Contracts payable	-	73,185	-	-
Accrued expenses	146,538	10,211	126,315	67,419
Compensated absences	166,794	24,547	121,025	107,436
Revenues collected in advance	14,616	12,330	180	-
Due to other funds	-	-	-	1,595,383
Due to other governments	-	-	-	6,355
Security deposits	1,000	-	-	-
Notes payable	-	-	-	-
General obligation bonds payable, net	-	266,426	-	243,466
Matured bonds interest payable	-	9,399	-	4,458
Total current liabilities	<u>817,780</u>	<u>568,395</u>	<u>1,175,418</u>	<u>2,239,459</u>
Noncurrent liabilities:				
General obligation bonds payable, net	-	3,202,025	-	1,259,453
Compensated absences	10,765	-	-	-
Net pension liability	1,643,911	133,309	1,476,387	605,245
Total noncurrent liabilities	<u>1,654,676</u>	<u>3,335,334</u>	<u>1,476,387</u>	<u>1,864,698</u>
Total liabilities	<u>2,472,456</u>	<u>3,903,729</u>	<u>2,651,805</u>	<u>4,104,157</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	626,940	50,840	563,051	230,823
Unavailable revenue - property taxes	4,830,136	-	-	-
Total deferred inflows of resources	<u>5,457,076</u>	<u>50,840</u>	<u>563,051</u>	<u>230,823</u>
NET POSITION				
Net investment in capital assets	10,293,305	23,173,039	41,986	2,386,368
Unrestricted (deficit)	4,230,706	(162,837)	4,597,610	(2,488,811)
Total net position	<u>\$ 14,524,011</u>	<u>\$ 23,010,202</u>	<u>\$ 4,639,596</u>	<u>\$ (102,443)</u>

Storm Sewer	Paramount Theatre	Ice Arena	Total
\$ 673,459	2,102,094	\$ 71,331	\$ 13,137,302
-	-	-	4,858,394
558,632	5,267	35,185	2,248,113
-	-	-	2,615,091
-	18,071	-	168,011
-	35,630	-	86,430
-	428,083	25,440	680,291
<u>1,232,091</u>	<u>2,589,145</u>	<u>131,956</u>	<u>23,793,632</u>
-	-	53,137	1,574,835
-	655,993	-	9,641,416
-	42,330,861	9,819,987	84,678,755
-	-	252,534	13,126,031
11,291	14,115	1,953,693	15,884,345
(2,688)	(4,490,174)	(6,138,944)	(50,622,375)
-	-	-	11,042,866
<u>8,603</u>	<u>38,510,795</u>	<u>5,940,407</u>	<u>85,325,873</u>
<u>1,240,694</u>	<u>41,099,940</u>	<u>6,072,363</u>	<u>109,119,505</u>
-	-	-	798,795
-	-	-	798,795
32,070	942,401	35,028	2,813,468
-	-	-	73,185
-	112,435	28,691	491,609
-	-	-	419,802
-	517,337	72,353	616,816
-	-	-	1,595,383
-	-	-	6,355
-	-	-	1,000
-	-	-	-
-	84,785	490,000	1,084,677
-	478	7,388	21,723
<u>32,070</u>	<u>1,657,436</u>	<u>633,460</u>	<u>7,124,018</u>
-	127,032	1,615,791	6,204,301
-	-	-	10,765
-	-	-	3,858,852
-	127,032	1,615,791	10,073,918
<u>32,070</u>	<u>1,784,468</u>	<u>2,249,251</u>	<u>17,197,936</u>
-	-	-	1,471,654
-	-	-	4,830,136
-	-	-	6,301,790
8,603	38,298,978	3,781,479	77,983,758
1,200,021	1,016,494	41,633	8,434,816
<u>\$ 1,208,624</u>	<u>\$ 39,315,472</u>	<u>\$ 3,823,112</u>	<u>\$ 86,418,574</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	\$ 1,021,625	\$ -	\$ 9,972,152	\$ 1,720,501
Use of money and property	-	-	-	-
Rents and royalties	86,458	-	-	621,040
Miscellaneous	25,607	1,177,383	7,909	259,983
Total operating revenues	<u>1,133,690</u>	<u>1,177,383</u>	<u>9,980,061</u>	<u>2,601,524</u>
Operating expenses:				
Personal services	3,952,156	314,199	3,654,154	1,437,776
Purchased services	2,274,904	141,761	5,042,088	920,500
Supplies and materials	789,905	4,584	802,623	621,128
Other	953,821	33,870	2,226,848	26,025
Depreciation	588,726	537,298	50,534	203,441
Total operating expenses	<u>8,559,512</u>	<u>1,031,712</u>	<u>11,776,247</u>	<u>3,208,870</u>
Operating income (loss)	<u>(7,425,822)</u>	<u>145,671</u>	<u>(1,796,186)</u>	<u>(607,346)</u>
Nonoperating revenues (expenses):				
Intergovernmental	5,107,125	4,584	60,101	41,732
Investment earnings	8,183	846	12,874	-
Property tax revenue	4,704,287	-	-	-
Gain (loss) on sale of capital assets	(89,730)	-	(43,370)	4,464
Issuance costs	-	(10,000)	-	-
Interest expense	-	(84,932)	-	(57,322)
Total nonoperating revenue (expenses)	<u>9,729,865</u>	<u>(89,502)</u>	<u>29,605</u>	<u>(11,126)</u>
Income (loss) before transfers and capital contributions	2,304,043	56,169	(1,766,581)	(618,472)
Transfers in	43,429	1,365,335	271,246	306,908
Transfers out	(50,000)	(928,940)	(8,080)	-
Change in net position	<u>2,297,472</u>	<u>492,564</u>	<u>(1,503,415)</u>	<u>(311,564)</u>
Total net position, beginning, as restated	12,226,539	22,517,638	6,143,011	209,121
Total net position, ending	<u>\$ 14,524,011</u>	<u>\$ 23,010,202</u>	<u>\$ 4,639,596</u>	<u>\$ (102,443)</u>

<u>Storm Sewer</u>	<u>Paramount Theatre</u>	<u>Ice Arena</u>	<u>Total</u>
\$ 4,181,027	\$ 1,062,690	\$ 1,232,037	\$ 19,190,032
-	657	-	657
-	-	-	707,498
652	789,719	123,450	2,384,703
<u>4,181,679</u>	<u>1,853,066</u>	<u>1,355,487</u>	<u>22,282,890</u>
-	533,466	-	9,891,751
1,298,010	188,169	1,352,125	11,217,557
116,761	-	3,011	2,338,012
199,362	496,070	-	3,935,996
1,613	1,981,878	436,429	3,799,919
<u>1,615,746</u>	<u>3,199,583</u>	<u>1,791,565</u>	<u>31,183,235</u>
<u>2,565,933</u>	<u>(1,346,517)</u>	<u>(436,078)</u>	<u>(8,900,345)</u>
-	-	-	5,213,542
4,392	-	905	27,200
-	-	-	4,704,287
-	-	-	(128,636)
-	-	-	(10,000)
-	(515,606)	(105,050)	(762,910)
<u>4,392</u>	<u>(515,606)</u>	<u>(104,145)</u>	<u>9,043,483</u>
2,570,325	(1,862,123)	(540,223)	143,138
-	81,307	676,905	2,745,130
(3,123,114)	-	-	(4,110,134)
(552,789)	(1,780,816)	136,682	(1,221,866)
1,761,413	41,096,288	3,686,430	87,640,440
<u>\$ 1,208,624</u>	<u>\$ 39,315,472</u>	<u>\$ 3,823,112</u>	<u>\$ 86,418,574</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	\$ 1,155,790	\$ 1,019,420	\$ 9,945,431	\$ 2,613,293
Cash paid to employees	(4,106,635)	(354,157)	(3,845,069)	(1,453,449)
Cash paid to suppliers	(3,952,435)	(337,396)	(7,857,094)	(1,519,351)
Net cash flows provided by (used in) operating activities	<u>(6,903,280)</u>	<u>327,867</u>	<u>(1,756,732)</u>	<u>(359,507)</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	-	-	-	697,120
Loans to other funds	-	-	-	(366,238)
Intergovernmental	2,513,770	4,584	60,101	41,732
Transfers in	43,429	1,365,335	271,246	306,908
Transfers out	(50,000)	(928,940)	(8,080)	-
Property taxes	4,708,109	-	-	-
Net cash flows provided by (used in) non-capital financing activities	<u>7,215,308</u>	<u>440,979</u>	<u>323,267</u>	<u>679,522</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,641,859)	(1,101,409)	-	(6,700)
Proceeds from disposition of capital assets	8,061	-	53,616	4,464
General obligation bonds issued	-	1,010,000	-	-
Principal paid	(183,165)	(170,950)	-	(244,118)
Issuance costs paid	-	(10,000)	-	-
Interest paid	-	(80,138)	-	(65,587)
Net cash flows provided by (used in) capital financing activities	<u>(1,816,963)</u>	<u>(352,497)</u>	<u>53,616</u>	<u>(311,941)</u>
Cash flows from investing activities:				
Interest on investments	8,183	846	12,874	-
Purchase of investments	(2,651,834)	-	(3,684,825)	-
Sale of investments	3,977,555	-	4,873,631	-
Net cash flows provided by (used in) investing activities	<u>1,333,904</u>	<u>846</u>	<u>1,201,680</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents, July 1, 2014	(171,031)	417,195	(178,169)	8,074
Cash and cash equivalents, June 30, 2015	<u>\$ 370,792</u>	<u>\$ 1,521,698</u>	<u>\$ 502,440</u>	<u>\$ 18,198</u>
Reconciliation of operating (loss) to net cash flows provided by (used in) operating activities				
Operating (loss)	\$ (7,425,822)	\$ 145,671	\$ (1,796,186)	\$ (607,346)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:				
Depreciation expense	588,726	537,298	50,534	203,441
Change in assets and liabilities:				
(Increase) decrease in prepaid items	-	-	(772)	(4,571)
Increase (decrease) in vouchers payable	65,989	(157,181)	215,237	29,154
Increase (decrease) in accrued expenses	6,674	(1,598)	8,136	8,577
Increase (decrease) in compensated absences	10,255	(15,863)	(22,457)	3,821
(Increase) decrease in accounts receivable	22,100	35,293	(34,685)	11,003
(Increase) in other assets	-	(193,256)	-	-
(increase) decrease in inventories	-	-	-	23,719
Increase (decrease) due to other governments	-	-	-	766
Increase in revenues collected in advance	206	-	55	-
(Increase) in pension deferred outflows	(92,381)	(6,477)	(80,295)	(38,145)
Increase in pension deferred inflows	626,940	50,840	563,051	230,823
Increase in net pension liability	(705,967)	(66,860)	(659,350)	(220,749)
Net cash flows provided by (used in) operating activities	<u>\$ (6,903,280)</u>	<u>\$ 327,867</u>	<u>\$ (1,756,732)</u>	<u>\$ (359,507)</u>
Reconciliation of cash and cash equivalents to specific assets on the combined statement of net position:				
Cash and investments	\$ 4,304,183	\$ 1,521,698	\$ 5,968,037	\$ 18,198
Less items not meeting the definition of cash equivalents	(3,933,391)	-	(5,465,597)	-
Cash and cash equivalents at end of the year	<u>\$ 370,792</u>	<u>\$ 1,521,698</u>	<u>\$ 502,440</u>	<u>\$ 18,198</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	<u>\$ (56)</u>	<u>\$ (392,424)</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Storm Sewer</u>	<u>Paramount Theatre</u>	<u>Ice Arena</u>	<u>Total</u>
\$ 3,712,909	\$ 1,840,705	\$ 1,387,210	\$ 21,674,758
-	(554,946)	(628)	(10,314,884)
(1,593,904)	(749,886)	(1,352,635)	(17,362,701)
<u>2,119,005</u>	<u>535,873</u>	<u>33,947</u>	<u>(6,002,827)</u>
-	-	-	697,120
-	-	-	(366,238)
-	-	-	2,620,187
-	81,307	676,905	2,745,130
(3,123,114)	-	-	(4,110,134)
-	-	-	4,708,109
<u>(3,123,114)</u>	<u>81,307</u>	<u>676,905</u>	<u>6,294,174</u>
-	(27,241)	(67,844)	(2,845,053)
-	-	-	66,141
-	-	-	1,010,000
-	(73,326)	(470,000)	(1,141,559)
-	-	-	(10,000)
-	(521,548)	(104,407)	(771,680)
<u>-</u>	<u>(622,115)</u>	<u>(642,251)</u>	<u>(3,692,151)</u>
4,392	-	905	27,200
(415,812)	(148,453)	(32,808)	(6,933,732)
<u>1,316,975</u>	<u>145,894</u>	<u>11,095</u>	<u>10,325,150</u>
<u>905,555</u>	<u>(2,559)</u>	<u>(20,808)</u>	<u>3,418,618</u>
(98,554)	(7,494)	47,793	17,814
155,252	1,889,392	28,011	4,409,714
<u>\$ 56,698</u>	<u>\$ 1,881,898</u>	<u>\$ 75,804</u>	<u>\$ 4,427,528</u>
\$ 2,565,933	\$ (1,346,517)	\$ (436,078)	\$ (8,900,345)
1,613	1,981,878	436,429	3,799,919
-	(3,772)	7,439	(1,676)
20,229	(59,593)	(4,938)	108,897
-	(21,480)	(628)	(319)
-	-	-	(24,244)
(468,770)	6,265	56,581	(372,213)
-	(207,245)	(25,440)	(425,941)
-	(2,282)	-	21,437
-	-	(1,004)	(238)
-	188,619	1,586	190,466
			(217,298)
			1,471,654
			(1,652,926)
<u>\$ 2,119,005</u>	<u>\$ 535,873</u>	<u>\$ 33,947</u>	<u>\$ (6,002,827)</u>
\$ 673,459	\$ 2,102,094	\$ 124,468	\$ 14,712,137
(616,761)	(220,196)	(48,664)	(10,284,609)
<u>\$ 56,698</u>	<u>\$ 1,881,898</u>	<u>\$ 75,804</u>	<u>\$ 4,427,528</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (392,480)</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
ASSETS						
Current assets:						
Cash and investments	\$ 2,306,471	\$ 2,228,721	\$ 2,353,384	\$ 43,045,756	\$ 2,538,344	\$ 52,472,676
Receivables:						
Accounts and unbilled usage, net						
\$38,934 of allowance for doubtful accounts	355,544	2,595,395	100,062	27,958	-	3,078,959
Interest	-	-	-	887	-	887
Due from other governments	-	50,196	18	-	-	50,214
Inventories	-	853,526	-	-	-	853,526
Prepaid items	1,462	300	588,206	769,506	-	1,359,474
Other assets	-	-	-	-	197,510	197,510
Total current assets	<u>2,663,477</u>	<u>5,728,138</u>	<u>3,041,670</u>	<u>43,844,107</u>	<u>2,735,854</u>	<u>58,013,246</u>
Noncurrent assets:						
Advance to other funds	-	-	-	159,397	-	159,397
Land	1,016,663	-	-	-	-	1,016,663
Buildings and structures	6,082,507	-	20,706	-	9,894,982	15,998,195
Improvements other than buildings	1,843,172	33,575	-	-	-	1,876,747
Machinery and equipment	116,219	31,406,494	14,912,572	-	-	46,435,285
Accumulated depreciation	(6,556,532)	(13,180,539)	(986,964)	-	(1,143,794)	(21,867,829)
Construction in progress	-	-	-	-	-	-
Total noncurrent assets	<u>2,502,029</u>	<u>18,259,530</u>	<u>13,946,314</u>	<u>159,397</u>	<u>8,751,188</u>	<u>43,618,458</u>
Total assets	<u>5,165,506</u>	<u>23,987,668</u>	<u>16,987,984</u>	<u>44,003,504</u>	<u>11,487,042</u>	<u>101,631,704</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	158,543	252,781	182,486	-	-	593,810
Total deferred outflows of resources	<u>158,543</u>	<u>252,781</u>	<u>182,486</u>	<u>-</u>	<u>-</u>	<u>593,810</u>
LIABILITIES						
Current liabilities:						
Vouchers payable	108,490	691,347	620,115	535,105	-	1,955,057
Claims and judgments payable	-	-	-	1,973,592	-	1,973,592
Accrued expenses	68,408	107,344	88,550	4,932	-	269,234
Revenues collected in advance	-	-	-	24,171	-	24,171
Compensated absences	107,400	113,021	75,303	-	-	295,724
Security deposits	-	-	-	618	-	618
Total current liabilities	<u>284,298</u>	<u>911,712</u>	<u>783,968</u>	<u>2,538,418</u>	<u>-</u>	<u>4,518,396</u>
Noncurrent liabilities:						
Claims and judgments payable	-	-	-	11,964,951	-	11,964,951
Post-employment liability	-	-	-	5,264,998	-	5,264,998
Compensated absences	1,352	-	-	-	-	1,352
Net pension liability	765,896	1,221,148	881,561	-	-	2,868,605
Total noncurrent liabilities	<u>767,248</u>	<u>1,221,148</u>	<u>881,561</u>	<u>17,229,949</u>	<u>-</u>	<u>20,099,906</u>
Total liabilities	<u>1,051,546</u>	<u>2,132,860</u>	<u>1,665,529</u>	<u>19,768,367</u>	<u>-</u>	<u>24,618,302</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	292,091	465,711	336,202	-	-	1,094,004
Total deferred inflows of resources	<u>292,091</u>	<u>465,711</u>	<u>336,202</u>	<u>-</u>	<u>-</u>	<u>1,094,004</u>
NET POSITION						
Investment in capital assets	2,502,029	18,259,530	13,946,314	-	8,751,188	43,459,061
Unrestricted	1,478,383	3,382,348	1,222,425	24,235,137	2,735,854	33,054,147
	<u>\$ 3,980,412</u>	<u>\$ 21,641,878</u>	<u>\$ 15,168,739</u>	<u>\$ 24,235,137</u>	<u>\$ 11,487,042</u>	<u>\$ 76,513,208</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Operating revenues:						
Charges for services	\$ 1,446,104	\$ 12,883,923	\$ 3,499,503	\$ 27,173,788	\$ -	\$ 45,003,318
Rents and royalties	2,095,322	-	-	-	-	2,095,322
Miscellaneous	-	2,663,189	-	1,171,700	58,136	3,893,025
Total operating revenues	<u>3,541,426</u>	<u>15,547,112</u>	<u>3,499,503</u>	<u>28,345,488</u>	<u>58,136</u>	<u>50,991,665</u>
Operating expenses:						
Personal services	1,871,667	2,935,276	1,973,597	4,213,168	-	10,993,708
Purchased services	1,303,986	1,455,627	764,747	26,191,482	-	29,715,842
Supplies and materials	267,039	4,425,135	30,199	381	-	4,722,754
Other	56,487	73,311	14,000	193,292	92,130	429,220
Depreciation	149,513	3,344,792	301,226	-	352,450	4,147,981
Total operating expenses	<u>3,648,692</u>	<u>12,234,141</u>	<u>3,083,769</u>	<u>30,598,323</u>	<u>444,580</u>	<u>50,009,505</u>
Operating income (loss)	<u>(107,266)</u>	<u>3,312,971</u>	<u>415,734</u>	<u>(2,252,835)</u>	<u>(386,444)</u>	<u>982,160</u>
Nonoperating revenues (expenses):						
Intergovernmental	3,511	21,837	-	-	-	25,348
Investment earnings	4,545	1,828	3,893	100,826	-	111,092
Gain (Loss) on sale of capital assets	-	310,867	(15,795)	-	-	295,072
Total nonoperating revenue (expenses)	<u>8,056</u>	<u>334,532</u>	<u>(11,902)</u>	<u>100,826</u>	<u>-</u>	<u>431,512</u>
Income (loss) before transfers and capital contributions	(99,210)	3,647,503	403,832	(2,152,009)	(386,444)	1,413,672
Capital contributions	-	26,866	168,138	-	2,702,239	2,897,243
Transfers in	262,051	39,165	-	908,048	-	1,209,264
Transfers out	(189,165)	-	-	(1,541,187)	-	(1,730,352)
Change in net position	(26,324)	3,713,534	571,970	(2,785,148)	2,315,795	3,789,827
Total net position, beginning, as restated	4,006,736	17,928,344	14,596,769	27,020,285	9,171,247	72,723,381
Total net position, ending	<u>\$ 3,980,412</u>	<u>\$ 21,641,878</u>	<u>\$ 15,168,739</u>	<u>\$ 24,235,137</u>	<u>\$ 11,487,042</u>	<u>\$ 76,513,208</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Courthouse II	Total
Cash flows from operating activities:						
Cash received from users	\$ 3,600,658	\$ 14,910,876	\$ 3,399,535	\$ 28,385,225	\$ (61,098)	\$ 50,235,196
Cash paid to employees	(1,904,148)	(3,058,976)	(2,063,446)	(1,522,965)	-	(8,549,535)
Cash paid to suppliers	(1,589,964)	(5,945,689)	(867,509)	(26,156,346)	(102,797)	(34,662,305)
Net cash flows provided by (used in) operating activities	<u>106,546</u>	<u>5,906,211</u>	<u>468,580</u>	<u>705,914</u>	<u>(163,895)</u>	<u>7,023,356</u>
Cash flows from non-capital financing activities:						
Borrowing from other funds	-	-	-	85,317	-	85,317
Intergovernmental	3,511	21,837	-	-	-	25,348
Transfers in	262,051	39,165	-	908,048	-	1,209,264
Transfers out	(189,165)	-	-	(1,541,187)	-	(1,730,352)
Net cash flows provided by (used in) non-capital financing activities	<u>76,397</u>	<u>61,002</u>	<u>-</u>	<u>(547,822)</u>	<u>-</u>	<u>(410,423)</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	(7,322,996)	(499,450)	-	-	(7,822,446)
Proceeds from disposition of capital assets	-	401,000	18,000	-	-	419,000
Capital contributions	-	26,866	168,138	-	2,702,239	2,897,243
Net cash flows provided by (used in) capital financing activities	<u>-</u>	<u>(6,895,130)</u>	<u>(313,312)</u>	<u>-</u>	<u>2,702,239</u>	<u>(4,506,203)</u>
Cash flows from investing activities:						
Interest on investments	4,545	1,828	3,893	101,083	-	111,349
Purchase of investments	(1,424,077)	(1,376,016)	(1,453,042)	(26,469,413)	-	(30,722,548)
Sale of investments	1,234,148	2,196,951	1,288,410	25,816,654	-	30,536,163
Net cash flows provided by (used in) investing activities	<u>(185,384)</u>	<u>822,763</u>	<u>(160,739)</u>	<u>(551,676)</u>	<u>-</u>	<u>(75,036)</u>
Net increase (decrease) in cash and cash equivalents	(2,441)	(105,154)	(5,471)	(393,584)	2,538,344	2,031,694
Cash and cash equivalents, July 1, 2014	196,619	292,868	203,600	4,178,006	-	4,871,093
Cash and cash equivalents, June 30, 2015	<u>\$ 194,178</u>	<u>\$ 187,714</u>	<u>\$ 198,129</u>	<u>\$ 3,784,422</u>	<u>\$ 2,538,344</u>	<u>\$ 6,902,787</u>
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities						
Operating income (loss)	\$ (107,266)	\$ 3,312,971	\$ 415,734	\$ (2,252,835)	\$ (386,444)	\$ 982,160
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities						
Depreciation expense	149,513	3,344,792	301,226	-	352,450	4,147,981
Change in assets and liabilities:						
(Increase) decrease in prepaid items	1,332	138	(515,852)	67,234	-	(447,148)
(Increase) in other assets	-	-	-	-	(119,234)	(119,234)
Increase in vouchers payable	36,216	168,861	457,289	161,575	-	823,941
Increase (decrease) in accrued expenses	4,769	2,976	7,750	2,298	(10,667)	7,126
Increase (decrease) in compensated absences	16,080	(1,904)	(7,655)	-	-	6,521
(Increase) decrease in accounts receivable	59,232	(598,611)	(99,959)	38,955	-	(600,383)
(Increase) in inventories	-	(160,615)	-	-	-	(160,615)
(Increase) in due from other governments	-	(37,625)	(9)	-	-	(37,634)
Increase in revenues collected in advance	-	-	-	782	-	782
(Increase) in pension deferred outflows	(46,169)	(68,924)	(49,773)	-	-	(164,866)
Increase in pension deferred inflows	292,091	465,711	336,202	-	-	1,094,004
Increase in net pension liability	(299,252)	(521,559)	(376,373)	-	-	(1,197,184)
(Decrease) post-employment liability	-	-	-	(21,922)	-	(21,922)
Increase in open claims payable	-	-	-	2,709,827	-	2,709,827
Net cash flows provided by (used in) operating activities	<u>\$ 106,546</u>	<u>\$ 5,906,211</u>	<u>\$ 468,580</u>	<u>\$ 705,914</u>	<u>\$ (163,895)</u>	<u>\$ 7,023,356</u>
Reconciliation of cash and cash equivalents to specific assets on the combined statement of net position:						
Cash and investments	\$ 2,306,471	\$ 2,228,721	\$ 2,353,384	\$ 43,045,756	\$ 2,538,344	\$ 52,472,676
Less items not meeting the definition of cash equivalents	(2,112,293)	(2,041,007)	(2,155,255)	(39,261,334)	-	(45,569,889)
Cash and cash equivalents at end of the year	<u>\$ 194,178</u>	<u>\$ 187,714</u>	<u>\$ 198,129</u>	<u>\$ 3,784,422</u>	<u>\$ 2,538,344</u>	<u>\$ 6,902,787</u>

City of Cedar Rapids, Iowa
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Metropolitan Coalition	Total
ASSETS					
Receivables:					
Due from other governments	\$ 518,715	\$ 11,343	\$ 227,835	\$ 65,645	\$ 823,538
Total Assets	<u>\$ 518,715</u>	<u>\$ 11,343</u>	<u>\$ 227,835</u>	<u>\$ 65,645</u>	<u>\$ 823,538</u>
LIABILITIES					
Vouchers payable	\$ -	\$ 61	\$ 65,244	\$ -	\$ 65,305
Due to other governments	-	-	162,591	65,645	228,236
Security deposits	518,715	11,282	-	-	529,997
Total liabilities	<u>\$ 518,715</u>	<u>\$ 11,343</u>	<u>\$ 227,835</u>	<u>\$ 65,645</u>	<u>\$ 823,538</u>

**CITY OF CEDAR RAPIDS, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED June 30, 2015**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Developers Security Deposit				
Assets:				
Due from other governments	\$ 498,748	\$ 19,967	\$ -	\$ 518,715
Liabilities:				
Security deposits	\$ 498,748	\$ 19,967	\$ -	\$ 518,715
Contractors Permit Deposit				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ 287	\$ -
Due from other governments	11,279	64	-	11,343
Total assets	<u>\$ 11,566</u>	<u>\$ 64</u>	<u>\$ 287</u>	<u>\$ 11,343</u>
Liabilities:				
Vouchers payable	\$ 61	\$ -	\$ -	\$ 61
Security deposits	11,505	-	223	11,282
Total liabilities	<u>\$ 11,566</u>	<u>\$ -</u>	<u>\$ 223</u>	<u>\$ 11,343</u>
Regional Planning				
Assets:				
Due from other governments	\$ 275,643	\$ 228,122	\$ 275,930	\$ 227,835
Liabilities:				
Vouchers payable	\$ 38,035	\$ 246,331	\$ 219,122	\$ 65,244
Due to other governments	237,608	404,252	479,269	162,591
Total liabilities	<u>\$ 275,643</u>	<u>\$ 650,583</u>	<u>\$ 698,391</u>	<u>\$ 227,835</u>
Metropolitan Coalition				
Assets:				
Due from other governments	\$ 45,160	\$ 65,726	\$ 45,241	\$ 65,645
Liabilities:				
Vouchers payable	\$ 3,250	\$ 39,147	\$ 42,397	\$ -
Due to other governments	41,910	62,882	39,147	65,645
Total liabilities	<u>\$ 45,160</u>	<u>\$ 102,029</u>	<u>\$ 81,544</u>	<u>\$ 65,645</u>
Total				
Assets:				
Accounts receivable	\$ 287	\$ -	\$ 287	\$ -
Due from other governments	830,830	313,879	321,171	823,538
Total assets	<u>\$ 831,117</u>	<u>\$ 313,879</u>	<u>\$ 321,458</u>	<u>\$ 823,538</u>
Liabilities:				
Vouchers payable	\$ 41,346	\$ 285,478	\$ 261,519	\$ 65,305
Due to other governments	279,518	467,134	518,416	228,236
Security deposits	510,253	19,967	223	529,997
Total liabilities	<u>\$ 831,117</u>	<u>\$ 772,579</u>	<u>\$ 780,158</u>	<u>\$ 823,538</u>

City of Cedar Rapids, Iowa
Statements of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Units
For the Year Ended June 30, 2015

	<u>Airport</u>	<u>Cedar Rapids/ Linn County Solid Waste Agency</u>
Operating revenues:		
Charges for services	\$ 4,615,349	\$ 6,835,621
Licenses and permits	5,025	-
Use of money and property	16,069	24,344
Rents and royalties	13,417,216	12,174
Miscellaneous	33,974	2,045,562
Total operating revenues	<u>18,087,633</u>	<u>8,917,701</u>
Operating expenses:		
Personal services	3,684,104	2,533,676
Purchased services	3,048,264	2,192,060
Supplies and materials	1,199,148	1,039,123
Closure and post closure care	-	(25,644)
Other	123,434	216,056
Depreciation	8,149,064	2,392,323
Total operating expenses	<u>16,204,014</u>	<u>8,347,594</u>
Operating income	<u>1,883,619</u>	<u>570,107</u>
Nonoperating revenues:		
Intergovernmental	104,889	108,898
Investment earnings	88,950	82,111
Gain on sale of assets	20,019	35,155
Total nonoperating revenue	<u>213,858</u>	<u>226,164</u>
Capital contributions	<u>7,794,866</u>	<u>-</u>
Change in net position	9,892,343	796,271
Total net position, beginning, as restated	176,050,215	44,638,118
Total net position, ending	<u>\$ 185,942,558</u>	<u>\$ 45,434,389</u>

City of Cedar Rapids, Iowa
Statements of Cash Flows
Discretely Presented Component Units
For the Year Ended June 30, 2015

	Airport	Cedar Rapids/ Linn County Solid Waste Agency
Cash flows from operating activities:		
Cash received from users	\$ 18,084,220	\$ 8,967,218
Cash paid to employees	(3,736,282)	(2,604,877)
Cash paid to suppliers	(4,870,184)	(4,382,675)
Net cash flows provided by operating activities	9,477,754	1,979,666
Cash flows from non-capital financing activities:		
Borrowing from other funds	5,141,353	-
Loans to other funds	(7,712,731)	-
Intergovernmental	104,889	108,898
Net cash flows provided by (used in) non-capital financing activities	(2,466,489)	108,898
Cash flows from capital and related financing activities:		
Purchase of capital assets	(14,906,921)	(210,575)
Capital contributions	7,794,866	-
Proceeds from disposition of capital assets	20,019	35,155
Principal paid	(23,902)	-
Interest paid	(3,693)	-
Net cash flows (used in) financing activities	(7,119,631)	(175,420)
Cash flows from investing activities:		
Interest on investments	88,950	78,309
Net increase (decrease) in cash and cash equivalents	(19,416)	1,991,453
Cash and cash equivalents, July 1, 2014	19,566	23,284,595
Cash and cash equivalents, June 30, 2015	\$ 150	\$ 25,276,048
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,883,619	\$ 570,107
Adjustments to reconcile operating income to net cash flows provided by (used in) operating activities:		
Depreciation expense	8,149,064	2,392,323
Change in assets and liabilities:		
(Increase) in prepaid items	(24,500)	(48,286)
(Decrease) in vouchers payable	(474,838)	(559,884)
Increase (decrease) in compensated absences	47,533	(2,989)
Increase in accrued expenses	34,963	41
(Increase) decrease in accounts receivable	52,385	(117,666)
(Increase) decrease in due from other governments	(46,371)	177,058
(Decrease) in due to other governments	-	(18,475)
Increase (decrease) in security deposits	(9,427)	8,000
Increase in revenues collected in advance	-	600
(Increase) in pension deferred outflows	(63,055)	(47,879)
Increase in pension deferred inflows	596,950	431,431
Increase in net pension liability	(668,569)	(451,805)
(Decrease) in closure/postclosure payable	-	(352,910)
Net cash flows provided by (used in) operating activities	\$ 9,477,754	\$ 1,979,666
Schedule of noncash capital and related financing activities:		
Acquisition of capital assets through accounts and contracts payable	\$ (244,528)	\$ -

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2015

Governmental funds capital assets:	
Land	\$ 115,730,658
Building	164,840,775
Improvements other than Building	540,989,521
Machinery and equipment	38,078,095
Construction in progress	35,015,888
Total governmental funds capital assets	<u>\$ 894,654,937</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 120,122,970
Special revenue funds	9,589,604
Capital projects funds	739,109,807
Donations	25,832,556
Total governmental funds capital assets	<u>\$ 894,654,937</u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2015

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
Function and Activity						
Public Safety:						
Police	\$ 1,057,051	\$ 10,568,948	\$ 595,862	\$ 1,854,486	\$ 861,957	\$ 14,938,304
Flood Control	-	-	10,616	-	-	10,616
Fire	1,012,318	7,587,558	89,535	8,768,543	659,052	18,117,006
Building Inspections	-	266,930	-	-	-	266,930
Animal Control	-	211,963	14,630	121,652	-	348,245
Total Public Safety	<u>2,069,369</u>	<u>18,635,399</u>	<u>710,643</u>	<u>10,744,681</u>	<u>1,521,009</u>	<u>33,681,101</u>
Public Works:						
Roads, Bridges, Sidewalks	18,236,760	-	409,342,509	472,367	466,239	428,517,875
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	413,652	-	6,419,000	-	6,832,652
Flood Recovery	78,443,250	111,546,119	26,288,571	6,115,265	32,248,724	254,641,929
Other Public Works	1,013	456,452	39,692,499	114,658	75,319	40,339,941
Total Public Works	<u>96,693,500</u>	<u>112,425,962</u>	<u>485,988,695</u>	<u>14,296,735</u>	<u>32,790,282</u>	<u>742,195,174</u>
Culture & Recreation:						
Library Services	1,596,854	109,952	-	866,525	-	2,573,331
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,289,892	4,539,994	22,743,223	2,202,955	224,813	35,000,877
Recreation	1,643,423	8,738,439	6,445,744	4,455,820	-	21,283,426
Other Culture and Recreation	-	-	-	-	-	-
Total Culture and Recreation	<u>8,530,169</u>	<u>13,388,385</u>	<u>29,188,967</u>	<u>7,538,310</u>	<u>224,813</u>	<u>58,870,644</u>
Community & Economic Development:						
Community Beautification	10,500	-	-	290,064	-	300,564
Economic Development	5,368,697	-	1,977,811	17,618	-	7,364,126
Housing and Urban Renewal	28,445	-	89,494	22,348	-	140,287
Other Community and Economic Development	1,771,725	-	-	12,902	-	1,784,627
Total Community and Economic Development	<u>7,179,367</u>	<u>-</u>	<u>2,067,305</u>	<u>342,932</u>	<u>-</u>	<u>9,589,604</u>
General Government:						
Mayor and Council	-	-	-	10,389	-	10,389
Clerk, Treasurer, Finance	-	-	1,370,769	368,416	28,255	1,767,440
City Attorney	-	-	-	13,222	-	13,222
City Hall and Other Buildings	85,100	17,743,393	4,293,754	219,188	405,754	22,747,189
Other General Government	1,173,153	2,647,636	17,369,388	4,544,222	45,775	25,780,174
Total General Government	<u>1,258,253</u>	<u>20,391,029</u>	<u>23,033,911</u>	<u>5,155,437</u>	<u>479,784</u>	<u>50,318,414</u>
Total governmental funds capital assets	<u>\$ 115,730,658</u>	<u>\$ 164,840,775</u>	<u>\$ 540,989,521</u>	<u>\$ 38,078,095</u>	<u>\$ 35,015,888</u>	<u>\$ 894,654,937</u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2015

Function and Activity	Governmental Funds Capital Assets July 1, 2014	Additions	Deletions	Governmental Funds Capital Assets June 30, 2015
Public Safety:				
Police	\$ 14,598,365	\$ 576,828	\$ (236,889)	\$ 14,938,304
Flood Control	10,616	-	-	10,616
Fire	17,309,780	868,926	(61,700)	18,117,006
Building Inspections	280,594	-	(13,664)	266,930
Animal Control	353,758	-	(5,513)	348,245
Total Public Safety	<u>32,553,113</u>	<u>1,445,754</u>	<u>(317,766)</u>	<u>33,681,101</u>
Public Works:				
Roads, Bridges, Sidewalks	396,081,257	32,436,618	-	428,517,875
Traffic Control and Safety	11,862,777	-	-	11,862,777
Street Cleaning	7,609,009	24,601	(800,958)	6,832,652
Flood	247,853,231	73,318,048	(66,529,350)	254,641,929
Other Public Works	40,257,945	81,996	-	40,339,941
Total Public Works	<u>703,664,219</u>	<u>105,861,263</u>	<u>(67,330,308)</u>	<u>742,195,174</u>
Culture & Recreation:				
Library Services	2,578,331	-	(5,000)	2,573,331
Museum, Band, Theater	13,010	-	-	13,010
Parks	34,290,026	8,138,962	(7,428,111)	35,000,877
Recreation	21,225,621	111,061	(53,256)	21,283,426
Other Culture and Recreation	-	-	-	-
Total Culture and Recreation	<u>58,106,988</u>	<u>8,250,023</u>	<u>(7,486,367)</u>	<u>58,870,644</u>
Community & Economic Development:				
Community Beautification	511,795	-	(211,231)	300,564
Economic Development	6,949,126	415,000	-	7,364,126
Housing and Urban Renewal	150,497	-	(10,210)	140,287
Other Community and Economic Development	1,886,547	-	(101,920)	1,784,627
Total Community and Economic Development	<u>9,497,965</u>	<u>415,000</u>	<u>(323,361)</u>	<u>9,589,604</u>
General Government:				
Mayor and council	10,389	-	-	10,389
Clerk, Treasurer, Finance	1,739,185	28,255	-	1,767,440
City Attorney	13,222	-	-	13,222
City Hall and Other Buildings	22,422,629	324,560	-	22,747,189
Other General Government	24,773,616	13,010,448	(12,003,890)	25,780,174
Total General Government	<u>48,959,041</u>	<u>13,363,263</u>	<u>(12,003,890)</u>	<u>50,318,414</u>
Total governmental funds capital assets	<u><u>\$ 852,781,326</u></u>	<u><u>\$ 129,335,303</u></u>	<u><u>\$ (87,461,692)</u></u>	<u><u>\$ 894,654,937</u></u>

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



CEDAR RAPIDS

City of Five Seasons®

STATISTICAL SECTION

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

Contents	Page
Financial Trends	121
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity	134
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	
Debt Capacity	143
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.	
Demographic and Economic Information	150
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	153
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.	

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

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 188,024,772	\$ 166,859,345	\$ 215,756,562	\$ 202,547,673
Restricted	22,186,515	53,058,213	46,336,187	34,927,581
Unrestricted	103,526,477	109,830,961	80,101,208	131,561,029
Total governmental activities net position	313,737,764	329,748,519	342,193,957	369,036,283
Business-type activities:				
Net investment in capital assets	171,583,350	189,931,481	156,641,036	151,831,976
Restricted	-	-	211,003	39,979
Unrestricted	65,769,024	54,103,299	62,908,340	71,434,828
Total business-type activities net position	237,352,374	244,034,780	219,760,379	223,306,783
Primary government:				
Net investment in capital assets	359,608,122	356,790,826	372,397,598	354,379,649
Restricted	-	-	211,003	39,979
Unrestricted	169,295,501	163,934,260	143,009,548	202,995,857
Total primary government assets net position	\$ 551,090,138	\$ 573,783,299	\$ 561,954,336	\$ 592,343,066

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 255,357,514	\$ 401,632,078	\$ 386,996,425	\$ 465,240,456	\$ 523,398,811	\$ 552,231,885
21,925,801	67,552,110	19,394,024	22,617,041	46,380,534	43,941,079
103,425,016	(53,497,147)	80,551,197	66,585,182	63,259,061	17,257,321
380,708,331	415,687,041	486,941,646	554,442,679	633,038,406	613,430,285
162,423,211	186,833,485	199,197,171	285,342,887	280,051,202	285,181,418
3,575,519	10,253,520	-	-	-	-
67,228,295	65,009,584	95,412,859	66,159,762	88,891,350	77,307,607
233,227,025	262,096,589	294,610,030	351,502,649	368,942,552	362,489,025
417,780,725	588,465,563	586,193,596	750,583,343	803,450,013	837,413,303
3,575,519	77,805,630	19,394,024	22,617,041	46,380,534	43,941,079
170,653,311	11,512,437	175,964,056	132,744,944	152,150,411	94,564,928
\$ 613,935,356	\$ 677,783,630	\$ 781,551,676	\$ 905,945,328	\$ 1,001,980,958	\$ 975,919,310

City of Cedar Rapids, Iowa

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

	2006	2007	2008	2009	2010	2011
Expenses:						
Governmental activities:						
Public safety	\$ 39,604,205	\$ 41,827,493	\$ 45,079,704	\$ 52,957,555	\$ 59,391,790	\$ 73,568,130
Public Works	24,486,391	25,633,415	26,490,183	31,597,955	50,639,010	46,638,652
Culture and recreation	14,403,753	14,150,160	14,947,142	18,600,493	17,245,024	20,070,392
Community and economic development	15,124,554	17,316,122	16,743,324	69,037,194	59,446,440	116,005,506
General government	8,470,505	10,671,203	26,964,118	62,868,795	33,347,735	31,734,760
Interest on long-term debt	5,051,146	4,965,549	6,090,164	5,499,749	6,026,574	5,957,388
Total governmental activities expenses	107,140,554	114,563,942	136,314,635	240,561,741	226,096,573	293,974,828
Business -type activities:						
Water	20,292,696	19,981,289	20,928,498	22,260,320	23,839,346	25,401,153
Water pollution control	23,457,134	25,013,567	40,419,439	24,761,524	27,472,489	27,676,541
Sanitary sewer	5,483,443	5,521,451	6,221,906	6,844,499	7,198,507	7,785,423
U.S. Cellular center	1,995,824	2,450,662	1,920,761	2,075,918	3,152,069	3,078,305
DoubleTree by Hilton	-	-	-	-	-	-
Ground transportation system	8,591,187	8,710,141	14,411,599	8,477,644	8,077,409	8,652,380
Parking system	3,542,614	3,614,899	5,477,383	3,736,096	4,107,165	2,701,165
Solid waste management	5,549,469	5,978,733	6,783,763	7,497,821	9,984,132	8,854,718
Golf	2,763,139	2,854,476	3,087,089	3,045,868	3,158,393	3,119,178
Storm Sewer	-	-	-	-	-	-
Paramount theatre	805,021	1,106,828	4,521,021	469,615	439,704	483,718
Ice arena	1,755,007	1,800,805	1,748,772	1,765,892	1,493,771	1,588,030
Total business-type activities expenses	74,235,534	77,032,851	105,520,231	80,935,197	88,922,985	89,340,611
Total primary government expenses	181,376,088	191,596,793	241,834,866	321,496,938	315,019,558	383,315,439
Program revenue:						
Governmental activities:						
Charges for services:						
Public safety	2,890,022	3,494,651	3,196,635	3,457,851	835,599	11,318,305
Public works	2,268,030	1,031,583	917,932	3,153,404	2,326,266	3,396,104
Culture and recreation	2,816,206	2,911,609	2,721,975	2,202,798	14,861,450	2,480,024
Community and economic development	922,365	1,934,766	583,379	1,236,449	4,639,257	1,625,977
General government	2,220,615	2,313,792	5,240,941	12,418,618	6,836,575	16,130,840
Operating grants and contributions:						
Public safety	1,061,761	669,139	606,657	2,481,375	4,967,874	3,003,469
Public works	10,030,359	11,296,337	20,396,467	15,519,134	16,241,210	29,474,263
Culture and recreation	767,141	813,981	868,402	3,374,928	3,230,934	6,999,625
Community development	5,759,726	9,402,242	8,771,933	21,909,102	39,842,167	64,449,258
General government	397,655	1,053,915	1,820,576	52,367,301	31,797,943	12,945,768
Capital grants and contributions						
Public safety	57,070	19,264	39,170	20,576	92,884	116,644
Public works	7,153,621	6,739,142	10,676,970	9,595,543	6,119,048	64,927,982
Culture and recreation	238,773	686,758	135,476	596,528	203,041	625,020
Community and economic development	303,597	106,404	58,634	44,114,704	1,271,224	884,461
General government	53,809	1,008,250	433,984	152,098	62,977	5,127,725
Total governmental activities program revenue	36,940,750	43,481,833	56,469,131	172,600,409	133,328,449	223,505,465
Business-type activities:						
Charges for services:						
Water	21,237,980	21,630,046	22,048,658	23,902,932	26,955,880	29,919,795
Water pollution control	20,692,758	22,131,342	22,267,080	25,191,014	30,659,963	31,444,246
Sanitary sewer	6,727,767	7,171,948	8,046,981	9,190,139	9,789,441	10,327,611
U.S. Cellular center	1,822,931	2,161,352	1,767,484	2,105,960	2,675,075	2,574,438
Doubletree by Hilton	-	-	-	-	-	-
Ground transportation system	1,155,707	1,136,814	1,126,602	542,621	778,911	961,549
Parking system	2,935,889	2,992,440	3,083,142	1,953,982	3,116,673	2,320,222
Solid waste management	6,724,886	6,977,774	7,033,832	6,832,953	7,344,847	7,725,667
Golf	2,656,282	2,708,739	2,544,561	2,536,505	2,586,913	2,567,468
Storm Sewer	-	-	-	-	-	-
Paramount theatre	614,984	698,640	782,525	2,386	-	861
Ice arena	1,087,155	1,046,058	960,531	954,920	952,433	914,011

2012	2013	2014	2015
\$ 67,668,522	\$ 64,563,475	\$ 62,794,319	\$ 75,484,947
45,309,184	43,318,705	42,027,298	41,712,704
17,472,656	21,816,032	19,276,563	19,338,905
58,864,942	55,455,365	44,000,867	36,510,740
21,780,113	10,772,562	22,137,547	33,755,032
6,438,172	7,989,633	6,128,343	6,166,942
217,533,589	203,915,772	196,364,937	212,969,270

25,282,580	27,001,814	27,838,023	29,890,562
27,132,586	28,662,649	28,637,227	27,085,717
7,499,398	8,377,852	7,059,463	7,311,198
1,429,022	4,821,315	12,730,138	13,798,661
-	3,244,013	10,331,261	11,079,544
8,285,590	9,213,123	9,019,980	8,696,186
3,624,409	3,223,761	2,711,534	1,136,893
10,313,496	9,985,620	9,615,960	11,865,450
3,230,817	3,265,523	3,378,600	3,275,241
-	-	1,519,395	1,615,746
363,978	1,061,472	3,970,607	3,715,189
1,982,137	1,750,803	1,583,447	1,896,615
89,144,013	100,607,945	118,395,635	121,367,002
306,677,602	304,523,717	314,760,572	334,336,272

13,136,896	11,722,447	12,516,149	13,880,729
4,626,331	3,845,305	5,044,318	4,768,013
3,057,587	2,437,373	3,101,233	3,398,843
217,349	1,952,364	2,602,583	2,664,507
15,476,313	15,165,249	16,904,005	20,785,657
3,696,732	9,916,262	2,688,446	2,677,702
19,318,970	27,251,228	9,501,460	5,541,686
6,104,311	12,985,707	4,118,634	4,363,868
51,031,154	12,567,912	23,321,516	27,140,389
9,564,494	16,783,494	15,711,105	5,811,897
155,485	494,318	4,140,177	209,858
43,519,392	13,710,269	32,112,469	27,534,947
1,676,722	9,562,622	2,677,520	408,724
3,429,185	27,333,099	6,764,020	6,638,645
4,185,250	13,285,778	15,901,863	5,287,528
179,196,171	179,013,427	157,105,498	131,112,993

32,337,249	33,344,490	34,196,231	33,679,744
31,737,883	30,880,420	32,476,106	32,976,588
10,470,855	10,499,121	7,810,972	7,716,165
968,051	2,285,466	8,416,739	10,075,277
-	519,598	8,285,200	9,918,527
990,746	979,196	1,000,877	1,133,690
3,279,137	3,222,487	299,505	1,177,383
8,373,693	8,759,734	9,365,339	9,980,061
3,006,215	2,654,474	2,735,489	2,601,524
-	-	3,680,772	4,181,679
-	299,122	1,812,750	1,853,066
1,279,162	1,105,312	1,018,369	1,355,487

City of Cedar Rapids, Iowa

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

	2006	2007	2008	2009	2010	2011
Operating grants and contributions:						
Water	37,761	-	-	-	-	-
Water pollution control	-	-	-	-	-	-
Sanitary sewer	-	-	-	461	86,659	234,861
U.S. Cellular center	-	-	-	-	-	-
Doubletree by Hilton	-	-	-	-	-	-
Paramount theatre	-	-	-	-	-	-
Ground transportation system	2,947,652	2,844,586	3,214,133	3,380,960	3,759,714	4,355,409
Solid waste management	49,417	685	10,707	926	59,547	57,940
Golf	4,619	-	4,862	-	-	65,190
Storm Sewer	-	-	-	-	-	-
Parking system	-	-	-	-	-	-
Ice arena	-	-	-	-	-	-
Capital grants and contributions						
Water	1,133,306	4,413,811	920,951	892,198	1,260,882	728,964
Water pollution control	7,011	5,202	214	1,017	294,410	1,885,020
Sanitary sewer	1,218,319	1,818,977	696,432	665,071	150,086	730,674
U.S. Cellular center	25	-	-	-	-	10,688,791
Doubletree by Hilton	-	-	-	-	-	-
Ground transportation system	1,637,058	969,200	398,045	184,491	707,768	-
Parking system	457,750	676,759	77,802	1,094,279	-	-
Solid waste management	161,000	204,888	48,000	23,641	-	-
Golf	7,798	-	39,691	9,287	12,448	-
Storm Sewer	-	-	-	-	-	-
Paramount theatre	-	-	-	-	-	-
Ice arena	85	-	-	-	-	-
Total business-type activities program revenues	73,318,140	79,589,261	75,072,233	79,465,743	91,191,650	107,502,717
Total primary government program revenues	110,258,890	123,071,094	131,541,364	252,066,152	224,520,099	331,008,182
Net (expense) revenue						
Governmental activities	(70,199,804)	(71,082,109)	(79,845,504)	(67,961,332)	(92,768,124)	(70,469,363)
Business-type activities	(917,394)	2,556,410	(30,447,998)	(1,469,454)	2,268,665	18,162,106
Total primary government net expense	(71,117,198)	(68,525,699)	(110,293,502)	(69,430,786)	(90,499,459)	(52,307,257)
General revenues and other changes in net position:						
Governmental activities:						
Taxes:						
Property taxes	72,572,215	77,333,284	78,166,150	82,304,313	83,235,371	82,470,156
Hotel-Motel taxes	2,466,054	2,662,816	1,375,315	2,922,240	2,378,503	2,753,315
Local option sales taxes	-	-	-	4,254,513	16,428,594	19,554,638
Franchise taxes	1,248,496	1,298,253	2,645,817	1,422,897	3,323,638	3,747,200
Gain on sale of capital assets	240,860	491,285	425,323	26,159	84,916	-
Investment Earnings	5,124,109	6,220,908	7,564,677	2,958,322	1,870,320	2,856,104
Loss on Investments	-	(1,144,096)	-	-	-	-
Transfers	1,871,983	230,414	2,113,660	915,214	(2,881,170)	(2,616,912)
Total governmental activities	83,523,717	87,092,864	92,290,942	94,803,658	104,440,172	108,764,501
Business-type activities						
Taxes:						
Property taxes	2,964,142	3,008,087	2,988,927	3,724,950	3,891,767	4,296,415
Gain on sale of capital assets	-	-	-	-	-	-
Investment earnings	3,256,111	3,850,562	5,315,604	2,206,122	878,640	477,703
Retirement employee payouts	-	(1,981,523)	(17,274)	-	-	-
Loss on Investments	-	(520,716)	-	-	-	-
Transfers	(1,871,983)	(230,414)	(2,113,660)	(915,214)	2,881,170	2,616,912
Total business-type activities	4,348,270	4,125,996	6,173,597	5,015,858	7,651,577	7,391,030
Total primary government	87,871,987	91,218,860	98,464,539	99,819,516	112,091,749	116,155,531
Changes in net position:						
Governmental activities	13,323,913	16,010,755	12,445,438	26,842,326	11,672,048	38,295,138
Business-type activities	3,430,876	6,682,406	(24,274,401)	3,546,404	9,920,242	25,553,136
Total primary government	\$ 16,754,789	\$ 22,693,161	\$ (11,828,963)	\$ 30,388,730	\$ 21,592,290	\$ 63,848,274

2012	2013	2014	2015
-	-	-	6,826
-	-	-	18,622
-	-	-	-
-	-	-	-
-	-	-	-
2,862,335	3,778,301	3,852,969	3,764,791
36,554	-	-	60,101
2,859	-	-	41,732
-	-	-	-
-	-	-	4,584
-	-	-	-
707,601	1,030,011	875,824	674,516
990,903	132,847	(76,375)	-
1,494,994	5,149,858	5,521,562	1,955,407
17,077,836	22,474,298	16,953	497,960
-	-	-	-
1,487,191	933,180	-	1,342,334
-	-	-	-
-	16,403	59,755	-
-	8,916	23,592	-
-	-	36	-
-	-	2,951,247	-
-	-	-	-
117,103,264	128,073,234	124,323,912	125,016,064
296,299,435	307,086,661	281,429,410	256,129,057
(38,337,418)	(24,902,345)	(39,259,439)	(81,856,277)
27,959,251	27,465,289	5,928,277	3,649,062
(10,378,167)	2,562,944	(33,331,162)	(78,207,215)
83,895,452	91,246,237	95,741,367	99,019,891
2,835,100	2,862,393	3,103,713	3,512,298
18,138,388	17,939,752	18,457,259	19,331,507
3,353,064	3,940,424	6,962,603	6,666,465
-	-	-	-
761,437	741,413	99,203	1,589,169
-	-	-	-
608,582	(24,326,841)	(6,508,979)	726,063
109,592,023	92,403,378	117,855,166	130,845,393
4,586,363	4,587,431	4,666,154	4,704,287
-	-	-	88,700
576,409	513,058	336,493	426,959
-	-	-	-
-	-	-	-
(608,582)	24,326,841	6,508,979	(726,063)
4,554,190	29,427,330	11,511,626	4,493,883
114,146,213	121,830,708	129,366,792	135,339,276
71,254,605	67,501,033	78,595,727	48,989,116
32,513,441	56,892,619	17,439,903	8,142,945
\$ 103,768,046	\$ 124,393,652	\$ 96,035,630	\$ 57,132,061

City of Cedar Rapids, Iowa

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

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Public safety	\$ 4,008,853	\$ 4,183,054	\$ 3,842,462	\$ 5,959,802
Public works	19,452,010	19,067,062	31,991,369	28,268,081
Culture and recreation	3,822,120	4,412,348	3,725,853	6,174,254
Community and economic development	6,985,688	11,443,412	9,413,946	67,260,255
General government	2,672,079	4,375,957	7,495,501	64,938,017
Total governmental activities	36,940,750	43,481,833	56,469,131	172,600,409
Business-type activities:				
Water	22,409,047	26,043,857	22,969,609	24,795,130
Water pollution control	20,699,769	22,136,544	22,267,294	25,192,031
Sanitary sewer	7,946,086	8,990,925	8,743,413	9,855,671
U.S. Cellular center	1,822,956	2,161,352	1,767,484	2,105,960
Doubltree by Hilton	-	-	-	-
Ground transportation system	5,740,417	4,950,600	4,738,780	4,108,072
Parking system	3,393,639	3,669,199	3,160,944	3,048,261
Solid waste management	6,935,303	7,183,347	7,092,539	6,857,520
Golf	2,668,699	2,708,739	2,589,114	2,545,792
Storm Sewer	-	-	-	-
Paramount theatre	614,984	698,640	782,525	2,386
Ice arena	1,087,240	1,046,058	960,531	954,920
Total business-type activities	73,318,140	79,589,261	75,072,233	79,465,743
Total primary government	\$ 110,258,890	\$ 123,071,094	\$ 131,541,364	\$ 252,066,152

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 5,896,357	\$ 14,438,418	\$ 16,989,113	\$ 22,133,027	\$ 19,344,772	\$ 16,768,289
24,686,524	97,798,349	67,464,693	44,806,802	46,658,247	37,844,646
18,295,425	10,104,669	10,838,620	24,985,702	9,897,387	8,171,435
45,752,648	66,959,696	54,677,688	41,853,375	32,688,119	36,443,541
38,697,495	34,204,333	29,226,057	45,234,521	48,516,973	31,885,082
133,328,449	223,505,465	179,196,171	179,013,427	157,105,498	131,112,993
28,216,762	30,648,759	33,044,850	34,374,501	35,072,055	34,361,086
30,954,373	33,329,266	32,728,786	31,013,267	32,399,731	32,995,210
10,026,186	11,293,146	11,965,849	15,648,979	13,332,534	9,671,572
2,675,075	13,263,229	18,045,887	24,759,764	8,433,692	10,573,237
-	-	-	519,598	8,285,200	9,918,527
5,246,393	5,316,958	5,340,272	5,690,677	4,853,846	6,240,815
3,116,673	2,320,222	3,279,137	3,222,487	299,505	1,181,967
7,404,394	7,783,607	8,410,247	8,776,137	9,425,094	10,040,162
2,599,361	2,632,658	3,009,074	2,663,390	2,759,081	2,643,256
-	-	-	-	3,680,808	4,181,679
-	861	-	299,122	4,763,997	1,853,066
952,433	914,011	1,279,162	1,105,312	1,018,369	1,355,487
91,191,650	107,502,717	117,103,264	128,073,234	124,323,912	125,016,064
\$ 224,520,099	\$ 331,008,182	\$ 296,299,435	\$ 307,086,661	\$ 281,429,410	\$ 256,129,057

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,674,358	2,781,430	2,561,898	2,895,040
Unreserved	26,902,767	29,958,128	35,616,422	32,141,757
Total General Fund	29,577,125	32,739,558	38,178,320	35,036,797
All Other Government Funds:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	22,998,514	44,699,944	36,589,659	34,309,127
Unreserved, reported in:				
Special revenue funds	15,712,776	22,693,647	24,738,222	23,749,905
Capital project funds	37,647,728	41,322,971	37,130,694	15,876,521
Total all other government funds	\$ 76,359,018	\$ 108,716,562	\$ 98,458,575	\$ 73,935,553

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ 1,294,262	\$ 1,216,328	\$ 623,798	\$ 436,499	\$ 1,278,405
-	1,943,591	1,591,370	579,276	436,777	671,113
-	-	-	-	-	-
-	155,453	200,000	200,000	200,000	200,000
-	33,051,176	34,694,821	37,583,628	38,474,257	39,048,484
28,837,889	-	-	-	-	-
6,688,209	-	-	-	-	-
35,526,098	36,444,482	37,702,519	38,986,702	39,547,533	41,198,002
-	623,832	2,970,634	2,876,228	2,048,224	5,751,181
-	65,495,530	71,701,545	49,669,452	58,545,863	63,086,804
-	4,642,858	5,453,031	4,596,967	5,244,838	4,598,289
-	22,296,248	19,661,198	19,674,181	20,775,941	14,914,248
-	(53,320,138)	(61,332,252)	(32,443,613)	(24,865,918)	(1,770,352)
118,567,457	-	-	-	-	-
-	-	-	-	-	-
36,332,151	-	-	-	-	-
(87,352,533)	-	-	-	-	-
-	-	-	-	-	-
\$ 67,547,075	\$ 39,738,330	\$ 38,454,156	\$ 44,373,215	\$ 61,748,948	\$ 86,580,170

City of Cedar Rapids, Iowa

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Taxes	\$ 76,122,186	\$ 81,285,286	\$ 82,174,571	\$ 90,959,554
License and permits	2,365,643	2,052,323	2,323,474	2,222,569
Intergovernmental	24,697,240	26,540,359	30,511,179	116,555,474
Charges for services	2,922,668	3,056,939	3,406,968	12,626,117
Fines and forfeitures	417,067	351,677	324,418	288,825
Use of money and property	4,206,254	6,228,971	6,378,084	2,524,692
Rents and royalties	808,291	960,772	918,647	477,758
Miscellaneous	3,302,884	3,556,066	3,429,174	2,284,018
Total revenues	114,842,233	124,032,393	129,466,515	227,939,007
Expenditures:				
Public safety	38,366,456	40,572,027	40,864,289	51,910,586
Public works	15,801,715	16,460,295	16,731,938	21,257,996
Culture and recreation	11,767,210	12,198,173	11,167,542	16,566,695
Community and economic development	15,019,244	17,225,206	16,168,651	68,962,927
General government	7,387,698	8,289,145	19,999,186	62,210,093
Capital outlay	18,239,807	17,075,013	18,047,072	41,892,960
Capital outlay not capitalized	-	4,493	-	-
Debt service:				
Principal	12,348,200	9,358,600	18,319,213	21,654,817
Bond issuance costs	37,096	77,004	30,750	96,321
Interest	5,028,580	4,951,750	6,046,541	5,383,144
Total expenditures	123,996,006	126,211,706	147,375,182	289,935,539
Excess of revenues (under) expenditures	(9,153,773)	(2,179,313)	(17,908,667)	(61,996,532)
Other financing sources (uses):				
Transfers in	42,680,001	40,951,729	44,836,345	50,882,684
Transfers out	(40,163,552)	(40,057,598)	(42,901,750)	(51,555,561)
Issuance of note payable	-	650,000	-	-
Issuance of long-term debt	14,665,000	35,742,000	9,679,655	34,612,492
Reimbursement of escrow	-	-	-	-
Investment earnings	-	-	-	-
Premium (discount) on long-term debt	(110,467)	578,632	36,280	27,414
Capital Contributions	-	136,769	-	-
Gain on impairment of capital assets	-	-	1,000,000	-
Proceeds from sale of capital assets	234,528	608,280	438,912	364,958
Total other financing sources (uses)	17,305,510	38,609,812	13,089,442	34,331,987
Special item:				
Loss on investments	-	(910,522)	-	-
Net changes in fund balance	\$ 8,151,737	\$ 35,519,977	\$ (4,819,225)	\$ (27,664,545)
Debt service as a percentage of noncapital expenditures	16.43%	13.11%	18.84%	10.90%

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 105,295,233	\$ 108,496,764	\$ 108,142,990	\$ 116,021,645	\$ 124,196,490	\$ 128,459,398
2,322,014	2,475,750	2,940,138	2,664,685	2,518,806	2,526,590
88,902,120	191,609,346	141,680,249	156,762,173	123,152,460	80,797,235
16,523,469	16,583,058	18,556,308	18,454,552	20,758,374	22,494,418
1,220,897	7,858,937	8,353,497	7,542,090	8,121,511	9,756,389
869,756	2,681,387	612,140	632,047	515,480	1,480,990
559,952	677,766	834,700	712,106	949,373	1,016,785
5,098,597	3,101,884	2,852,409	4,643,691	4,926,051	3,342,150
220,792,038	333,484,892	283,972,431	307,432,989	285,138,545	249,873,955
39,428,051	72,727,328	66,860,604	63,712,211	61,893,789	64,410,514
15,523,557	34,997,847	32,528,760	30,437,913	28,036,639	25,768,617
59,402,503	16,164,472	15,982,554	20,235,695	17,767,022	17,787,295
36,932,894	115,512,160	57,089,927	47,646,269	36,417,848	37,075,646
58,468,119	28,212,872	27,451,417	22,170,165	18,277,191	17,674,279
21,732,340	97,363,010	90,859,939	109,078,978	87,200,235	55,267,754
-	2,213	-	-	-	-
23,230,021	24,348,447	22,480,084	14,404,502	14,653,110	25,711,403
120,370	600,533	885,447	246,859	156,992	343,725
6,119,089	5,893,963	6,269,820	6,398,386	6,237,128	6,067,307
260,956,944	395,822,845	320,408,552	314,330,978	270,639,954	250,106,540
(40,164,906)	(62,337,953)	(36,436,121)	(6,897,989)	14,498,591	(232,585)
54,472,194	48,878,815	52,242,771	77,212,104	57,751,579	79,990,780
(59,093,897)	(51,548,296)	(51,503,700)	(73,903,264)	(65,535,949)	(78,743,629)
5,000,000	-	-	-	-	-
33,250,000	37,901,296	32,510,923	9,815,000	9,660,000	23,705,000
-	-	-	-	-	-
412,012	-	-	-	-	-
76,404	1,320,812	1,674,956	427,721	32,354	1,250,940
-	-	-	-	-	-
-	-	-	-	-	-
149,016	2,211,393	1,485,034	549,670	1,529,989	511,185
34,265,729	38,764,020	36,409,984	14,101,231	3,437,973	26,714,276
-	-	-	-	-	-
\$ (5,899,177)	\$ (23,573,933)	\$ (26,137)	\$ 7,203,242	\$ 17,936,564	\$ 26,481,691
12.27%	10.13%	12.52%	10.14%	11.39%	16.31%



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2006	69,287,900	-	3,284,315	3,549,971	76,122,186
2007	73,821,833	-	3,502,383	3,961,070	81,285,286
2008	83,910,633	-	4,403,104	2,645,817	90,959,554
2009	77,738,578	4,254,513	4,565,736	2,977,830	89,536,657
2010	78,528,051	16,428,594	4,636,447	2,378,503	101,971,595
2011	78,171,178	19,554,638	4,298,978	2,724,770	104,749,564
2012	79,468,189	18,138,388	4,427,263	2,756,086	104,789,926
2013	78,595,788	17,939,752	4,478,487	2,895,232	103,909,259
2014	80,245,263	18,457,259	4,465,034	3,035,261	106,202,817
2015	80,413,084	18,284,411	4,663,063	3,441,535	106,802,093
Change 2006-2015	\$ 11,125,184	\$ 18,284,411	\$ 1,378,748	\$ (108,436)	\$ 30,679,907

City of Cedar Rapids, Iowa

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Utilities	Military Exemptions
2006	2,180,463,141	1,848,668,075	376,992,223	309,661,130	(15,036,757)
2007	2,259,717,789	1,800,958,547	366,993,719	310,853,137	(14,698,025)
2008	2,298,223,104	1,839,730,231	291,308,103	364,350,089	(14,365,036)
2009	2,401,189,312	1,861,300,332	299,862,706	371,367,099	(14,054,086)
2010	2,562,190,937	1,849,166,324	308,831,292	372,569,883	(13,760,822)
2011	2,653,167,342	1,888,668,264	349,974,941	346,577,736	(13,435,611)
2012	2,906,858,541	1,938,181,514	358,896,829	352,988,808	(12,983,631)
2013	3,061,718,477	1,932,330,198	343,941,582	361,666,911	(12,511,278)
2014	3,161,515,932	1,901,539,361	338,746,938	363,469,257	(12,080,596)
2015	3,257,825,201	1,911,645,041	335,787,697	374,326,371	(11,726,864)

Source: Linn County Auditor's Office

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

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
4,700,747,812	0.54%	13.83	7,522,231,914	62.49%
4,723,825,167	0.49%	14.39	7,939,413,524	59.50%
4,779,246,491	1.17%	14.62	8,145,012,910	58.68%
4,919,665,363	2.94%	15.07	8,505,937,610	57.84%
5,078,997,614	3.24%	15.22	8,688,530,667	58.46%
5,224,952,672	2.87%	15.22	8,694,897,052	60.09%
5,543,942,061	6.11%	15.22	9,070,712,901	61.12%
5,687,145,890	2.58%	15.22	9,263,354,893	61.39%
5,753,190,892	1.16%	15.22	9,347,805,591	61.55%
5,867,857,446	1.99%	15.22	9,635,493,397	60.90%

City of Cedar Rapids, Iowa

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

Tax Year Levied	City Direct Rates							
	General Levy	Tort	Band	Library Book Levy	Memorial Fund	FICA/ IPERS	Fire & Police Pension Fund	Other Benefits
2006	8.10000	0.00000	0.01459	0.03999	0.17988	0.85847	0.49237	1.62927
2007	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.64237	2.20445
2008	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.79237	2.20445
2009	8.10000	0.18685	0.01667	0.04000	0.20082	0.75820	0.86000	2.20445
2010	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	2.08344
2011	8.10000	0.18849	0.01667	0.04000	0.20082	0.75997	0.76000	1.85634
2012	8.10000	0.18530	0.01667	0.04000	0.20082	0.75997	0.76000	1.84928
2013	8.10000	0.14882	0.01667	0.04000	0.20082	0.75997	0.76000	1.74601
2014	8.10000	0.14882	0.01667	0.04000	0.20082	0.75997	0.76000	1.74601
2015	8.10000	0.14882	0.01667	-	0.20082	0.75997	0.80000	1.74601

Source: Linn County Auditor's Office

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

City Direct Rates			Overlapping rates			
Debt Levy	Bus	Total Direct	C.R. Community School	College Community Schools	Linn Mar Community Schools	Marion Independent Schools
1.88100	0.63481	13.83038	15.25042	15.21947	17.99931	16.81459
1.81846	0.63481	14.38608	14.90212	17.33321	18.81657	16.80183
1.89848	0.63481	14.61610	14.37481	17.33382	19.39588	16.80516
1.95000	0.75377	15.07076	13.78107	16.84626	20.40133	15.31689
2.28224	0.78458	15.21621	13.91816	17.21168	20.22951	15.31673
2.46954	0.82438	15.21621	15.17046	17.20361	19.73839	16.30509
2.47979	0.82438	15.21621	15.16034	16.55788	18.54161	16.95941
2.63605	0.80787	15.21621	15.16089	15.80308	17.73099	17.06215
2.63605	0.80787	15.21621	15.47881	15.08387	17.26780	17.45846
2.63605	0.80787	15.21621	15.48446	14.80342	17.00411	18.41490



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	210,832,656	1	34.87%			
ADM Corn Processing	73,687,814	2	12.19%	143,633,696	1	33.61%
Aegon USA	67,183,151	3	11.11%	36,267,628	4	8.49%
International Paper	48,224,000	4	7.98%			
St. Lukes Hospital & Clinics	41,278,382	5	6.83%			
SDG Macerich Properties (Lindale Mall)	36,243,137	6	6.00%	35,141,019	5	8.22%
Rockwell International	35,550,077	7	5.88%	49,370,679	3	11.55%
Hy-Vee	34,123,500	8	5.64%	17,366,637	10	4.06%
Terraza 5 LLC	30,480,014	9	5.04%			
Wal-Mart Stores/Sam's Club	26,938,448	10	4.46%			
Weyerhaeuser Company				49,717,389	2	11.63%
McLeodUSA Inc.				34,768,633	6	8.14%
PMX Industries, Inc.				22,063,635	7	5.16%
HNW Associates (Westdale Mall)				21,371,989	8	5.00%
Iowa Land and Building Company				17,681,548	9	4.14%
Total	<u>\$ 604,541,179</u>		<u>100.00%</u>	<u>\$427,382,853</u>		<u>100.00%</u>

Source: Linn County Auditor's Office

City of Cedar Rapids, Iowa

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

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2006	2005	76,325,964	74,595,380	97.73%
2007	2006	79,669,807	78,598,114	98.65%
2008	2007	82,125,293	80,915,930	98.53%
2009	2008	85,572,337	85,349,775	99.74%
2010	2009	89,523,688	86,730,554	96.88%
2011	2010	86,841,975	83,845,156	96.55%
2012	2011	88,256,530	85,851,562	97.28%
2013	2012	96,206,027	93,008,191	96.68%
2014	2013	100,195,059	97,104,835	96.92%
2015	2014	104,819,808	100,517,384	95.90%

Source: Linn County Auditor's Office

Note: There is no personal property tax (on cars or jewelry). The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. Beginning in 2013 collections in subsequent years are reported in the year levied and not in the year collected.

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
(80,354)	74,515,026	97.63%
110,973	78,709,087	98.79%
(180,942)	80,734,988	98.31%
835,090	86,184,865	100.72%
1,419,389	88,149,943	98.47%
971,955	84,817,111	97.67%
907,947	86,759,509	98.30%
727,055	93,735,246	97.43%
621,830	97,726,665	97.54%
722,607	101,239,991	96.58%

City of Cedar Rapids, Iowa

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

Fiscal Year	Governmental Activities	Business-type Activites	Revenue Bonds	Total Primary Government	Percentage of Actual Property Value ¹
	General Obligation Bonds	General Obligation Bonds			
2006	106,482,574	140,910,776	-	247,393,350	3.29%
2007	132,865,974	181,212,276	-	314,078,250	3.96%
2008	124,047,916	165,816,081	-	289,863,997	3.56%
2009	138,605,532	142,470,271	-	281,075,803	3.30%
2010	148,625,511	118,619,423	38,015,000	305,259,934	3.51%
2011	163,803,627	112,907,013	43,065,000	319,775,640	3.68%
2012	175,383,806	160,207,731	47,260,000	382,851,537	4.22%
2013	170,997,171	174,024,270	57,845,000	402,866,441	4.35%
2014	165,795,484	168,219,510	71,605,000	405,619,994	4.34%
2015	164,811,743	157,680,246	87,571,696	410,063,685	4.26%

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

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

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

Debt Per Capita ²	Percentage of Per Capita ²	Percentage of Personal Income ²
2,049	0.05%	0.02%
2,601	0.04%	0.02%
2,400	0.04%	0.02%
2,328	0.04%	0.02%
2,528	0.04%	0.02%
2,531	0.04%	0.02%
3,031	0.03%	0.01%
3,189	0.03%	0.01%
3,211	0.03%	0.01%
3,246	0.03%	0.01%



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2015
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	18,180,000	80.31%	14,600,358
College Community School District	65,680,000	66.45%	43,644,360
Kirkwood Community College	135,904,056	27.01%	36,707,686
Linn Mar Community School District	35,585,000	36.53%	12,999,201
Linn County	19,160,000	59.78%	11,453,848
Marion Community School District	9,095,000	5.96%	542,062
Subtotal, overlapping debt	283,604,056		119,947,514
City Direct Debt		100.00%	
Total direct and overlapping debt	283,604,056		119,947,514

Source: Linn County Auditor's Office

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

City of Cedar Rapids, Iowa

Legal Debt Margin Information (in millions)

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2006	2007	2008	2009
Debt limit	375,359,758	396,235,775	406,784,256	424,873,705
Total net debt applicable to limit	252,140,000	320,010,000	255,595,000	264,425,000
Legal debt margin	110,000,948	123,219,758	76,225,775	151,189,256
Total net debt applicable to the limit as a percentage of debt limit	67.17%	80.76%	62.83%	62.24%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u>9,648,549,360</u>
Debt limit (5% of assessed value)	<u>482,427,468</u>
Debt applicable to limit:	
General obligation bonds	<u>315,200,000</u>
Legal debt margin	<u>\$ 167,227,468</u>

2010	2011	2012	2013	2014	2015
434,010,014	433,321,494	453,233,516	467,842,577	467,842,577	482,427,468
274,705,000	282,045,000	337,485,000	341,480,000	330,870,000	315,200,000
160,448,705	159,305,014	151,276,494	115,748,516	136,972,577	167,227,468
63.29%	65.09%	74.46%	72.99%	70.72%	65.34%

City of Cedar Rapids, Iowa

**Pledged-Revenue Coverage
Last Ten Fiscal Years**

(Unaudited)

Fiscal Year	Revenue Bonds					
	Utility Charges	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	67,405,284	51,460,279	15,945,005	38,015,000	19,733,802	(41,803,797)
2011	71,691,652	53,496,214	18,195,438	43,065,000	21,290,935	(46,160,497)
2012	74,545,987	54,261,534	20,284,453	47,260,000	21,626,324	(48,601,871)
2013	74,724,031	55,606,686	19,117,345	57,845,000	24,315,472	(63,043,127)
2014	74,483,309	56,634,049	17,849,260	71,605,000	27,927,012	(81,682,752)
2015	74,372,497	56,954,119	17,418,378	85,540,000	31,908,489	(100,030,111)

City of Cedar Rapids, Iowa

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Household Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)		Unemployment Rate (4)
					Public	Private	
2006	120,758	56,770	29,862	36.73	17,237	2,956	3.7
2007	120,758	52,419	28,169	36.76	17,263	3,197	3.8
2008	120,758	57,609	29,532	36.83	16,838	3,399	3.9
2009	120,758	57,262	29,640	36.94	16,386	2,568	6
2010	120,758	57,082	29,208	36.92	16,392	2,778	6.2
2011	126,326	56,609	29,016	36.92	16,397	2,262	6.0
2012	126,326	55,874	29,065	36.92	15,761	2,906	4.9
2013	126,326	57,222	28,967	35.3	16,728	2,672	4.2
2014	126,326	57,520	28,503	38	16,201	2,724	4.5
2015	126,326	57,746	28,361	36.4	15,618	2,158	4.2

Note: The demographic statistic is being added to the report

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



CEDAR RAPIDS

City of Five Seasons®

City of Cedar Rapids, Iowa

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8700	1	4.95%	7162	1	4.48%
Transamerica	3800	2	2.16%	2632	4	1.65%
St. Luke's Hospital	2979	3	1.69%	2400	5	1.50%
Cedar Rapids Community School District	2879	4	1.64%	2860	3	1.79%
Nordstrom Direct	2150	5	1.22%	2862	2	1.79%
Mercy Medical Center	2140	6	1.22%			0.00%
City of Cedar Rapids	1309	7	0.74%	1700	8	1.06%
Four Oaks	1100	8	0.63%			0.00%
Quaker Foods and Snacks	1018	9	0.58%			0.00%
Linn-Mar Community School District	987	10	0.56%			0.00%
Amana Refrigeration Products				2300	6	1.44%
Alliant Energy				1650	10	1.03%
MCI				1880	7	1.18%
Hy-Vee Food Stores				1691	9	1.06%

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

Source: Priority One Cedar Rapids Largest Employers List

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

City of Cedar Rapids, Iowa

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

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2015	2014	2013	2012	2011
General Government:					
Animal Control	9.00	9.00	9.00	9.00	9.00
Attorney	6.00	6.00	6.00	6.00	6.00
Aviation	-	-	-	-	-
Building Services	32.00	32.00	33.00	33.00	41.17
City Manager	15.00	14.00	18.75	9.75	10.00
Civil Rights	5.00	5.00	5.00	5.00	5.00
Clerk	5.50	5.50	5.50	6.00	6.00
Community Development	11.00	10.00	12.00	11.00	13.00
Council and Mayor	3.33	4.33	4.33	4.33	4.33
Development Services	9.00	9.00	-	-	-
Public Works	160.89	161.89	162.25	163.25	162.00
Facilities Management	-	-	-	-	-
Finance	40.00	41.00	41.00	41.00	42.00
Fire Department	148.54	149.54	149.54	149.54	149.29
Human Resource	15.00	15.63	15.63	15.63	15.63
Information Technology	32.00	32.00	31.00	31.00	31.00
Library	61.06	48.65	48.36	46.86	47.36
Memorial	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	113.01	114.50	115.45	113.05	113.04
Police Department	234.00	234.00	229.00	229.00	227.00
Purchasing Services	4.75	4.75	4.75	4.75	3.75
Riverfront	-	-	-	-	-
Treasurer	-	-	-	-	-
Ushers Ferry	-	-	-	-	-
Positions to Eliminate	-	-	-	-	-
Total General Fund	914.49	906.20	887.57	894.98	882.73
Enterprise Funds					
Eastern Iowa Airport	42.00	42.00	40.50	39.50	42.00
Golf	30.68	30.81	30.83	31.04	30.59
Five Seasons Parking	5.00	5.00	6.00	10.52	10.52
Sewer Maintenance	31.35	29.35	29.35	29.35	33.00
Solid Waste & Recycling	51.54	54.54	55.54	57.84	66.30
Transit	55.00	55.00	55.00	55.00	51.00
Water Department	106.10	105.50	105.50	105.50	105.50
Water Pollution Control	87.40	88.00	88.00	88.32	88.32
Total Enterprise Funds	409.07	410.20	417.07	427.23	418.05
Special Revenue Fund					
H.O.M.E./CD	6.00	6.00	6.00	6.00	6.00
Leased Housing	13.75	15.75	14.75	14.75	12.00
Library	3.75	4.73	4.73	5.12	5.12
SSMID	-	-	-	-	-
Real Estate Disposal	1.00	1.00	1.00	1.00	1.00
Total Special Revenue Funds	24.50	27.48	26.87	24.12	24.12
Internal Service Funds					
Joint Communications	27.00	27.00	27.00	27.00	27.00
Facilities Maintenance	25.00	25.00	25.00	29.00	29.00
Fleet Maintenance	38.00	38.00	38.00	38.00	42.00
Total Internal Service Funds	90.00	90.00	94.00	98.00	98.00
Total FTE's	1,438.06	1,433.88	1,425.51	1,444.33	1,422.90

Source: City's Finance Department Budget

Full-Time Equivalent Employees as of June 30

2010	2009	2008	2007	2006
9.00	9.00	9.00	10.00	10.00
6.00	6.00	6.00	6.00	6.00
-	-	-	3.00	3.00
45.17	38.00	23.00	24.00	23.00
8.00	7.00	6.00	5.00	-
5.00	6.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00
13.00	12.00	21.75	21.75	20.75
4.33	3.33	3.33	3.33	13.10
-	-	-	-	-
157.00	149.00	182.36	183.36	183.36
-	-	1.00	1.00	1.00
37.00	35.00	13.00	13.00	13.00
142.29	142.29	154.29	154.00	153.00
15.63	14.00	13.75	14.75	14.75
30.00	15.00	14.00	14.00	13.00
50.54	53.30	52.19	57.19	57.19
9.41	9.41	9.41	9.41	9.41
113.61	120.41	123.59	125.41	128.18
227.00	227.00	239.00	239.00	239.00
3.75	3.75	3.75	3.75	3.75
-	-	-	-	1.27
-	-	4.00	4.00	4.00
-	-	4.19	4.81	4.67
-	-	(34.00)	-	-
856.49	860.61	907.76	912.43	932.01
41.00	45.00	45.00	45.00	46.00
30.66	30.86	37.68	36.19	37.41
13.52	17.52	30.52	31.02	33.02
31.00	29.00	29.00	27.00	27.00
56.30	57.40	58.80	58.80	61.00
51.75	51.75	68.50	72.25	72.25
106.50	104.50	115.50	117.50	117.50
87.32	86.98	89.48	89.48	89.48
423.01	474.48	477.24	483.66	477.59
6.00	6.00	6.00	6.00	6.00
12.00	12.50	13.00	13.00	13.00
5.12	5.12	5.12	5.12	5.12
-	-	-	2.00	2.00
1.00	-	-	-	-
23.62	24.12	26.12	26.12	26.00
27.00	22.00	23.00	22.00	22.00
29.00	29.00	10.25	10.25	10.25
42.00	42.00	-	-	-
93.00	33.25	32.25	32.25	32.25
1,396.12	1,392.46	1,443.37	1,454.46	1,467.85

City of Cedar Rapids, Iowa

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

Function/Program	2006	2007	2008	2009
Police:				
Calls for service	89,459	86,973	128,802	124,090
Adult arrest	6,662	6,583	8,142	8,548
Juvenile arrest	1,075	1,205	1,454	1,303
Speeding citations	7,763	3,233	3,917	3,296
Traffic citations	23,285	17,539	16,464	15,420
Fire:				
Total fire runs	3,572	3,192	4,035	3,377
Total rescue runs	4,858	3,988	5,068	5,024
Property loss	2,757,297	2,862,367	1,274,613	2,828,217
Building Safety:				
Total building permits	5,694	4,275	5,092	12,690
Total value all permits	191,227,753	238,236,142	295,815,305	289,212,117
Library, volumes in collection	290,524	297,680	294,291	88,407
Public Service:				
Garbage collected (ton)	19,920	20,050	20,144	19,416
Bulky Items collected (ton)				
Recycling collected (ton)	9,045	9,174	9,405	8,534
Yard Waste collected (ton)	12,864	13,876	15,674	14,380
Parks and Recreation:				
Recreation program attendance (2)	252,507	237,954	115,147	88,950
Aquatics program attendance (2)	302,291	264,749	232,984	245,990
Golf rounds played	138,171	113,732	101,337	107,120
Bever Park Zoo attendance	17,787	40,082	36,547	44,517
Street trees maintained	4,710	4,845	8,679	9,925

Source: Various City departments

Notes: (1) Jan - Sept 2007

2010	2011	2012	2013	2014	2015
118,547	124,416	125,525	128,352	137,356	141,566
8,379	8,786	7,585	8,133	7,794	6,669
1,124	1,175	1,161	1,131	1,085	1,121
3,268	1,679	1,913	1,952	1,584	1,446
12,163	11,809	12,644	10,303	8,638	5,646
4,128	4,386	4,526	4,944	5,001	5,054
5,166	5,376	5,722	5,182	5,345	5,635
6,523,396	3,602,446	4,994,408	1,562,885	6,684,768	26,146,008
5,887	6,372	6,471	4,822	5,062	6,485
197,580,294	243,569,602	267,908,682	153,301,768	213,405,547	237,413,927
105,676	103,182	102,078	94,268	133,715	144,441
19,701	19,201	18,529	18,695	18,831	19,234
			190	665	442
8,669	8,059	8,302	7,967	7,953	7,803
14,709	14,326	13,027	12,128	12,259	13,164
100,181	109,050	142,358	162,789	110,241	139,243
241,955	247,856	264,246	228,649	203,838	191,781
107,725	107,264	123,225	102,493	101,952	96,684
36,656	35,027	41,465	46,415	35,697	35,955
4,500	4,316	4,644	5,258	5,390	5,472

City of Cedar Rapids, Iowa

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

Function/Program	2006	2007	2008	2009
Police:				
Stations	1	1	1	1
Fire, Fire Stations	9	9	9	9
Refuse Collections:				
Collection Trucks	49	42	43	51
Street (Miles)	631	650	650	618
Parks and Recreation:				
Acreage	4,040	4,040	4,042	4,042
Parks	96	96	96	96
Golf Courses	4	4	4	4
Swimming Pools	6	6	6	6
Baseball/Softball Diamonds	37	37	37	37
Soccer/Football Fields	32	32	32	32
Tennis Courts	22	22	23	23
Recreation Centers	2	2	1	1
Library:				
Facilities	2	2	2	2
Volumes	290,524	297,680	294,291	88,407
Water:				
Storage Capacity (MGPD)	25	25	25	25
Average Daily Consumption (MGPD)	38	38	38	35
Peak Consumption (MGPD)	52	47	44	38
Wastewater:				
Sanitary Sewers (miles)	653	660	660	669
Storm Sewers (miles)	304	404	409	412

Source: Various City departments

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
9	9	9	9	9	9
55	59	54	55	55	53
622	626	626	627	627	628
4,042	4,042	4,171	4,171	4,171	4,171
96	96	96	96	96	96
4	4	4	4	4	4
6	6	6	6	6	6
37	37	37	37	37	37
32	32	32	34	34	34
23	23	23	23	23	23
1	1	1	1	1	1
2	2	2	2	2	2
105,676	103,182	102,078	94,268	133,715	144,441
25	25	25	25	25	25
35	36	39	38	38	36
43	39	54	50	50	46
670	673	678	678	666	667
458	497	497	505	511	521



CEDAR RAPIDS

City of Five Seasons®

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED JUNE, 30, 2015

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
WIC Grant	10.557	588-1P-101	\$ 30,622
FSNE Grant	10.561	588-1P-101	16,264
			<u>46,886</u>
Total U.S. Department of Agriculture			<u>46,886</u>
U.S. Department of Housing and Urban Development:			
Direct:			
Community Development Block Grant	14.218	B-13/14-MC-190001	1,151,304
HOME	14.239	B-13/14-MC-19-0204	334,178
Fair Housing Assistance Program	14.401	FF207K137012	118,504
	14.401	FF207K147012	49,030
	14.401	N/A	5,859
			<u>173,393</u>
Leased Housing Authority Grant	14.871	IA024VO	5,055,383
	14.871	IA024FSH197A014	70,482
			<u>5,125,865</u>
Lead Based Paint Hazard Control/HUD	14.900	IALHB0548-13	310,714
			<u>7,095,454</u>
Iowa Department of Economic Development:			
Community Development Block Grant - Housing Disaster Recovery	14.228	08-DRH-008	4,141,180
	14.228	08-DRH-208	12,112,066
Community Development Block Grant - Disaster Recovery Infrastructure	14.228	08-DRI-216CR	64,423
	14.228	08-DRIEF-297	155,908
	14.228	08-DRIEF-200CR	883,809
	14.228	08-DRIEF-202CR	22,997
	14.228	08-DRIEF-293	299,650
	14.228	08-DRIEF-295	83,187
Community Development Block Grant - Property Acquisition	14.228	08-DRHB-229	7,779,026
	14.228	08-DR1106-201	31,182
	14.228	08-DRPG-206	4,290
			<u>25,577,718</u>
Total U.S. Department of Housing and Urban Development			<u>32,673,172</u>
U.S. Department of Interior			
State Historical Society of Iowa			
Historic Preservation Fund Grants-In-Aid	15.904	2014-03	10,000
Total U.S. Department of Interior			<u>10,000</u>
U.S. Department of Justice:			
Direct:			
US Marshall's Task Force	16.111	M-14 D29-0-00039	2,833
	16.111	M-15-D29-0-000037	15,471
			<u>18,304</u>
Equitable Sharing Program	16.922	N/A	141,609
			<u>159,913</u>
Governor's Office:			
Interdiction	16.710	10-HotSpots/Interdiction-06	2,000
Linn County, Iowa:			
JAG	16.738	2013-H4138-IA-DJ	19,658
	16.738	2014-H1677-IA-DJ	13,081
			<u>32,739</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2015

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
Iowa Department of Public Safety: Internet Crimes Against Children	16.543	NA	<u>2,307</u>
Total U.S. Department of Justice			<u>196,959</u>
U.S. Department of Transportation: Direct:			
Airport Improvement Program	20.106	3-19-0012-46	3,003,651
	20.106	3-19-0012-47	2,545,771
	20.106	3-19-0012-48	<u>1,291,175</u>
			6,840,597
Bus Department Grants	20.500	IA-03-0096-00	697,740
	20.507	IA-90-X505-00	<u>2,604,986</u>
			<u>3,302,726</u>
Iowa Department of Transportation: Highway Planning and Construction	20.205	HDP-1187(711)--71-57	105,715
	20.205	STP-U-1187(703)--70-57	4,559
	20.205	STP-U-1187(772)--70-57	64,870
	20.205	NHSX-100-1(55)--8S-57	252,243
	20.205	NHSX-100-1(56)--8S-57	130,741
	20.205	HDP-100-1(73)--71-57	45,354
	20.205	STP-A-1187(765)--86-57	29,721
	20.205	SRTS-U-1187(755)-8U-57	953
	20.205	SRTS-U-1187(760)-8U-57	94,451
	20.205	SRTS-U-1187(766)--8U-57	3,384
	20.205	SRTS-U-1187(774)--8U-57	89,522
	20.205	BROS-1187(767)8J-57	19,245
	20.205	STP-U-1187(775)--70-57	834,000
	20.205	ER-1187(720)--8R-57	2,451
	20.205	ER-1187(722)--8R-57	201
	20.205	ER-1187(724)--8R-57	252
	20.205	ER-1187(725)--8R-57	199
	20.205	ER-1187(732)--8R-57	123
	20.205	ER-1187(735)--8R-57	47
	20.205	ER-1187(738)--8R-57	<u>1,702</u>
			<u>1,679,733</u>
Bus Department Grants	20.509	IA-95-X018-194-13	690,650
	20.509	IA-95-X018-118-13	<u>160,503</u>
			851,153
	20.513	IA-16-X005-118-15	112,054
	20.521	IA-57-X009-118-14	70,117
	20.526	IA-34-X002-118-13	<u>491,181</u>
			<u>1,524,505</u>
Iowa Department of Public Safety: Alcohol Incentive Grant	20.600	15-405d-M6OT, Task 12	23,498
	20.600	14-405d-M6OT, Task 12	<u>8,036</u>
			<u>31,534</u>
Total U.S. Department of Transportation			<u>13,379,095</u>
National Endowment for the Arts Promotion of the Arts - Grants to Organizations and Individuals	45.024	14-4100-7070	<u>20,000</u>
Total National Endowment for the Arts			<u>20,000</u>

(Continued)

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 FISCAL YEAR ENDED JUNE, 30, 2015

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program Expenditures
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Disease Control & Prevention Grants	93.283	588-1P-I01	5,459
Drug Abuse Information Grant	93.959	588-1P-I01	219,592
STD Grant	93.977	588-1P-I01	1,007
Diabetes	93.988	588-1P-I01	510
Dental Grant	93.994	588-1P-I01	11,876
			<u>238,444</u>
Division of Health Protection:			
Health Protection Grant/Immunization	93.268	588-1P-I01	21,419
Health Protection Grant/Immunization	93.940/93.917	588-1P-I01	2,465
			<u>23,884</u>
Total U.S. Department of Health and Human Services			<u>262,328</u>
U.S. Department of Homeland Security:			
Iowa Homeland Security & Emergency Management:			
State Homeland Security Program	97.067	EMW-2012-SS-00028-13	5,212
	97.067	HSGP-13-SHSP-11	151,163
	97.067	HSGP-13-SHSP-14	202,252
	97.067	Video Project Part 1	50,000
	97.067	HSGP-14-SHSP-30-001	45,361
			<u>453,988</u>
Iowa Department of Economic Development:			
FEMA	97.036	FEMA-IA-DR1763	10,747,066
	97.036	FEMA-IA-DR4126	245,304
	97.036	FEMA-IA-DR4187	111,926
			<u>11,104,296</u>
Hazard Mitigation Grant Program	97.039	HMGP-DR-1763-0150-01	2,784,727
			<u>13,889,023</u>
Total U.S. Department of Homeland Security			<u>14,343,011</u>
Total Expenditures of Federal Awards			<u>\$ 60,931,451</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Cedar Rapids, Iowa

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cedar Rapids, Iowa and the Eastern Iowa Airport, a discretely presented component unit for the year ended June 30, 2015. The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Cedar Rapids/Linn County Solid Waste Agency, a separately reported on discretely presented component unit. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to the revenue under the modified accrual basis for governmental funds and accrual basis for proprietary funds. Expenditures of federal awards are recognized in the accounting period when the liability is incurred for expenditures/expenses funded through federal awards. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or the OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 273,933
Community Development Block Grant	14.228	1,250,914
HOME	14.239	123,614
Fair Housing Assistance Program	14.401	17,750

City of Cedar Rapids, Iowa

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Comment Number	Comment	Status	Corrective Action or Other Explanation
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None



CEDAR RAPIDS

City of Five Seasons®

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa (City), as of and for the year ended June 30, 2015, 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 28, 2015. The City's June 30, 2014 financial statements have been restated due to the implementation of GASB Statement No. 68 and No. 71 to recognize a net pension liability and deferred outflows of resources of the governmental activities, business-type activities, each major enterprise fund, the aggregate remaining fund information and the aggregate discretely component units.

Our report includes reference to other auditors who audited the financial statements of Cedar Rapids Public Library Foundation, a discretely presented component unit of the City, as described in our report on the City's financial statements. The financial statements of Cedar Rapids Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

RSM US LLP

Davenport, Iowa
December 28, 2015

**Report on Compliance for the Major Federal Program and
Report on Internal Control Over Compliance**

Independent Auditor's Report

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

Scope

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

Report on Compliance for the Major Federal Program

We have audited the City of Cedar Rapids, Iowa's (City) compliance with the types of compliance requirements described in Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and 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, 2015. 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; Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, the Uniform Guidance 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 the 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 its major federal program for the year ended June 30, 2015.

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 Uniform Guidance and 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.

RSM US LLP

Davenport, Iowa
December 28, 2015

City of Cedar Rapids, Iowa

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with
Section 510(a) of Circular A-133?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs: \$1,827,943

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

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

A. Internal Control

None reported

B. Instances of Noncompliance

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported

C. Instances of Noncompliance

None reported

IV. Other Findings Related to Required Statutory Reporting

IV-A-15: Certified Budget

Finding: Disbursements during the year ended June 30, 2015 exceed the amount budgeted in the debt service function. Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation."

Recommendation: The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response and corrective action plan: The City incurred additional debt service costs associated with the Municipalities Continuing Disclosure Cooperative Initiative (MCDC Initiative) that were unanticipated. The City will continue to amend the budget in accordance with Chapter 331.435 of the Code of Iowa as needed for future fiscal years.

IV-B-15 Questionable Expenditures

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

IV-C-15 Travel Expense

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

IV-D-15 Business Transactions

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

IV-E-15 Bond Coverage

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

City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

IV-F-15 Council Minutes

No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-G-15 Deposits and Investments

We noted no instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.

IV-H-15 Revenue Notes

No instances of noncompliance with the outstanding revenue bonds provisions were noted.

IV-I-15 Annual Urban Renewal Report

The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

IV-J-15 Deficit Fund Balances/Net Position

Finding: The Community Development Block Grants Fund, a special revenue fund, the DoubleTree by Hilton and Golf Fund, enterprise funds, have deficit fund balances/net positions of \$41,412, \$1,697,757 and \$102,443, respectively, as of June 30, 2015.

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

Response and corrective action plan: The Community Development Block Grant Fund deficit balance is due to the non-exchange revenues that are subject to deferral. These revenues will be recognized in future years. The DoubleTree by Hilton Fund deficit balance is due to some of the reconstruction costs for the hotel not being capitalized due to the type of expenses that were incurred. The City anticipates this deficit balance to decrease over the next few years as the outstanding debt is paid down and cash reserves are built up. The Golf Fund deficit balance is being reviewed by City management and a long term solution to how golf will be financed in the future will be put in place.

City of Cedar Rapids, Iowa

**Corrective Action Plan
Year Ended June 30, 2015**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
IV-A-15	The expenditures in the debt service funtion exceeded the amount budgeted	See response and corrective action plan at IV-A-15	Finance Director	June 2016
IV-J-15	The Community Development Block Grants Fund, DoubleTree by Hilton Fund and Golf Fund had deficit balances of \$41,412, \$1,697,757, and \$102,443, respectively, as of June 30, 2015	See response and corrective action plan at IV-J-15	Finance Director	June 2016