

CITY OF
BETTENDORF, IOWA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended June 30, 2015

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

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Robert S. Gallagher, Mayor

Decker P. Ploehn, City Administrator

Frank Baden
**Alderman
at Large**

Gary M. Mohr
**Alderman
at Large**



Dean Mayne
**First Ward
Alderman**

Scott R. Naumann
Second Ward Alderman

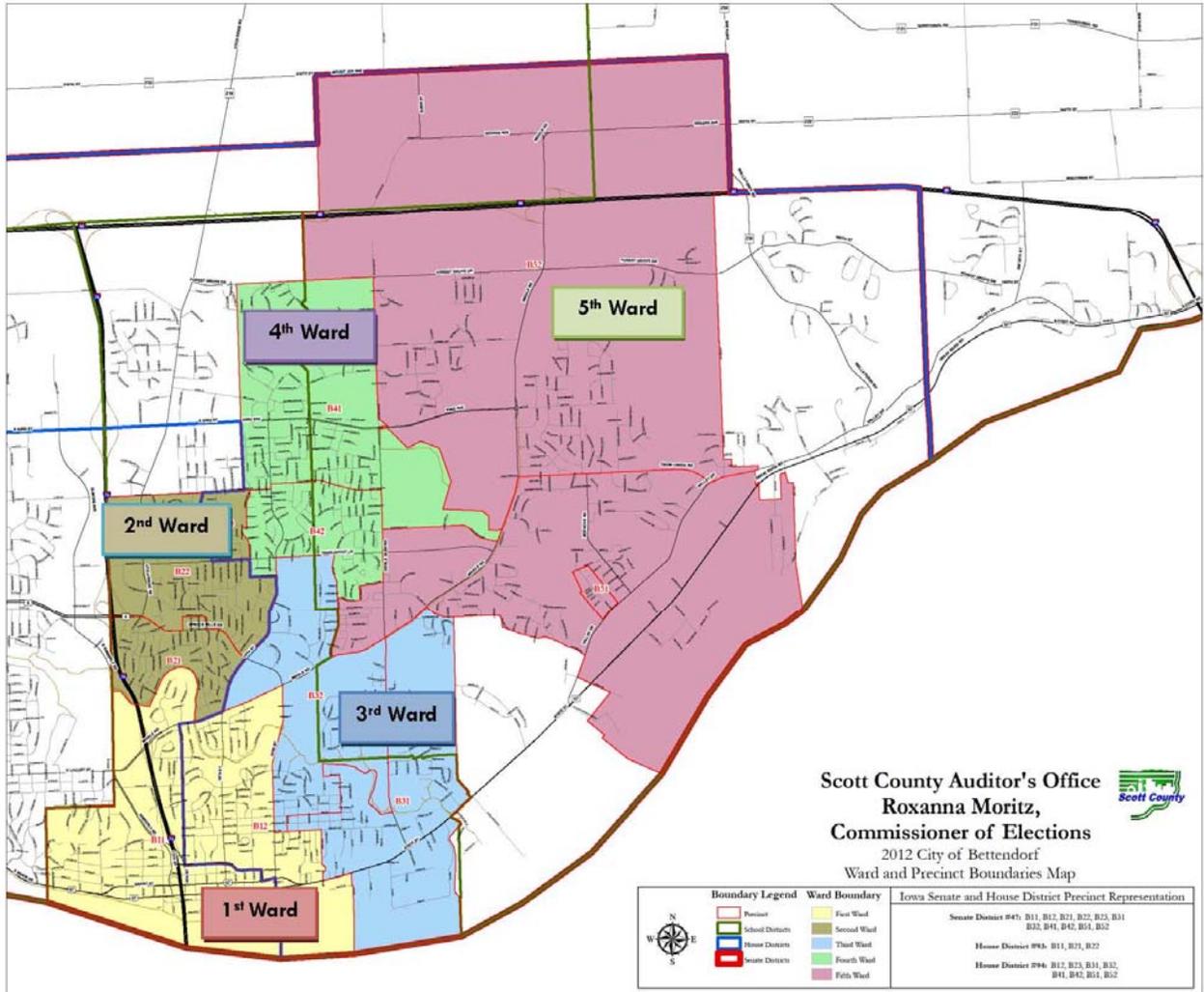
Debe L. LaMar
**Third Ward
Alderman**

Gregory P. Adamson
Fourth Ward Alderman

Scott M. Webster
**Fifth Ward
Alderman**

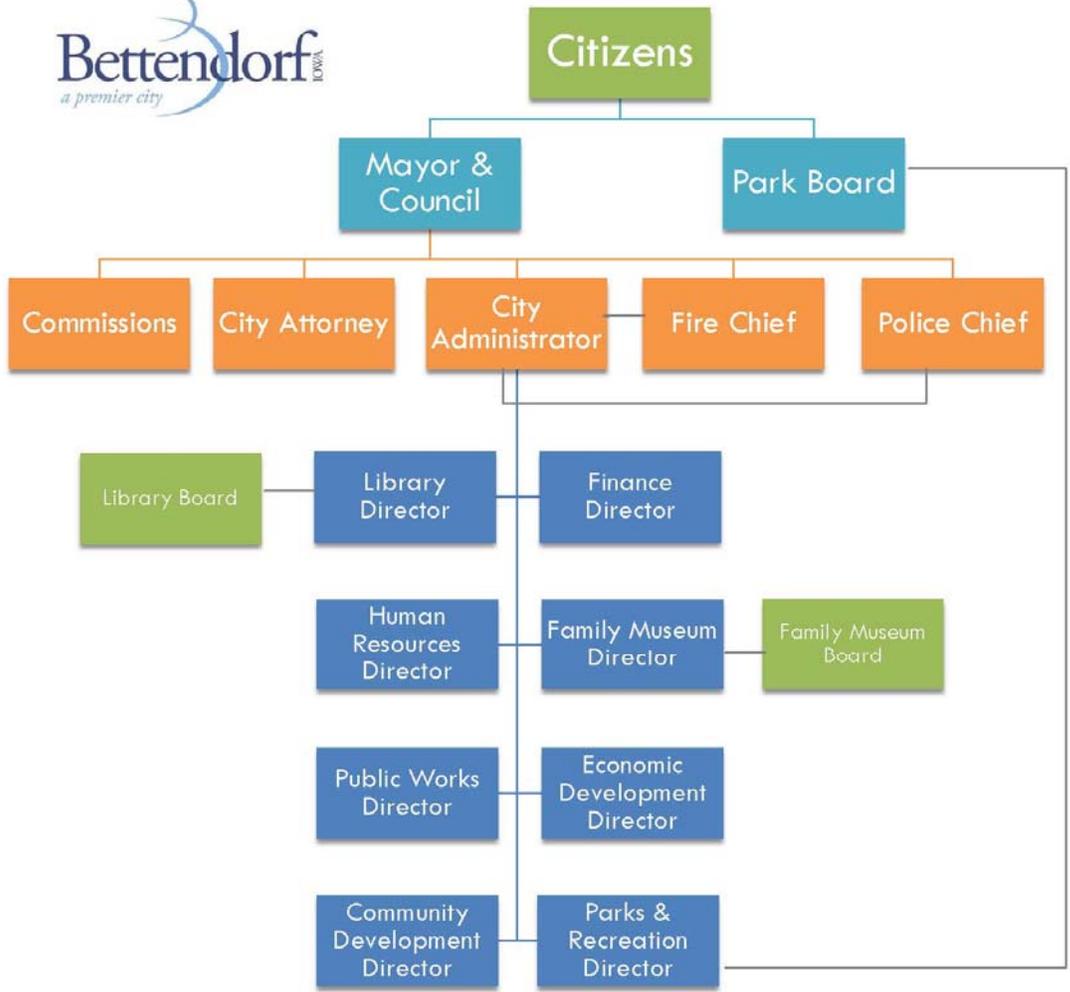
DEPARTMENT HEADS

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



Scott County Auditor's Office
 Roxanna Moritz,
 Commissioner of Elections
 2012 City of Bettendorf
 Ward and Precinct Boundaries Map







Bettendorf IOWA
a premier city



December 18, 2015

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for fiscal year ended June 30, 2015.

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 LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bettendorf'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.

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

Profile of the Government

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

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

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

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

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

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

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

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

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

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

Local Economy

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

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

The labor force in the Quad Cities MSA was 192,813 as of June, 2015 which is a 4.6% decrease from the June, 2005. The labor force for Scott County was 86,500 in June, 2015, which was a 2.5% decrease over the June, 2005 labor force of 88,700 for the County. Unemployment figures for the Quad Cities MSA hit a high of 14.8%

in 1983. Unemployment has steadily declined in Bettendorf since that spike in the mid-eighties. As of June, 30 2015, 3.7% of the Bettendorf workforce was unemployed. This is the lowest in the Quad Cities MSA which is 5.0%, and is well below the national average of 5.3% for the same period. Unemployment rates in Bettendorf remain lower than in surrounding cities and the nation due in part to the creation of jobs in the service sectors and the manufacturing of non-durable goods. The total number of jobs in Bettendorf increased significantly between 1980 and 2000 and continues to see steady increases today. Of the 17,500 in the current labor force, 16,900 were employed in June, 2015.

New Housing Starts: Construction of new homes in Bettendorf has remained very strong over the last decade and the Quad Cities remains one of the most affordable housing markets in the country. Bettendorf was recently voted as one of the “10 Best Places for Affordable Homes” in the nation by CNNMoney.com. During fiscal year 2015, 1,122 building permits were issued for investment in new construction and renovation totaling \$67,034,818. So far in 2015 the average selling price for a new or existing home in Bettendorf averaged \$313,700, while in Davenport the average is \$145,500 for the same period. Over the last decade, 1,366 dwelling units have been constructed within Bettendorf city limits.

Education: There are two public school systems serving the City of Bettendorf. The Bettendorf Community School District has six elementary schools, one middle school and one high school with a total enrollment of approximately 4,800 in the 2014/2015 school year. The Pleasant Valley Community School District has four elementary schools, a junior high and one high school with enrollment totaling approximately 4,400 in the 2014/2015 school year. There are also two private schools in Bettendorf. Lourdes Catholic elementary serves pre-kindergarten students and about 300 kindergarten through eighth grade students. Rivermont Collegiate, an independent college preparatory day school provides a preschool through 12th grade with enrollment of approximately 260. The City’s school districts consistently rank in the top ten school districts in the state. 95.9% of Bettendorf’s population over age 25 have graduated from high school or have attained higher education degrees compared to the national average of 89.6%.

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

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

Alcoa Davenport Works is setting records for automotive sheet aluminum production. Alcoa’s investment in its Davenport Works facility has been a boon to revenue for the company. Just a year after a \$300 million expansion to accommodate a new contract with Ford Motor Company, Alcoa Davenport Works announced an additional \$190 million expansion on the heels of signing its largest contract ever with Boeing. The expansions created an additional 150 full-time jobs and help to retain 200 existing full-time jobs at the Davenport Works location which employs about 2,400 people.

Deere & Company, the area’s largest private sector employer, continues to report strong profits each quarter despite declining earnings. The company’s outlook for 2016 predicts slower demand for agriculture equipment. In response, Deere has announced a number of layoffs that impact local manufacturing facilities.

Kraft Heinz recently announced it is moving its downtown Davenport operation to a new \$203 million plant in northwest Davenport. The news is part of the company’s announcement that it will close seven plants across the country. The new Davenport plant will retain 475 workers out of about 1,400 working at the current plant.

The Rock Island Arsenal remains the Quad Cities' largest employer with 8,500 employees. The Arsenal also contracts with a number of private firms in and around the Quad Cities.

Economic Development

In support of existing businesses, and to attract businesses from outside the region, the City's Economic Development Department administers a Tax Increment Financing (TIF) program. Over the last 18 years, 25 projects totaling just under \$162 million in value have taken place. Roughly \$2.5 million in total annual property taxes will be received on these properties once the TIF incentives have ended, with the City receiving approximately one-third of the total annual property taxes collected. With the number of jobs created or retained numbering over 2,000, annual payroll is estimated at just under \$53 million.

Over the last four fiscal years, the Mayor and City Council have added four new programs to assist business owners in the Downtown corridor whose properties are being acquired for the construction of the new I-74 Bridge. Roughly 38 business owners could garner a percentage of the \$650,000 set aside for this effort. To date, 12 business owners have taken advantage of the programs. Through work with the Iowa Economic Development Authority this past year, the City will be reviewing its Downtown incentive program to further assist with business re-development, expansion and retention project to support the revitalization of this corridor around the I-74 Bridge project. The City is intent on seeing a large portion of the Downtown re-developed in tandem with the bridge construction in order to see a revitalized Downtown by bridge completion in 2021.

The City's Economic Development Department also provides coordination with other governmental and private entities, including: Iowa Economic Development Authority, Iowa Department of Transportation, Eastern Iowa Community College District, MidAmerican Energy Company, Quad Cities First, Bi-State Regional Commission, and the BDC. The BDC was established by several leading businessmen in the community and has received financing from many area businesses. The BDC is a private, non-profit organization designed to be an intermediary between the public and private sectors as necessary in order to assist in high-quality development of industrial and commercial areas. Over the last 18 years, the BDC has expended \$1.4 million in implementing projects in nine commitment areas throughout Bettendorf.

Long-Term Financial Planning

Total unassigned fund balance in the General Fund totals \$6.670 million and equates to 28.9% of total General Fund expenditures and transfers. This current percentage of fund balance more than satisfies the City Council's policy guidelines of a range of 20-25% for budgetary and planning purposes. The Council has budgeted to maintain that fund balance for FY 15/16. During these volatile economic times, retaining the current level of fund balance is important. The City remains committed to offering a superior level of service to its citizens at one of the lowest tax rates in the State of Iowa.

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

As part of the City's Capital Improvement plan for FY 2015/16, the City plans to complete \$14.2 million in various projects including street and infrastructure projects throughout the City. Maintenance and expansion of the City's infrastructure (such as streets, sidewalks, sewers, storm water projects, bridges, and traffic signals) remain a major priority of the City. The City annually adopts a five-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs. The major source of funds for the program is general obligation bonds, which are primarily financed from an unlimited debt service property tax levy and local option sales tax receipts. The City leverages its program commitment with available grants from the federal and state governments and private sector partnerships.

Relevant Financial Policies

The City of Bettendorf has a formal cash reserve and fund balance policy that establishes minimum year end balances to ensure sufficient cash flow throughout the upcoming fiscal year. Planned draw downs of cash reserves below the minimum level is acceptable for one-time occurrences if the intent is made to return to the minimum cash reserve level as quickly as possible. All Governmental Funds cash reserves and fund balances fell within the minimum policy levels at June 30, 2015.

Major Initiatives

Major initiatives within the City limits on the horizon:

I-74 Bridge replacement.

Acquisition of properties and construction of local approach roads for a new bridge to span the Mississippi River, replacing the current I-74 bridge, are commencing in anticipation of a late 2017 construction start for the bridge itself. Upon completion, the existing bridge structure will be removed. The cost of the total project is expected to approach \$1.4 billion, with most of the funding provided by federal and State sources (Iowa and Illinois). The City has included more than \$14 million for its portion of the project in the 5-year Capital Improvement Plan. Construction to realign State Street and Grant Street in Bettendorf and Moline commenced in 2015.

The new bridge will feature wider, safer traffic lanes. Designs also include a 14-foot wide bike and pedestrian trail on one side, a unique feature for an interstate bridge. There will also be a viewing area located near center of the bridge. Two nationally designated trails, the Mississippi River Trail and the American Discovery Trail, will cross in the Quad Cities at the new I-74 bridge. Departments of Transportation for both Iowa and Illinois have programmed in funding for their respective costs of the project. The City projects significant commercial and residential growth in the Downtown Corridor around the I-74 Bridge construction over the next 5 years.

I-80 and Middle Road. In spring 2009 the City acquired 22 acres on the northeast quadrant of the interchange for approximately \$1,430,000. This parcel will work in partnership with a private sector owner to add another 95 acres for the creation of a technology business park. Four years ago the City hired an engineering firm using federal grant funds to develop an Interchange Justification Report (IJR) to research and redesign the interchange from a rural interchange to an urban interchange. The Bettendorf Development Corporation re-graded portions of the interchange to improve appearance, safety and visibility. Water main improvements and a sanitary sewer extension are now under design, the fiber optic cabling installed by C.S. Technologies is in place, all of which will ultimately enhance the marketability of the community and the region.

Residential & Commercial Growth

- Residential growth remains strong in the City with 175 new house starts in 2014 with a permit value of \$67,250,930. In the past 12 months the City has final platted 12 subdivisions with 294 single family residential lots.
- The City is investing \$2.5 million into the extension of Hopewell Avenue the east line of Century Heights 18th addition to Criswell. This project will open up the potential for 1,000 or more single-family residential lots.
- The Forest Grove Road paving project will serve existing subdivisions to the south as well as provide significantly improved access to 1,200 acres to the north designated for commercial and mixed use. The \$9,750,000 project is 80% Federally funded with a 20% local match.
- In addition, Genesis Health Group has just purchased 22 acres at the southwest corner of Middle Road and 53rd Avenue with the remainder of the parcel owned by Karva Corporation, equaling 120 acres, designated for residential and light commercial. The property is currently on the market for sale with interest from a local developer.

Isle of Capri Land Based Casino Development and Renovation. The Isle is moving on land by adding 80,000 square feet to existing footprint with a total investment of over \$60 million in the spring of 2016. Also they have spent \$8 million renovating their hotel and South Tower in the summer of 2015.

Downtown. The Isle of Capri has broken ground on a land based casino in the downtown area of the City. The Isle of Capri currently operates the downtown riverboat casino, which will cease operation once their land based casino opens in the spring of 2016. The City has also attracted a developer to prepare plans for potential developments on 70 acres of riverfront property surrounding the Isle of Capri complex. Additionally, the City has extended an RFP for their 2.5 acre Town Square parcel directly adjacent to the Isle property. It is estimated that this project will include mixed-use residential and retail components. The City currently anticipates this to be more than a \$20 million project.

Forest Grove Park Development. \$3,500,000 has been allocated over the next five years towards the first phases of the development of Forest Grove Park, with an estimate of \$20,000,000 to \$22,000,000 to complete the park over the next 15 to 20 years. The first phase of development will begin this fiscal year with the construction of access roads and parking areas, along with grading of open space play areas, installation of utilities, and the first phase of recreational amenities including a shelter, playground, pathways, basketball court, and other amenities and landscaping. Other work in the first phase will include restoration work in the natural areas to control invasive species, addressing hazardous and downed trees, and beginning stream bank restoration efforts along Spencer Creek and other drainage ways in the park area. Additional phases over the next five years include expansion of the open space areas, additional recreational amenities, development of a trail network, additional parking and roadway development, the possible development of a fully accessible Miracle Field, construction of an Adventure Course area and additional natural area restoration efforts. These improvements will enhance the quality of life for not only residents in the adjacent residential areas, but for the entire City. The development of Forest Grove Park is expected to encourage additional residential, commercial, and retail development in the I-80/Middle Road corridor.

New Elementary School – Pleasant Valley. The Pleasant Valley School District acquired a 14.25 acre site at the southeast corner of Forest Grove Park in a land swap agreement in 2012. In exchange for the 14.25 acres the City received an additional 19 acres of land that brought the total parkland area to 100 acres. This agreement will allow the Pleasant Valley School District to develop an elementary school at the site in this rapidly growing area of the community. They estimate that construction of the school will take place within the next 4 to 6 years. The Pleasant Valley School District and City have agreed to work cooperatively to share in the development and usage of the recreational amenities, parking areas, and open space play areas on both the School and Park properties to maximize the efficiency of the use of public tax dollars.

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

Utica Ridge Corridor. Recent developments in this area include the construction of the Symmetry Mortgage building valued at \$700,000, and the completed Rock Island Arsenal Credit Union corporate headquarters which opened in early 2015, with a value of over \$3,000,000. A Developer is working to develop the I-74 Tech Park at Utica Ridge Road and Tanglefoot Road, and another Developer is proceeding with the redevelopment of the Lodge Hotel property.

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

An existing Wendy's Restaurant was demolished and a new Wendy's was constructed in its place with a permit value of \$1,960,000.

CVS Pharmacy has constructed a new building at the intersection of 18th Street and Spruce Hills Drive at a cost of \$1,183,324. The new facility replaced two older buildings that had fallen into disrepair. The new building complements the Cumberland Square redevelopment mentioned above.

Ascentra Credit Union recently opened its second branch facility at the intersection of 18th Street and 53rd Avenue. The \$1,424,000 facility incorporates many new technological advances and is considered an eco-friendly building.

Middle Road Corridor. Several years ago, the City approved tax increment financing assistance for the redevelopment of the twelve acre site directly across the street from the Duck Creek Shopping Plaza. As of 2013, all buildings designed for the acreage have been constructed and include Iowa's only Burlington Coat Factory facility, two strip mall buildings, an Upper Iowa University Campus and a new Pizza Ranch restaurant, all totaling more than \$14 million in assessed value.

The final phase of the Duck Creek Shopping Center area redevelopment has been completed, with the opening of the new \$9,250,000 Hilton Garden Inn. In addition to the new upscale hotel, two new retail buildings have been added to the site, which include a Starbuck's, Jimmy John's, and an upscale Salon, just to name a few. Also, the former BP Service Station has been removed and replaced with a newly constructed Big 10 Mart service station/convenience store (Molo Quint, LLC). These projects added an additional \$2,000,000 worth of development beyond the hotel's redevelopment.

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

Deere Harvester Credit Union (DHCU) recently opened a new banking facility at Middle Road and Belmont Road. DHCU invested \$1,900,000 in the new facility which is located immediately adjacent to a new \$747,000 Anytime Fitness retail center. In 2015, DHCU re-branded itself into Vibrant Community Credit Union, and these two facilities completely occupy the area between Middle Road and Ridge Pointe Drive with new office/retail buildings.

18th & 53rd Avenue Corridor. Construction at 18th & 53rd Street continues. The new \$2,000,000 auto service and retail shopping facility will be located next to the main entrance to the shopping center off 53rd Avenue and is scheduled to open during the fall of 2015. Additionally, the opening of new businesses in the corridor during the summer of 2015 included a KwikStar, and the ground breaking of the U of I Community Credit Union. Also, construction continues on three additional commercial and restaurant attractions in the corridor. At full build out, it is anticipated the over \$18,000,000 in added growth will improve the corridor.

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

Riverside Development Park. LeClaire Manufacturing expanded their operation by acquiring a 75,000 square-foot facility previously owned by Arch Mirror and had just recently added an addition valued at \$2,754,000 which has created multiple new job opportunities at the facility.

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

Efforts are now underway to construct the first "spec" building in the Quad City Region in over ten years. Estimated to cost \$2,500,000, the structure will begin as a 60,000 square-foot facility with the ability to expand to over twice that size.

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

State Street Industrial Area. Redevelopment of storm water and transportation infrastructure is being focused on in this area. Vizient Technologies added two new building additions in the last two years totaling \$2 million & Bowe Machine added 39,000 production space in 2015 for an increase in property value of \$3 million.

Riverfront-Downtown. The City has completed Phases I and II in the Downtown Streetscape Project consisting of multiple planters with trees, shrubs, and flower plantings. Sidewalk and street crossings have been redesigned and include multi-colored, stamped concrete to accentuate the color scheme of the Waterfront

Convention Center and other new development in this area creating a unified aesthetics appearance to the entire area. This project added \$980,000 worth of infrastructure improvements to the area. The acquisition of additional property in the downtown to construct Phase III, a town square, has taken place. The RFP will yield the afore mentioned mixed-use development, which projects over \$20,000,000 in new valuation to the Downtown.

East Tanglefoot Lane. A YMCA building was constructed roughly 8 years ago at a cost of \$4,500,000. Due to its large popularity, ground breaking on a 45,000 square foot expansion took place in September, 2015.

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

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bettendorf, Iowa for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Bettendorf also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 15, 2015. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. This was the twentieth consecutive year that the City has received this award.

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

Respectfully submitted,



Decker P. Ploehn
City Administrator



Carol A. Barnes
Finance Director



Government Finance Officers Association

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

Presented to

**City of Bettendorf
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Bettendorf IOWA
a premier city



Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 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 7 to the basic financial statements, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions 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, and the aggregate remaining funds.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 – 14, the schedule of the city's proportionate share of the net pension liability and schedule of city contributions for the Iowa Public Employees' Retirement System on pages 70 – 72, the schedule of the City's proportionate share of the net pension liability and schedule of city contributions for the Municipal Fire and Police Retirement System of Iowa on pages 73 – 75, other postemployment benefit information on page 76 and budgetary comparison information on pages 77 – 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying balance sheet – General Fund – by account, schedule of revenues, expenditures and changes in fund balances – General Fund – by account and combining nonmajor fund financial statements, listed in the table of contents as supplementary information combining agency fund statements, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Davenport, Iowa
December 18, 2015

City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

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

Financial Highlights

- The total net position of \$120,601,612 as of June 30, 2014 was restated to be \$103,906,729 due to the implementation of GASB Statement No. 68 and No. 71. The details of the restatement are shown in Note 14 to the basic financial statements.
- The total net position of the City as of June 30, 2015 was \$113,955,692, which was an increase of \$10,048,963 from the restated net position as of June 30, 2014.
- As of June 30, 2015, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,729,715, a decrease of \$12,066,682 in comparison with 2014. Approximately 42 percent of this total amount, \$6,543,430, is available for spending at the government's discretion (unassigned fund balance). As of June 30, 2014, the City of Bettendorf's governmental funds reported combined ending fund balances of \$27,796,397, an increase of \$7,591,359 in comparison with 2013. Approximately 20 percent of this total amount, \$5,635,252, is available for spending at the government's discretion (unassigned fund balance).
- As of June 30, 2015, fund balance for the General Fund was \$7,807,221 or 34 percent of total General Fund expenditures and transfers out and \$6,970,711 or 31 percent for 2014.
- The City of Bettendorf's total long-term debt, excluding compensated absences, decreased by \$21,520,000 (16 percent) during the fiscal year ended June 30, 2015. This decrease is due to scheduled debt service payments and the early payoff of the QC Waterfront Convention Center Revenue Bonds.

Overview of the Financial Statements

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

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

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

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

City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

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

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

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

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

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

The City of Bettendorf maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Employee Benefits Fund, Debt Service Fund and Capital Projects Reserve Fund, all of which are considered to be major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Bettendorf's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency funds. The total assets held in the fiduciary funds as of June 30, 2015 were \$100,013.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has increased from the restated 2014 net position of \$103,906,729 to \$113,955,692 in 2015.

By far the largest portion of the City of Bettendorf's net position (101 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Bettendorf uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bettendorf's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Bettendorf, Iowa

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015**

	City of Bettendorf's Net Position					
	Governmental Activities 2015 (as restated)	Governmental Activities 2014 (not restated)	Business-Type Activities 2015 (as restated)	Business-Type Activities 2014 (not restated)	Total 2015 (as restated)	Total 2014 (not restated)
	Current and other assets	\$ 48,622,577	\$ 60,509,702	\$ 8,635,514	\$ 11,044,560	\$ 57,258,091
Capital assets	160,681,194	156,008,741	62,873,697	63,275,979	223,554,891	219,284,720
Total assets	209,303,771	216,518,443	71,509,211	74,320,539	280,812,982	290,838,982
Deferred outflows of resources	2,946,323	-	399,452	-	3,345,775	-
Noncurrent liabilities	109,905,869	102,353,595	15,306,866	23,764,629	125,212,735	126,118,224
Other liabilities	9,800,535	12,895,857	3,523,764	5,464,818	13,324,299	18,360,675
Total liabilities	119,706,404	115,249,452	18,830,630	29,229,447	138,537,034	144,478,899
Deferred inflows of resources	30,966,948	25,758,471	699,083	-	31,666,031	25,758,471
Net position:						
Net investment in capital assets	64,332,256	65,182,580	50,485,447	38,104,581	114,817,703	103,287,161
Restricted	2,861,379	6,430,035	-	-	2,861,379	6,430,035
Unrestricted	(5,616,893)	3,897,905	1,893,503	6,986,511	(3,723,390)	10,884,416
Total net position	\$ 61,576,742	\$ 75,510,520	\$ 52,378,950	\$ 45,091,092	\$ 113,955,692	\$ 120,601,612

The City of Bettendorf's total assets decreased by \$10,026,000 or 3 percent from 2014 to \$280,812,982. The largest portion of this decrease is due to the restricted cash & investments being reduced by using the majority of the bond proceeds from the issuance in the spring of 2014. Current and other assets decreased from fiscal year 2014 mostly due to bond proceeds being spent during the year. Total liabilities of the City of Bettendorf decreased by \$5,941,865 or 4 percent from 2014 to \$138,537,034. Noncurrent liabilities decreased by \$905,489, which is the net effect of scheduled payment of long-term debt and the recognition of net pension liability due to the implementation of GASB 68. Other liabilities decreased by \$5,036,376 with the planned payment of long-term debt due within fiscal year 2015. Deferred inflows of resources increased by \$5,907,560 or 23 percent due to recognition of pension related deferred inflows.

An additional portion of the City of Bettendorf's net position (3 percent for 2014 and 5 percent for 2014) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, (\$3,723,390) for 2015 and \$10,884,416 for 2014, may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

City of Bettendorf, Iowa

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015

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

City of Bettendorf's Changes in Net Position						
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	2015	2014	2015	2014	2015	2014
	(as restated)	(not restated)	(as restated)	(not restated)	(as restated)	(not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 1,393,333	\$ 1,646,497	\$ 11,746,195	\$ 11,022,381	\$ 13,139,528	\$ 12,668,878
Operating grants and contributions	4,183,537	3,935,493	10,398,597	1,102,861	14,582,134	5,038,354
Capital grants and contributions	2,070,216	2,205,448	1,059,165	2,300,107	3,129,381	4,505,555
General revenues:						
Property taxes	23,638,814	22,782,593	-	-	23,638,814	22,782,593
Tax increment financing	1,879,402	2,027,720	-	-	1,879,402	2,027,720
Other taxes	8,814,952	8,165,605	-	-	8,814,952	8,165,605
State shared revenues	37,114	54,157	-	-	37,114	54,157
Investment earnings	334,932	451,913	50,248	92,759	385,180	544,672
Miscellaneous and gain on sale of capital asset	1,167,980	517,920	407,648	408,268	1,575,628	926,188
Total revenues	43,520,280	41,787,346	23,661,853	14,926,376	67,182,133	56,713,722
Expenses:						
Public safety	13,462,312	11,439,650	-	-	13,462,312	11,439,650
Public works	10,158,135	9,819,611	-	-	10,158,135	9,819,611
Culture and recreation	6,364,557	5,447,349	-	-	6,364,557	5,447,349
Community and economic development	1,988,197	2,110,720	-	-	1,988,197	2,110,720
General government	3,906,448	4,030,857	-	-	3,906,448	4,030,857
Interest on long-term debt	3,608,953	3,487,741	-	-	3,608,953	3,487,741
Sewer utility	-	-	4,076,996	3,806,326	4,076,996	3,806,326
Family Museum of Arts & Science	-	-	2,237,293	2,195,838	2,237,293	2,195,838
Aquatic Center	-	-	511,346	524,573	511,346	524,573
Recycling/solid waste management	-	-	2,022,601	1,948,548	2,022,601	1,948,548
Palmer Hills Golf Course	-	-	1,319,759	1,287,941	1,319,759	1,287,941
Life Fitness Center	-	-	847,188	892,284	847,188	892,284
Stormwater utility	-	-	1,380,716	1,140,926	1,380,716	1,140,926
Transit	-	-	1,873,737	1,805,636	1,873,737	1,805,636
QC Waterfront Convention Center	-	-	3,173,119	2,560,146	3,173,119	2,560,146
Riverfront Circulator	-	-	201,813	255,387	201,813	255,387
Total expenses	39,488,602	36,335,928	17,644,568	16,417,605	57,133,170	52,753,533
Increase (decrease) in net position before transfers	4,031,678	5,451,418	6,017,285	(1,491,229)	10,048,963	3,960,189
Transfers	(3,540,376)	(3,542,065)	3,540,376	3,542,065	-	-
Increase in net position	491,302	1,909,353	9,557,661	2,050,836	10,048,963	3,960,189
Net position, beginning	61,085,440	73,601,167	42,821,289	43,040,256	103,906,729	116,641,423
Net position, ending	\$ 61,576,742	\$ 75,510,520	\$ 52,378,950	\$ 45,091,092	\$ 113,955,692	\$ 120,601,612

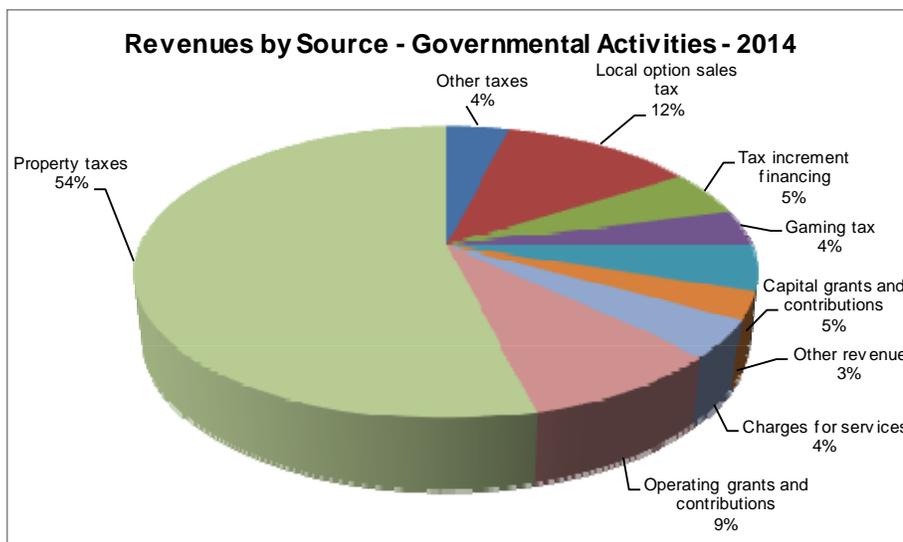
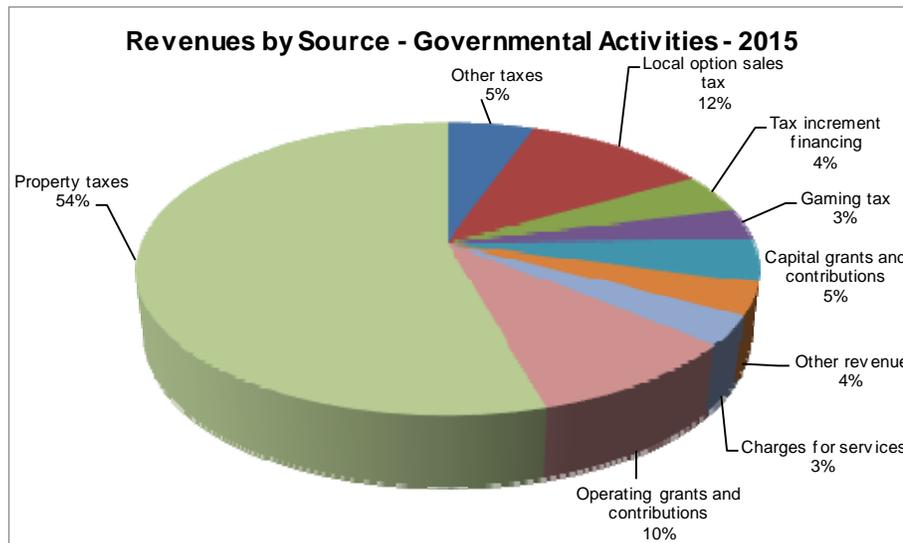
City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

Total governmental activities' revenue for fiscal year 2015 was \$43,520,280 and for 2014 was \$41,787,346. The largest single revenue source for the City was property and TIF taxes of \$25,518,216 for 2015 and \$24,810,313 for 2014. Property and TIF taxes increased by \$707,903 from 2014 (3 percent) and \$510,720 from 2013 (2 percent). Most of the increase for 2015 and 2014 is a result of increased property tax values and increases in tax increment financing. In addition, investment earnings decreased \$159,492 due to the stabilization of interest rates and values of investments. Capital grants and contributions decreased \$135,232 (6 percent) due to a reduction federal and state grants received in the current year for capital projects.

Certain revenues are generated that are specific to governmental program activities. These totaled \$7,647,136 for 2015 and \$7,787,438 for 2014.

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

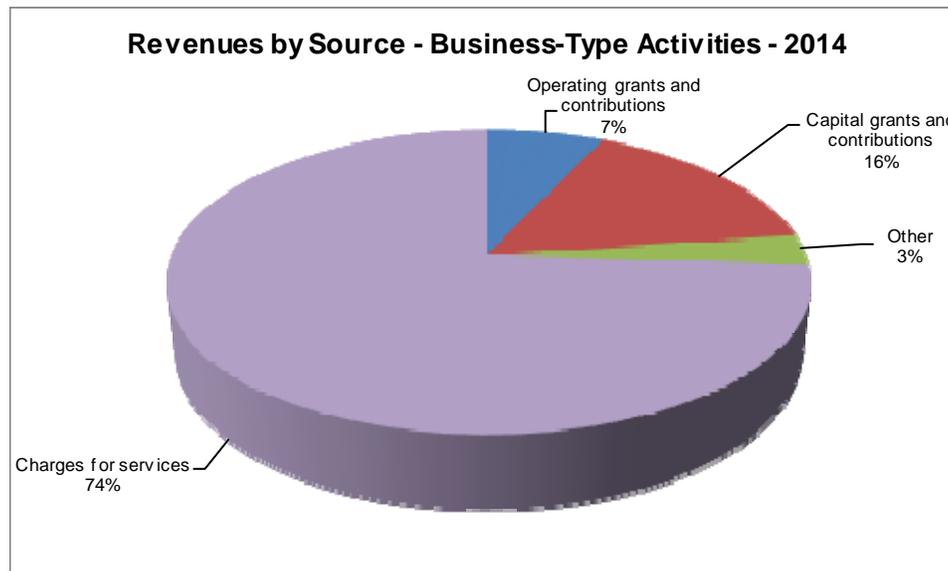
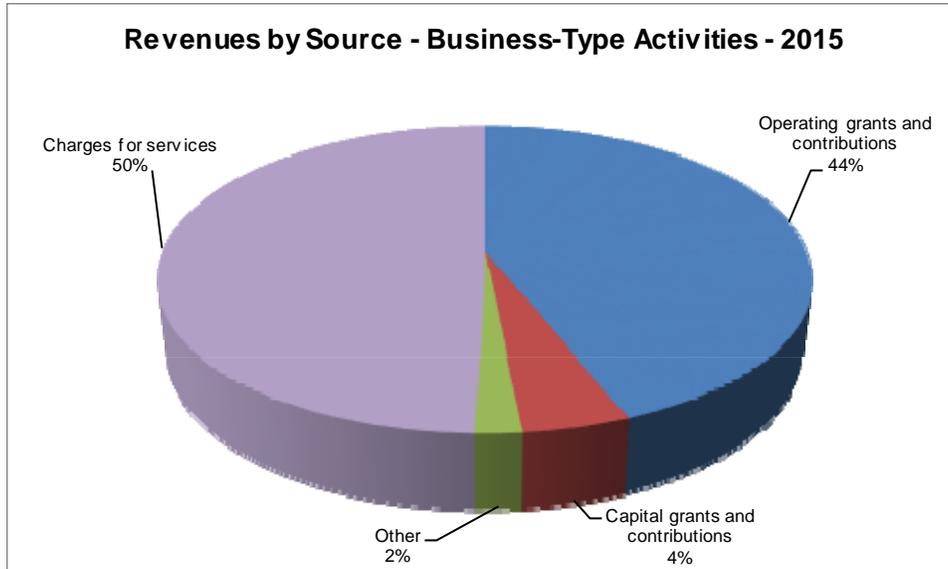


City of Bettendorf, Iowa

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015**

Total business-type activities' revenue for fiscal year 2015 was \$23,661,853 and for 2014 was \$14,926,376. All but \$457,896 for 2015 and \$501,027 for 2014 of this revenue was generated for specific business-type activity expenses.

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



City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

Business-type activities. Business-type activities increased the City of Bettendorf's net position by \$9,557,661 in 2015. Key elements of this increase are as follows:

- QC Waterfront Convention Center increased \$9,678,963 due to receipts from the Isle of Capri for prepayment of the QC Waterfront Convention Center notes.

For the fiscal year ended 2014, business-type activities increased the City of Bettendorf's net position by \$2,050,836. Key elements of this increase are as follows:

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

Financial Analysis of the Government's Funds

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

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

As of June 30, 2015, the City of Bettendorf's governmental funds reported combined ending fund balances of \$15,729,715, a decrease of \$12,066,682 in comparison with 2014. Approximately 42 percent of this total amount, \$6,543,430, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or assigned.

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

The General Fund is the chief operating fund of the City of Bettendorf. The unassigned fund balance of the General Fund was \$6,670,490 for 2015 while total fund balance was \$7,807,221. The unassigned fund balance of the General Fund was \$5,744,687 for 2014 while total fund balance was \$6,970,711. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2015, unassigned fund balance represents 32 percent of total General Fund expenditures, while total fund balance represents 37 percent of that same amount. For 2014, unassigned fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 34 percent of that same amount.

The fund balance of the City of Bettendorf's General Fund increased by \$836,510 for 2015 and \$1,272,632 for 2014. The net increase in fund balance during the current year was due to transfers into the general fund exceeding transfers out and the deficiency of revenues over expenditures.

City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

The Debt Service Fund has a total fund balance of \$364,052 for 2015 and \$2,889,447 for 2014. The net decrease in fund balance during the current year in the Debt Service Fund was \$2,525,395 due to scheduled debt service payments.

The Capital Projects Reserve Fund has a total fund balance of \$3,341,814 for 2015 and \$13,776,231 for 2014. The Capital Projects Reserve Fund had a net decrease in fund balance in the current year of \$10,434,417. The net decrease in fund balance is primarily a net result of revenues offset by capital project expenditures of \$12.1 million.

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

Unrestricted net position of the Sewer Utility was \$2,219,583 as of June 30, 2015 and \$3,248,791 as of June 30, 2014; for the QC Waterfront Convention Center was \$1,635,050 for 2015 and \$1,622,541 for 2014; and for the Stormwater Utility was \$288,030 and \$961,838 for 2015 and 2014, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bettendorf's business-type activities.

Budgetary Highlights

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

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

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

- The total original revenue budget of \$65,717,965 was increased to \$72,620,414 (an increase of \$6,902,449).
- The total original expenditure budget of \$80,135,120 was increased to \$80,439,842 (an increase of \$304,722).
- The total original budget for other financing sources, net of \$1,947,500 was increased to \$1,742,500.

The budget amendment for revenues was primarily due to increases from receipts for prepayment of the QC Waterfront Convention Center notes and decreased intergovernmental revenue due to postponed federal funds for the Forest Grove Rd project. Amendments for expenditures was primarily due to increased overtime in public safety & Road Use Fund expenditures using \$.10 tax increase, marginal increases in all enterprise funds, increased transfers out for downtown improvements offset by a decrease in the Forest Grove Rd project.

City of Bettendorf, Iowa

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2015**

During the year, however, revenues, excluding transfers, were less than budgetary revenues by \$554,414. This was primarily attributable to miscellaneous revenues (mainly in the Capital Projects Fund and the QC Waterfront Convention Fund) being less than budgeted amounts.

Expenditures were less than budgetary expenditures by \$4,692,834 primarily due to capital projects that were budgeted but not completed during the year.

See the Budgetary Comparison Schedule – All Governmental Funds and Proprietary Funds on pages 77 and 78.

Capital Asset and Debt Administration

Capital assets. The City of Bettendorf’s investment in capital assets for its governmental and business-type activities as of June 30, 2015 and 2014 amounts to \$223,554,891 and \$219,284,720 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements and equipment and vehicles.

Major capital asset events during fiscal year ended June 30, 2015, included the following:

- \$1,471,132 for paving Hopewell Avenue from Middle Road to Century Heights
- \$959,835 to pave Forest Grove Road from Eagle to International Drive.
- \$992,894 for the full depth patching program.
- \$818,739 for various vehicle replacements throughout the city.
- \$732,410 for remodeling the Library.

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

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

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

	City of Bettendorf's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,990,001	\$ 11,990,001	\$ 2,692,465	\$ 2,692,465	\$ 14,682,466	\$ 14,682,466
Construction-in-progress	3,384,510	7,404,883	4,298,933	3,077,235	7,683,443	10,482,118
Buildings	23,936,013	22,781,214	35,119,435	35,119,435	59,055,448	57,900,649
Equipment and vehicles	21,302,555	20,987,034	17,806,803	16,958,755	39,109,358	37,945,789
Improvements other than buildings	187,065,602	173,987,424	54,318,729	53,219,932	241,384,331	227,207,356
Accumulated depreciation	(86,997,487)	(81,141,815)	(51,362,668)	(47,791,843)	(138,360,155)	(128,933,658)
Total	\$ 160,681,194	\$ 156,008,741	\$ 62,873,697	\$ 63,275,979	\$ 223,554,891	\$ 219,284,720

City of Bettendorf, Iowa

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2015**

Long-term debt. As of June 30, 2015, the City of Bettendorf had total bonded debt outstanding of \$110,650,000. This total amount is comprised of debt backed by the full faith and credit of the government.

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

	City of Bettendorf's Outstanding Debt General Obligation and Revenue Bonds					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 96,815,000	\$ 105,550,000	\$ 13,835,000	\$ 16,480,000	\$ 110,650,000	\$ 122,030,000
Revenue bonds	-	-	-	10,140,000	-	10,140,000
Total	\$ 96,815,000	\$ 105,550,000	\$ 13,835,000	\$ 26,620,000	\$ 110,650,000	\$ 132,170,000

The City of Bettendorf's total debt decreased by \$21,520,000 (16 percent) during the current fiscal year. The key factor in this decrease was due to scheduled debt service payments and the early retirement of the QC Waterfront Convention Center Revenue Bonds.

The City of Bettendorf's total debt increased by \$12,950,000 (10.9 percent) during 2014. The key factor in this increase was due to the City issuing \$24,170,000 of general obligation debt during 2014, including \$4,000,000 in crossover refunding bonds. This increase was net of other scheduled debt payments on outstanding debt in 2014, including debt that was paid off from crossover refunding bonds issued in 2012.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The debt limitation for the City of Bettendorf for 2015 was \$163,962,163 and for 2014 was \$156,367,660, which is significantly in excess of the City of Bettendorf's outstanding general obligation debt of \$110,650,000 and \$122,030,000 for 2015 and 2014, respectively.

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

City of Bettendorf, Iowa

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

Economic Factors and Next Year's Budgets and Rates

- Property taxes continue to be the major revenue source for the City of Bettendorf. In FY 2015/16 property taxes will represent 31.32% of total City operating revenues, net of transfers. The City has seen increased reliance on property tax revenue over the last five years as a result of other revenue streams either decreasing or remaining relatively flat due to the current economy. The City has been establishing user fees in eight enterprise funds to help offset the cost of the City providing services to citizens when feasible.
- The City Council was pleased to be able to maintain the levy rate at \$12.55 per \$1,000/assessed valuation in FY 15/16, in an effort to continue to keep property taxes low in the current state of the economy. The state mandated rollback on residential property increased from 54.4002% in FY 14/15 to 55.7335% in FY 15/16, and total taxable valuations increased \$42.18 million in FY 14/15. However it should be noted that \$36.85 million of new taxable valuation came from new construction within the City. The remaining increase in taxable valuations resulted largely from \$40.1M re-valuations and the increased residential rollback offset by an additional 5% reduction of the rollback on commercial property of -\$33.5M.
- The FY 15/16 levy rate of \$12.55 per \$1,000/assessed valuation will generate \$24.3 million in property taxes. The City's General Fund Levy rate of \$5.04 per \$1,000 assessed valuation remains one of the lowest in the State of Iowa, and allows for future growth capacity under the State's maximum \$8.10 General Fund levy cap of 38% giving the City future flexibility to raise nearly \$5.8 million of property taxes for operating expenditures. In addition to the ability to raise \$5.8 million in taxes in the General Fund under the \$8.10 cap, the City has the ability to levy taxes for IPERS & FICA (currently 1.1 million) and could implement an Emergency Levy of \$0.27 if needed (\$515,000). Bettendorf is one of only a handful of Cities in the State of Iowa to be below the State maximum \$8.10 General Fund levy cap.
- The City expects its tax base to continue to exhibit moderate growth given the ample availability of developable land and strong regional employment opportunities. Bettendorf, one of the Quad Cities of Iowa and Illinois, has experienced steady growth as evidenced by an increase both in population (6.2% since 2000) and full valuation. The City's full valuation, currently valued at \$3.1 billion, has grown steadily at an average annual rate of 2.65% over the past five years, though growth has slowed in the last couple years during the recession. The City expects continued growth in residential development, as approximately 35% of the City's land remains available and primarily zoned for housing construction. For FY 2015/16, the City's taxable valuation base (including TIF increment values) totals \$1.979 billion and the residential class of property represents 75.66% of that tax base.
- The City continues to benefit from a diverse regional employment base, which includes the Rock Island Arsenal, Deere & Company and Genesis Medical Center. Socioeconomic indicators are higher than national medians, with median family income levels at 134% (as a % of the U.S), in the 2010 census. Unemployment levels, at 3.4% in May 2015, compared favorably to the 3.8% rate in Iowa.

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

Requests for Information

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



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City of Bettendorf, Iowa

Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 14,720,629	\$ 4,106,721	\$ 18,827,350
Restricted cash and cash equivalents	-	1,594,464	1,594,464
Receivables:			
Property taxes	26,293,984	-	26,293,984
Accounts and unbilled usage	283,819	2,459,602	2,743,421
Accrued interest	20,823	4,558	25,381
Special assessments	40,750	260,489	301,239
Loans receivable	10,877	-	10,877
Due from other governments	2,335,539	1,014,621	3,350,160
Internal balances	804,941	(804,941)	-
Prepaid items	8,095	-	8,095
Inventories	12,584	-	12,584
Total current assets	44,532,041	8,635,514	53,167,555
Noncurrent assets:			
Restricted cash and investments	4,090,536	-	4,090,536
Capital assets:			
Nondepreciable:			
Land	11,990,001	2,692,465	14,682,466
Construction-in-progress	3,384,510	4,298,933	7,683,443
Depreciable:			
Buildings and structures	23,936,013	35,119,435	59,055,448
Equipment and vehicles	21,302,555	17,806,803	39,109,358
Improvements other than buildings	187,065,602	54,318,729	241,384,331
Accumulated depreciation	(86,997,487)	(51,362,668)	(138,360,155)
Net capital assets	160,681,194	62,873,697	223,554,891
Total noncurrent assets	164,771,730	62,873,697	227,645,427
Total assets	209,303,771	71,509,211	280,812,982
Deferred outflows of resources, pension related deferred outflows	2,946,323	399,452	3,345,775

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Liabilities			
Current:			
Accounts payable	\$ 1,087,193	\$ 973,900	\$ 2,061,093
Claims payable	384,642	-	384,642
Compensated absences	289,633	74,484	364,117
Accrued liabilities	378,636	86,088	464,724
Refundable deposits	68,191	-	68,191
Due to other governments	130,338	392,682	523,020
Interest payable	298,639	43,701	342,340
Contracts payable	1,238,263	715,473	1,953,736
Unearned revenues	-	82,436	82,436
Current maturities, general obligation bonds	5,925,000	1,155,000	7,080,000
Total current liabilities	9,800,535	3,523,764	13,324,299
Noncurrent:			
Compensated absences	773,642	198,955	972,597
Other post employment benefits obligation	1,016,265	212,419	1,228,684
General obligation bonds, net bond premiums	94,514,474	13,062,416	107,576,890
Net pension liability	13,601,488	1,833,076	15,434,564
Total noncurrent liabilities	109,905,869	15,306,866	125,212,735
Total liabilities	119,706,404	18,830,630	138,537,034
Deferred inflows of resources			
Property taxes	26,017,903	-	26,017,903
Pension related deferred inflows	4,949,045	699,083	5,648,128
Total deferred inflows of resources	30,966,948	699,083	31,666,031
Net position			
Net investment in capital assets	64,332,256	50,485,447	114,817,703
Restricted for:			
Debt service	65,412	-	65,412
Law enforcement	64,800	-	64,800
Economic development	37,926	-	37,926
Police department	46,054	-	46,054
Fire department	6,437	-	6,437
Parks department	136,389	-	136,389
Library department	261,806	-	261,806
Culture and recreation	258,409	-	258,409
Public works department	100,464	-	100,464
Capital improvements and equipment	1,883,682	-	1,883,682
Unrestricted (deficit)	(5,616,893)	1,893,503	(3,723,390)
Total net position	\$ 61,576,742	\$ 52,378,950	\$ 113,955,692

City of Bettendorf, Iowa

Statement of Activities
Year Ended June 30, 2015

Programs/Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety	\$ 13,462,312	\$ 69,455	\$ 476,446	\$ 362,822
Public works	10,158,135	42,019	3,579,255	1,707,394
Culture and recreation	6,364,557	404,318	125,040	-
Community and economic development	1,988,197	757,368	2,796	-
General government	3,906,448	120,173	-	-
Interest and bond issuance costs on long-term debt	3,608,953	-	-	-
Total governmental activities	39,488,602	1,393,333	4,183,537	2,070,216
Business-type activities:				
Sewer utility	4,076,996	3,210,889	-	560,855
Family Museum of Arts & Science	2,237,293	978,252	31,915	-
Aquatic Center	511,346	226,983	-	-
Recycling/solid waste management	2,022,601	2,242,778	-	-
Palmer Hills Golf Course	1,319,759	711,286	-	-
Life Fitness Center	847,188	614,472	-	-
Stormwater utility	1,380,716	1,401,982	-	373,904
Transit	1,873,737	133,728	778,368	-
QC Waterfront Convention Center	3,173,119	2,215,470	9,546,596	124,406
Riverfront Circulator	201,813	10,355	41,718	-
Total business-type activities	17,644,568	11,746,195	10,398,597	1,059,165
Total primary government	\$ 57,133,170	\$ 13,139,528	\$ 14,582,134	\$ 3,129,381

General Revenues

Taxes:

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

Transfers

Total general revenues and transfers

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

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (12,553,589)	\$ -	\$ (12,553,589)
(4,829,467)	-	(4,829,467)
(5,835,199)	-	(5,835,199)
(1,228,033)	-	(1,228,033)
(3,786,275)	-	(3,786,275)
(3,608,953)	-	(3,608,953)
(31,841,516)	-	(31,841,516)
-	(305,252)	(305,252)
-	(1,227,126)	(1,227,126)
-	(284,363)	(284,363)
-	220,177	220,177
-	(608,473)	(608,473)
-	(232,716)	(232,716)
-	395,170	395,170
-	(961,641)	(961,641)
-	8,713,353	8,713,353
-	(149,740)	(149,740)
-	5,559,389	5,559,389
(31,841,516)	5,559,389	(26,282,127)
23,638,814	-	23,638,814
1,879,402	-	1,879,402
5,001,620	-	5,001,620
1,594,097	-	1,594,097
1,454,053	-	1,454,053
357,545	-	357,545
407,637	-	407,637
37,114	-	37,114
334,932	50,248	385,180
1,035,032	389,447	1,424,479
132,948	18,201	151,149
(3,540,376)	3,540,376	-
32,332,818	3,998,272	36,331,090
491,302	9,557,661	10,048,963
61,085,440	42,821,289	103,906,729
\$ 61,576,742	\$ 52,378,950	\$ 113,955,692

City of Bettendorf, Iowa

Balance Sheet
Governmental Funds
June 30, 2015

	General	Employee Benefits	Debt Service
Assets			
Cash and investments	\$ 7,124,221	\$ -	\$ 281,984
Restricted cash and investments	-	-	-
Receivables:			
Property taxes	10,969,468	3,586,681	9,979,175
Accounts	280,321	-	-
Special assessments	20,671	-	-
Loans	10,877	-	-
Accrued interest	8,302	-	5,775
Due from other funds	447,464	-	-
Due from other governments	869,964	1,485	4,000
Inventories	12,584	-	-
Advances to other funds	158,677	-	-
Total assets	\$ 19,902,549	\$ 3,588,166	\$ 10,270,934
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 548,613	\$ -	\$ -
Accrued liabilities	291,760	-	-
Refundable deposits	68,191	-	-
Due to other governments	72,790	-	-
Due to other funds	-	25,744	-
Contracts payable	47,600	-	-
Advances from other funds	-	-	-
Total liabilities	1,028,954	25,744	-
Deferred inflows of resources			
Unavailable revenue - property taxes	10,884,358	3,562,422	9,906,882
Unavailable revenue - local option sales tax	156,600	-	-
Unavailable revenue - intergovernmental	25,416	-	-
Total deferred inflows of resources	11,066,374	3,562,422	9,906,882
Fund balances			
Nonspendable	182,138	-	-
Restricted	954,593	-	364,052
Assigned	-	-	-
Unassigned	6,670,490	-	-
Total fund balances	7,807,221	-	364,052
Total liabilities, deferred inflows of resources and fund balances	\$ 19,902,549	\$ 3,588,166	\$ 10,270,934

See Notes to Basic Financial Statements.

Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ 249,890	\$ 4,019,593	\$ 11,675,688
4,090,536	-	4,090,536
-	1,758,660	26,293,984
-	360	280,681
20,079	-	40,750
-	-	10,877
-	4,011	18,088
-	-	447,464
674,469	785,621	2,335,539
-	-	12,584
-	-	158,677
<u>\$ 5,034,974</u>	<u>\$ 6,568,245</u>	<u>\$ 45,364,868</u>

\$ 165,736	\$ 120,720	\$ 835,069
29,493	36,898	358,151
-	-	68,191
32,716	21,032	126,538
-	111,720	137,464
1,133,557	57,106	1,238,263
-	158,677	158,677
<u>1,361,502</u>	<u>506,153</u>	<u>2,922,353</u>

-	1,723,445	26,077,107
-	-	156,600
331,658	122,019	479,093
<u>331,658</u>	<u>1,845,464</u>	<u>26,712,800</u>

-	-	182,138
3,341,814	2,590,095	7,250,554
-	1,753,593	1,753,593
-	(127,060)	6,543,430
<u>3,341,814</u>	<u>4,216,628</u>	<u>15,729,715</u>

<u>\$ 5,034,974</u>	<u>\$ 6,568,245</u>	<u>\$ 45,364,868</u>
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City of Bettendorf, Iowa

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015**

Total governmental fund balances		\$ 15,729,715
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land	\$ 11,946,392	
Construction-in-progress	3,384,510	
Buildings and structures	23,512,552	
Equipment and vehicles	20,749,151	
Improvements other than buildings	187,065,602	
Accumulated depreciation	<u>(86,196,474)</u>	160,461,733
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as a deferred inflow of resources - unavailable revenue in the funds		
		694,897
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 - IPERS	851,477	
Deferred outflows of resources - MFPRSI	1,997,645	
Deferred inflows of resources - IPERS	(1,490,180)	
Deferred inflows of resources - MFPRSI	<u>(3,288,754)</u>	(1,929,812)
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position:		
Capital assets	1,020,474	
Accumulated depreciation	(801,013)	
Other current assets	3,058,909	
Deferred outflows of resources	97,201	
Other current liabilities	(679,251)	
Noncurrent liabilities	(550,034)	
Deferred inflows of resources	<u>(170,111)</u>	1,976,175
Internal service funds allocated to business-type activities		494,941
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences, current	(271,433)	
Compensated absences, noncurrent	(725,027)	
Other post employment benefits obligation	(960,897)	
Net pension liability - IPERS	(3,907,427)	
Net pension liability - MFPRSI	(9,248,010)	
Accrued interest payable	(298,639)	
General obligation bonds payable, current	(5,925,000)	
General obligation bonds payable, noncurrent	(90,890,000)	
Bond premiums	<u>(3,624,474)</u>	(115,850,907)
Net position of governmental activities		<u><u>\$ 61,576,742</u></u>

See Notes to Basic Financial Statements.



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City of Bettendorf, Iowa

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015**

	General	Employee Benefits	Debt Service
Revenues:			
Property taxes	\$ 10,575,839	\$ 3,444,587	\$ 9,647,702
Tax increment financing taxes	-	-	-
Other taxes	5,890,018	136,483	367,565
Special assessments	16,363	-	-
Licenses and permits	623,039	-	-
Intergovernmental	628,738	57,601	155,129
Charges for services	608,445	-	-
Use of money and property	211,548	-	35,463
Miscellaneous	226,906	-	-
Total revenues	18,780,896	3,638,671	10,205,859
Expenditures:			
Current operating:			
Public safety	11,183,641	-	-
Public works	15,944	-	-
Culture and recreation	4,359,993	-	-
Community and economic development	953,370	-	-
General government	3,867,262	-	-
Debt service:			
Principal	-	-	8,625,000
Interest and other charges	-	-	3,942,015
Capital outlay	531,326	-	-
Total expenditures	20,911,536	-	12,567,015
Excess (deficiency) of revenues over expenditures	(2,130,640)	3,638,671	(2,361,156)
Other financing sources (uses):			
Proceeds from the disposal of capital assets	-	-	-
Transfers in	5,133,869	-	121,005
Transfers out	(2,166,719)	(3,638,671)	(285,244)
Total other financing sources (uses)	2,967,150	(3,638,671)	(164,239)
Net changes in fund balance	836,510	-	(2,525,395)
Fund balances, beginning of year	6,970,711	-	2,889,447
Fund balances, end of year	\$ 7,807,221	\$ -	\$ 364,052

See Notes to Basic Financial Statements.

Capital Projects Reserve	Other Nonmajor Governmental	Total
\$ -	\$ -	\$ 23,668,128
-	1,879,402	1,879,402
-	1,992,249	8,386,315
5,426	-	21,789
19,887	-	642,926
1,145,688	3,579,255	5,566,411
-	-	608,445
46,448	24,900	318,359
733,163	114,910	1,074,979
1,950,612	7,590,716	42,166,754
-	10,426	11,194,067
-	3,343,426	3,359,370
-	76,841	4,436,834
-	720,727	1,674,097
-	-	3,867,262
-	110,000	8,735,000
-	12,125	3,954,140
12,130,353	945,862	13,607,541
12,130,353	5,219,407	50,828,311
(10,179,741)	2,371,309	(8,661,557)
12,500	144,175	156,675
479,897	1,572,166	7,306,937
(747,073)	(4,031,030)	(10,868,737)
(254,676)	(2,314,689)	(3,405,125)
(10,434,417)	56,620	(12,066,682)
13,776,231	4,160,008	27,796,397
\$ 3,341,814	\$ 4,216,628	\$ 15,729,715

City of Bettendorf, Iowa

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2015**

Net change in fund balances - governmental funds \$ (12,066,682)

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

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

Capital outlay	\$ 10,251,395	
Depreciation	(6,470,648)	3,780,747

Proceeds from the disposal of capital assets		(156,675)
Gain on the sale of capital assets		132,948
Capital assets contributed		938,075

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

Local option sales tax	21,000	
Grant revenues	154,072	
Property taxes	(29,314)	145,758

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:

Pension expense - IPERS		292,237
Pension expense - MFPRSI		(1,504,728)
Change in compensated absences		(48,325)
Change in other post employment benefits obligation		(146,194)

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

Repayment of bond principal	8,735,000	
Interest	30,790	
Amortization of bond premiums	314,397	9,080,187

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

56,669

Change in internal service fund allocation to business-type activities

(12,716)

Changes in net position of governmental activities

\$ 491,302

See Notes to Basic Financial Statements.



Bettendorf IOWA
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City of Bettendorf, Iowa

Statement of Net Position
 Proprietary Funds
 June 30, 2015

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Assets			
Current assets:			
Cash and investments	\$ 1,603,993	\$ 22,822	\$ 663,157
Restricted cash and cash equivalents	-	1,578,264	-
Receivables:			
Accounts and unbilled usage	871,895	401,272	403,977
Accrued interest	2,289	-	819
Special assessments	133,468	-	37,710
Due from other governments	638,964	-	-
Prepaid items	-	-	-
Total current assets	3,250,609	2,002,358	1,105,663
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	3,575	715,241	406,209
Construction-in-progress	1,510,646	-	2,757,723
Depreciable:			
Buildings and structures	2,483,582	18,199,263	-
Equipment and vehicles	5,889,216	1,370,132	687,242
Improvements other than buildings	43,363,129	163,064	8,889,339
Accumulated depreciation	(31,771,546)	(3,829,783)	(1,825,349)
Total noncurrent assets	21,478,602	16,617,917	10,915,164
Total assets	24,729,211	18,620,275	12,020,827
Deferred outflows of resources, pension related deferred outflows	57,700	3,101	49,612

(Continued)

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 1,816,749	\$ 4,106,721	\$ 3,044,941
16,200	1,594,464	-
782,458	2,459,602	3,138
1,450	4,558	2,735
89,311	260,489	-
375,657	1,014,621	-
-	-	8,095
<u>3,081,825</u>	<u>9,440,455</u>	<u>3,058,909</u>
1,567,440	2,692,465	43,609
30,564	4,298,933	-
14,436,590	35,119,435	423,461
9,860,213	17,806,803	553,404
1,903,197	54,318,729	-
(13,935,990)	(51,362,668)	(801,013)
<u>13,862,014</u>	<u>62,873,697</u>	<u>219,461</u>
<u>16,943,839</u>	<u>72,314,152</u>	<u>3,278,370</u>
<u>289,039</u>	<u>399,452</u>	<u>97,201</u>

City of Bettendorf, Iowa

Statement of Net Position (Continued)
 Proprietary Funds
 June 30, 2015

	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Liabilities and Net Position			
Liabilities			
Current:			
Accounts payable	\$ 44,362	\$ 344,372	\$ 29,590
Claims payable	-	-	-
Compensated absences	10,626	599	9,345
Accrued liabilities	12,504	650	12,192
Due to other governments	353,830	3,534	4,180
Due to other funds	-	-	-
Interest payable	23,240	-	18,357
Contracts payable	220,654	-	431,662
Unearned revenue	-	-	-
Current maturities, general obligation bonds	540,000	-	425,000
Total current liabilities	1,205,216	349,155	930,326
Noncurrent:			
Compensated absences	28,383	1,598	24,962
Other post employment benefits obligation	29,361	-	22,466
General obligation bonds, net bond premiums	6,877,643	-	5,662,297
Net pension liability	264,785	14,229	227,666
Total noncurrent liabilities	7,200,172	15,827	5,937,391
Total liabilities	8,405,388	364,982	6,867,717
Deferred inflows of resources, pension related deferred inflows	100,981	5,427	86,825
Net position			
Net investment in capital assets	14,060,959	16,617,917	4,827,867
Unrestricted	2,219,583	1,635,050	288,030
Total net position	\$ 16,280,542	\$ 18,252,967	\$ 5,115,897

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

Net position of business-type activities

See Notes to Basic Financial Statements.

Other Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 555,576	\$ 973,900	\$ 252,124
-	-	384,642
53,914	74,484	18,200
60,742	86,088	20,485
31,138	392,682	3,800
310,000	310,000	-
2,104	43,701	-
63,157	715,473	-
82,436	82,436	-
190,000	1,155,000	-
<u>1,349,067</u>	<u>3,833,764</u>	<u>679,251</u>
144,012	198,955	48,615
160,592	212,419	55,368
522,476	13,062,416	-
1,326,396	1,833,076	446,051
<u>2,153,476</u>	<u>15,306,866</u>	<u>550,034</u>
<u>3,502,543</u>	<u>19,140,630</u>	<u>1,229,286</u>
<u>505,850</u>	<u>699,083</u>	<u>170,111</u>
13,149,538	48,656,281	219,461
74,947	4,217,610	1,756,713
<u>\$ 13,224,485</u>	<u>52,873,891</u>	<u>\$ 1,976,174</u>

(494,941)

\$ 52,378,950

City of Bettendorf, Iowa

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	QC Waterfront		
	Sewer Utility	Convention Center	Stormwater Utility
Operating revenues:			
Charges for services	\$ 3,142,698	\$ 2,215,470	\$ 1,396,082
Licenses and permits	68,191	-	5,900
Other	353	-	-
Total operating revenues	3,211,242	2,215,470	1,401,982
Operating expenses:			
Salaries and benefits	628,874	620,909	471,474
Supplies and services	1,617,986	1,513,993	167,383
Depreciation	1,467,577	589,154	536,399
Total operating expenses	3,714,437	2,724,056	1,175,256
Operating income (loss)	(503,195)	(508,586)	226,726
Nonoperating revenues (expenses):			
Intergovernmental	-	62,954	-
Noncapital contributions	-	9,483,642	-
Investment earnings	28,351	4,316	7,364
Interest and bond issuance expense	(340,715)	(449,066)	(219,188)
Gain (loss) on disposal of capital assets	(39,949)	-	14,650
Amortization	17,898	-	13,125
Total nonoperating revenues (expenses)	(334,415)	9,101,846	(184,049)
Income (loss) before capital grants and contributions and transfers	(837,610)	8,593,260	42,677
Capital grants and contributions	560,855	124,406	373,904
Transfers in	-	961,297	298,517
	560,855	1,085,703	672,421
Changes in net position	(276,755)	9,678,963	715,098
Net position, beginning of year, as restated	16,557,297	8,574,004	4,400,799
Net position, end of year	\$ 16,280,542	\$ 18,252,967	\$ 5,115,897

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,917,854	\$ 11,672,104	\$ 7,260,697
-	74,091	-
389,094	389,447	37,489
5,306,948	12,135,642	7,298,186
4,263,741	5,984,998	4,466,216
3,447,794	6,747,156	2,790,656
1,279,403	3,872,533	22,642
8,990,938	16,604,687	7,279,514
(3,683,990)	(4,469,045)	18,672
852,001	914,955	-
-	9,483,642	-
10,217	50,248	16,573
(29,879)	(1,038,848)	-
(3,748)	(29,047)	-
2,476	33,499	-
831,067	9,414,449	16,573
(2,852,923)	4,945,404	35,245
-	1,059,165	-
2,280,562	3,540,376	21,424
2,280,562	4,599,541	21,424
(572,361)	9,544,945	56,669
13,796,846	43,328,946	1,919,505
\$ 13,224,485	\$ 52,873,891	\$ 1,976,174

City of Bettendorf, Iowa

**Reconciliation of the Changes in Net Position of Enterprise Funds to the Statement of Activities
Year Ended June 30, 2015**

Net changes in net position in enterprise funds	\$	9,544,945
Amounts reported for proprietary activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.		12,716
Changes in net position of business-type activities	\$	<u>9,557,661</u>

See Notes to Basic Financial Statements.



Bettendorf IOWA
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City of Bettendorf, Iowa

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,260,735	\$ 2,215,470	\$ 1,323,556
Receipts from other operating revenue	353	-	-
Payments to suppliers	(1,624,681)	(1,494,716)	(141,896)
Payments to claimants	-	-	-
Payments to employees	(636,041)	(621,734)	(473,712)
Net cash provided by (used in) operating activities	1,000,366	99,020	707,948
Cash flows from noncapital financing activities:			
Intergovernmental	-	62,954	-
Contributions	-	9,557,684	-
Proceeds from interfund accounts	-	-	-
(Payments of) interfund accounts	-	-	-
Transfers in	-	961,297	298,517
Net cash provided by noncapital financing activities	-	10,581,935	298,517
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1,043,625)	(97,989)	(552,819)
Proceeds from sale of capital assets	-	-	54,600
Capital grants	-	114,433	-
Proceeds from issuance of bonds, including premiums	-	-	-
Payment on debt	(2,030,000)	(10,140,000)	(425,000)
Interest and bond issuance costs paid on debt	(363,601)	(471,606)	(232,115)
Net cash (used in) capital and related financing activities	(3,437,226)	(10,595,162)	(1,155,334)
Cash flows from investing activities, interest received	29,866	4,316	7,765
Increase (decrease) in cash and cash equivalents	(2,406,994)	90,109	(141,104)
Cash and cash equivalents, beginning of year	4,010,987	1,510,977	804,261
Cash and cash equivalents, end of year	\$ 1,603,993	\$ 1,601,086	\$ 663,157

(Continued)

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,823,106	\$ 11,622,867	\$ 7,258,789
404,709	405,062	37,489
(3,407,695)	(6,668,988)	(2,824,137)
-	-	(3,235,480)
(4,324,857)	(6,056,344)	(1,095,457)
(2,504,737)	(697,403)	141,204
706,182	769,136	-
-	9,557,684	-
130,770	130,770	-
-	-	2,891
2,280,562	3,540,376	21,424
3,117,514	13,997,966	24,315
(402,346)	(2,096,779)	-
3,546	58,146	-
-	114,433	-
-	-	-
(190,000)	(12,785,000)	-
(30,300)	(1,097,622)	-
(619,100)	(15,806,822)	-
11,153	53,100	19,571
4,830	(2,453,159)	185,090
1,828,119	8,154,344	2,859,851
<u>\$ 1,832,949</u>	<u>\$ 5,701,185</u>	<u>\$ 3,044,941</u>

City of Bettendorf, Iowa

Statement of Cash Flows (Continued)
 Proprietary Funds
 Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (503,195)	\$ (508,586)	\$ 226,726
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,467,577	589,154	536,399
Change in assets and liabilities:			
Receivables and due from other governments	49,846	-	(78,426)
Prepaid items	-	20,750	-
Accounts and contracts payable and due to other governments	(6,698)	(1,474)	25,487
Claims payable	-	-	-
Compensated absences and accrued liabilities	10,028	240	10,736
Other post employment benefits obligation	2,609	-	4,052
Decrease in net pension liability	(102,098)	(5,487)	(87,783)
Increase in deferred outflows of resources	(18,684)	(1,004)	(16,068)
Increase in deferred inflows of resources	100,981	5,427	86,825
Unearned revenue	-	-	-
Net cash provided by (used in) operating activities	\$ 1,000,366	\$ 99,020	\$ 707,948
Schedule of noncash items:			
Capital and related financing activities:			
Acquisition of capital assets through contracts or accounts payable	\$ 220,654	\$ -	\$ 431,662
Capital contributions	560,855	-	373,904
Capitalized interest	15,743	-	11,941

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (3,683,990)	\$ (4,469,045)	\$ 18,672
1,279,403	3,872,533	22,642
(75,440)	(104,020)	(1,907)
-	20,750	8,095
40,100	57,415	(33,482)
-	-	143,266
14,048	35,052	8,960
24,035	30,696	8,319
(511,448)	(706,816)	(171,992)
(93,605)	(129,361)	(31,480)
505,850	699,083	170,111
(3,690)	(3,690)	-
<u>\$ (2,504,737)</u>	<u>\$ (697,403)</u>	<u>\$ 141,204</u>

\$ 63,157	\$ 715,473	\$ -
-	934,759	-
-	27,684	-

City of Bettendorf, Iowa

Statement of Assets and Liabilities

Agency Funds

June 30, 2015

Assets

Cash	\$	93,611
Accounts receivable		3,201
Due from other funds		3,201
	\$	<u>100,013</u>

Liabilities

Accounts payable	\$	96,812
Due to other funds		3,201
	\$	<u>100,013</u>

See Notes to Basic Financial Statements.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

Nature of operations:

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

Reporting entity:

The City is a municipal corporation governed by an elected mayor and a seven-member council. As required by accounting principles generally accepted in the United States of America as applied to governmental units, these financial statements present the City (the primary government) and its component units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of presentation:

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Road Use Tax Fund: To account for the proceeds from road use tax monies, which are restricted by statute for road construction and repair.

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

Police Women's Conference Fund: To account for the Police Women's Conference held in Bettendorf.

Measurement focus and basis of accounting:

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

Summary of significant accounting policies:

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 2 percent per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2014.

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

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

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

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest for the year ended June 30, 2015 was \$15,743 in the Sewer Utility Fund and \$11,941 in the Stormwater Utility Fund.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

Deferred 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 City after the measurement date but before the end of the City's reporting period.

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, local option sales tax and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the City's government-wide statements, the property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for. The City's government-wide statements also include pension related deferred inflows, which are the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the City's contributions and proportionate share of contributions all related to the net pension liability.

Pensions: 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 the Iowa Public Employees' Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI) 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 this 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.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

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

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

Net position: Represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent proceeds for the Capital Projects Reserve Fund was \$4,090,536. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws through constitutional provision or enabling legislation.

Net position restricted through enabling legislation consists of \$1,883,682 for capital improvements and equipment (local option sales tax) and \$65,412 for debt service.

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

Joint venture: The City is a participant in a joint venture for the solid waste management services for the disposal of solid wastes generated by the citizens of the participants in the agreement. The Scott Area Solid Waste Management Commission (Commission) was created in 1975 for that purpose. The Commission is governed by a five-member board of which the City is one member. The City is billed monthly for its share of the operating costs. If at any time the City chooses to withdraw membership, the City shall be responsible for its share of any debt or liabilities attributed to its membership in the Commission. The City does not have an equity interest in the Commission.

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

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Legal compliance and accountability: The Tax Increment Financing has a fund balance deficit as of June 30, 2015 of \$127,060. The deficit is a result of various TIF projects throughout the City that have been cash flowed by City funds and will be repaid through TIF taxes over the next several years.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 2. Cash and Investments

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

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

Investment name	Maturity	Fair value	Standard & Poor's	Moody's
FHLMC	11/28/2017	\$ 374,699	AA+	Aaa
FHLB	12/28/2017	994,051	AA+	Aaa
FNMA	06/27/2018	495,702	AA+	Aaa
FNMA	07/30/2019	1,000,891	AA+	Aaa
FNMA	08/28/2019	698,498	AA+	Aaa
FHLB	10/04/2022	1,458,097	AA+	Aaa
Total		<u>\$ 5,021,938</u>		

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

Concentration of credit risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. However, the City's policy limits them from investing in prime bankers' acceptances or commercial paper of more than 10 percent of the investment portfolio and more than 5 percent of the investment portfolio with a single issuer. In addition, no more than 5 percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. The City's Investments are as follows: FNMA 44 percent, FHLB securities 49 percent and FHLMC 7 percent.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all purchased investments shall be held pursuant to a written third-party custodial agreement. The City's deposits as of June 30, 2015 were entirely insured by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. In addition, the City's investments were not insured but were held by a custodian in the name of the City and not exposed to custodial credit risk.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

A reconciliation of cash and investments as shown on the financial statements of the City follows:

Depository accounts	\$ 19,584,023
Investments	<u>5,021,938</u>
Total	<u><u>\$ 24,605,961</u></u>
Cash and investments	\$ 18,827,350
Restricted cash and investments, current	1,594,464
Restricted cash and investments, noncurrent	4,090,536
Cash and investment, Agency Funds	<u>93,611</u>
Total	<u><u>\$ 24,605,961</u></u>

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Ending Balance June 30, 2014	Additions	Deletions	Ending Balance June 30, 2015
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 11,990,001	\$ -	\$ -	\$ 11,990,001
Construction-in-progress	7,404,883	9,298,627	13,319,000	3,384,510
Total capital assets, not being depreciated	<u>19,394,884</u>	<u>9,298,627</u>	<u>13,319,000</u>	<u>15,374,511</u>
Capital assets, being depreciated:				
Buildings and structures	22,781,214	1,154,799	-	23,936,013
Equipment and vehicles	20,987,034	976,866	661,345	21,302,555
Improvements other than buildings	173,987,424	13,078,178	-	187,065,602
Total capital assets, being depreciated	<u>217,755,672</u>	<u>15,209,843</u>	<u>661,345</u>	<u>232,304,170</u>
Less accumulated depreciation for:				
Buildings and structures	10,201,694	637,972	-	10,839,666
Equipment and vehicles	14,892,476	1,211,412	637,618	15,466,270
Improvements other than buildings	56,047,645	4,643,906	-	60,691,551
Total accumulated depreciation	<u>81,141,815</u>	<u>6,493,290</u>	<u>637,618</u>	<u>86,997,487</u>
Total capital assets, being depreciated, net	<u>136,613,857</u>	<u>8,716,553</u>	<u>23,727</u>	<u>145,306,683</u>
Governmental activities capital assets, net	<u><u>\$ 156,008,741</u></u>	<u><u>\$ 18,015,180</u></u>	<u><u>\$ 13,342,727</u></u>	<u><u>\$ 160,681,194</u></u>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	Ending Balance June 30, 2014	Additions	Deletions	Ending Balance June 30, 2015
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,692,465	\$ -	\$ -	\$ 2,692,465
Construction-in-progress	3,077,235	2,238,070	1,016,372	4,298,933
Total capital assets, not being depreciated	5,769,700	2,238,070	1,016,372	6,991,398
Capital assets, being depreciated:				
Buildings and structures	35,119,435	-	-	35,119,435
Equipment and vehicles	16,958,755	1,218,829	370,781	17,806,803
Improvements other than buildings	53,219,932	1,116,917	18,120	54,318,729
Total capital assets, being depreciated	105,298,122	2,335,746	388,901	107,244,967
Less accumulated depreciation for:				
Buildings and structures	10,373,479	907,280	-	11,280,759
Equipment and vehicles	9,817,468	1,286,872	290,887	10,813,453
Improvements other than buildings	27,600,896	1,678,381	10,821	29,268,456
Total accumulated depreciation	47,791,843	3,872,533	301,708	51,362,668
Total capital assets, being depreciated, net	57,506,279	(1,536,787)	87,193	55,882,299
Business-type activities capital assets, net	\$ 63,275,979	\$ 701,283	\$ 1,103,565	\$ 62,873,697

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

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

Governmental Activities

Public safety	\$ 580,687
Public works	4,414,847
Culture and recreation	1,032,170
Community and economic development	296,583
General government	146,361
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	22,642
	<u>\$ 6,493,290</u>

Business-Type Activities

Sewer utility	\$ 1,467,577
Family Museum of Arts & Science	321,214
Stormwater utility	536,399
Aquatic Center	156,160
Recycling/solid waste management	189,717
Palmer Hills Golf Course	208,473
Life Fitness Center	76,336
Transit	204,838
QC Waterfront Convention Center	589,154
Riverfront Circulator	122,665
	<u>\$ 3,872,533</u>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 4. Bonded and Other Debt

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2015:

	June 30, 2014	Increases and Issues	Decreases and Retirements	June 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 105,550,000	\$ -	\$ 8,735,000	\$ 96,815,000	\$ 5,925,000
Compensated absences	1,009,684	1,103,736	1,050,145	1,063,275	289,633
	106,559,684	1,103,736	9,785,145	97,878,275	6,214,633
Add premiums	3,938,871	-	314,397	3,624,474	-
	110,498,555	1,103,736	10,099,542	101,502,749	6,214,633
Business-type activities:					
Revenue bonds	10,140,000	-	10,140,000	-	-
General obligation bonds	16,480,000	-	2,645,000	13,835,000	1,155,000
Compensated absences	250,606	387,798	364,965	273,439	74,484
	26,870,606	387,798	13,149,965	14,108,439	1,229,484
Add premiums	415,915	-	33,499	382,416	-
	27,286,521	387,798	13,183,464	14,490,855	1,229,484
Total long-term debt	\$ 137,785,076	\$ 1,491,534	\$ 23,283,006	\$ 115,993,604	\$ 7,444,117

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

Summary of bond issues:

General obligation and revenue bonds outstanding as of June 30, 2015, consist of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2015
General obligation bonds:				
Various public improvements	June 2007	5,095,000	3.50-4.38	\$ 3,385,000
Various public improvements	June 2008	15,555,000	3.50-5.00	10,070,000
Various public improvements	March 2009	13,700,000	2.50-4.50	9,060,000
Various public improvements	June 2010	17,705,000	2.00-4.10	13,420,000
Refunding	June 2010	7,180,000	2.00-3.50	4,655,000
Various public improvements	May 2011	18,065,000	2.00-5.00	15,050,000
Various public improvements and refunding	June 2012	14,100,000	2.00-4.00	12,005,000
Refunding	June 2012	6,725,000	2.00-3.00	5,615,000
Various public improvements	May 2013	14,385,000	2.00-4.00	13,220,000
Various downtown & public improvements	May 2014	20,170,000	2.00-4.00	20,170,000
Refunding	May 2014	4,000,000	2.00-5.00	4,000,000
Total general obligation bonds				\$ 110,650,000

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 4. Bonded and Other Debt (Continued)

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of June 30, 2015, are as follows:

Year ending June 30:	Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
	2016	\$ 5,925,000	\$ 3,583,665	\$ 1,155,000
2017	6,250,000	3,415,915	1,040,000	490,295
2018	6,475,000	3,214,903	1,480,000	454,320
2019	6,680,000	3,000,940	1,050,000	398,370
2020	6,785,000	2,760,490	1,075,000	358,708
2021 - 2025	31,375,000	10,140,196	4,980,000	1,175,963
2026 - 2030	26,580,000	4,109,221	2,655,000	340,465
2031 - 2033	6,745,000	452,744	400,000	18,749
	<u>\$ 96,815,000</u>	<u>\$ 30,678,074</u>	<u>\$ 13,835,000</u>	<u>\$ 3,761,290</u>

Legal debt margin:

As of June 30, 2015, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

January 2014 100% assessed valuation		\$ 3,100,804,449
Plus: Public gas and electric utilities		106,898,469
Plus: Captured tax increment value		75,370,275
Less: Military exemption		(3,829,936)
Total assessed valuation of the property of the City of Bettendorf		<u>\$ 3,279,243,257</u>
Debt limit, 5% of total actual valuation		\$ 163,962,163
Debt applicable to debt limit:		
Governmental activities general obligation bonds	\$ 96,815,000	
Business-type activities general obligation bonds	13,835,000	110,650,000
Legal debt margin		<u>\$ 53,312,163</u>

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 5. Interfund Receivables and Payables

Individual interfund receivables and payables balances as of June 30, 2015, were:

	Interfund Receivables	Interfund Payables
Major governmental funds, General	\$ 447,464	\$ -
Major governmental fund, Employee benefits	-	25,744
Nonmajor governmental funds	-	111,720
Nonmajor enterprise funds	-	310,000
Total	\$ 447,464	\$ 447,464

Advances to and from other funds as of June 30, 2015, were as follows:

	Advances to Other Funds	Advances from Other Funds
Major governmental fund, General Fund	\$ 158,677	\$ -
Nonmajor governmental funds	-	158,677
Total	\$ 158,677	\$ 158,677

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

Note 6. Interfund Transfers

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

	Transfers In	Transfers Out
Major governmental funds:		
General	\$ 5,133,869	\$ 2,166,719
Employee benefits	-	3,638,671
Debt service fund, debt service	121,005	285,244
Capital projects fund, capital projects reserve	479,897	747,073
Nonmajor governmental funds	1,572,166	4,031,030
Internal service funds	21,424	-
Major enterprise funds:		
QC Waterfront Convention Center	961,297	-
Stormwater Utility	298,517	-
Other nonmajor enterprise funds	2,280,562	-
Total	\$ 10,868,737	\$ 10,868,737

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 6. Interfund Transfers (Continued)

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

Note 7. Pension and Retirement Systems

The City participates in two pension plans, Iowa Public Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). As a result of the adoption of GASB Statement No. 68 and No. 71 related to these pension plans, the beginning net position/fund balance of the governmental activities, business-type activities, each major enterprise fund and the aggregate remaining funds were restated. The effect on fiscal year 2014 is as follows:

	Governmental Activities	Business-Type Activities	Sewer Utility	QC Waterfront Convention Center	Stormwater Utility	Aggregate Nonmajor Remaining Funds
Net position/fund balance June 30, 2014, as previously reported	\$ 75,510,520	\$ 45,091,092	\$ 16,885,166	\$ 8,591,623	\$ 4,682,705	\$ 22,071,090
Net pension liability	(16,508,470)	(2,539,891)	(366,883)	(19,716)	(315,451)	(2,455,885)
Pension related deferred outflows	2,083,390	270,088	39,014	2,097	33,545	261,154
Net position/fund balance June 30, 2014, as restated	\$ 61,085,440	\$ 42,821,289	\$ 16,557,297	\$ 8,574,004	\$ 4,400,799	\$ 19,876,359

Iowa Public Retirement System:

Plan description: Employees of the City are provided with pensions through the IPERS—a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Benefits provided: IPERS provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee's highest five-year average salary and a multiplier based on the years of service. Employees are eligible for full retirement age 65; at age 62 with at least 20 years of covered employment or when the years of service plus the employee's age equals or exceeds 88. Four years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are calculated based on the actuarial present value of the employee's accrued benefit at the time of death or a calculation based on the employee's contributions, highest covered annual wage and years of service.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

Contributions: Per Iowa Code Section 97B.4(4)(d) the required contribution rate is determined by the IPERS actuary as the rate necessary to fully fund the benefits as defined by Iowa Code Chapter 97B. Employees are required to contribute 5.95 percent of their annual pay. The City contractually required contribution rate for the year ended June 30, 2015, was 8.93 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$941,311 for the year ended June 30, 2015.

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 \$6,186,554 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 a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2014, the City's proportion was 0.1559934 percent an increase of 0.0066987 percent from the City's proportion at June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$478,618. 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	\$ 67,236	\$ -
Changes of assumptions	273,030	-
Net difference between projected and actual earnings on pension plan investments	-	(2,359,374)
Changes in proportion and differences between City contributions and proportionate share of contributions	66,553	-
Total deferred amounts to be recognized in pension expense in future periods	406,819	(2,359,374)
City contributions subsequent to the measurement date	941,311	-
Total deferred amounts related to pensions	\$ 1,348,130	\$ (2,359,374)

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

\$941,311 reported as deferred outflows of resources related to pensions resulting from 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:

<u>Year Ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 95,051	\$ (589,844)
2017	95,051	(589,844)
2018	95,051	(589,844)
2019	95,051	(589,842)
2020	26,615	-
	<u>\$ 406,819</u>	<u>\$ (2,359,374)</u>

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

Inflation	3.00 percent
Salary increases	4.00 to 17.00 percent, average, including inflation.
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation.

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

Subsequent to the actuarial valuation date used by the plan, the 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 percent to 8 percent unless the plans 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 liability.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2013.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

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 of return (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
U.S. equity	23%	6.31%
Non U.S. 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 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers 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'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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50 %)	1% Increase (8.50 %)
City's proportionate share of the net pension liability	\$ 11,689,318	\$ 6,186,554	\$ 1,541,649

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 can be located at www.ipers.org.

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

Municipal Fire and Police Retirement System of Iowa:

Plan description: MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by 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, Iowa 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa 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: Members with 4 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 (i.e., 22 years). Members with less than 4 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 3 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 for each additional year of service, up to a maximum of 8 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.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). 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 a 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 percent of the member's retirement benefit at the member's earliest date eligible and 100 percent 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.

Disability and death benefits: 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 benefit 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.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

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.

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

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.

Contributions: Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.4 percent of 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 of 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 percent of earnable compensation. The City's contribution rate was 30.41 percent for the year ended June 30, 2015.

The City's contributions to MFPRSI for the year ended June 30, 2015 was \$1,495,380.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17 percent of earnable compensation. The State of Iowa 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, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2015.

Net 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 \$9,248,010 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 proportion was 1.874664 percent, a decrease of 0.000165 percent from the City's proportion at June 30, 2013.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$3,000,108. 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	\$ -	\$ (19,232)
Changes of assumptions	502,265	-
Net difference between projected and actual earnings on pension plan investments	-	(3,194,436)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(75,086)
Total deferred amounts to be recognized in pension expense in future periods	502,265	(3,288,754)
City contributions subsequent to the measurement date	1,495,380	-
Total deferred amounts related to pensions	\$ 1,997,645	\$ (3,288,754)

\$1,495,380 reported as deferred outflows of resources related to pensions resulting from 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. 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 5.60 years or 5 years as follows:

<u>Year Ended June 30:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 117,352	\$ (820,646)
2017	117,352	(820,646)
2018	117,352	(820,646)
2019	117,352	(820,646)
2020	32,857	(6,170)
	\$ 502,265	\$ (3,288,754)

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

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:

Inflation	3.00 percent
Salary increases	4.00 to 15.11 percent, average, 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 an actuarial experience study for the period from July 1, 2002 to June 30, 2012.

Mortality rates used by the Plan were a 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's actuary to the RP-2000 Blue Collar Mortality with projected mortality improvement using scale BB-2D.

Subsequent to the actuarial valuation date used by the plan, the 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 percent to 8 percent unless the plans 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 liability.

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 (i.e., 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 geometric 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
Tactical asset allocation	35.0	6.00
Private equity	15.0	9.80
Private non-core real estate	5.0	9.30
Private core real estate	5.0	6.80
	100%	

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 7. Pension and Retirement Systems (Continued)

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 contributions will be made at 9.40 percent 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, the pension plan's 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 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 7.50 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-percent lower (6.50 percent) or 1-percent higher (8.5 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50 %)	1% Increase (8.50 %)
City's proportionate share of the net pension liability	\$ 15,777,887	\$ 9,248,010	\$ 3,822,271

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's website at www.mfprsi.org.

Note 8. Deferred Compensation Plan

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 9. Risk Management and Insurance

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

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

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

IMWCA is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each City depending on the City's own loss experience. Cities with a consistent record of costly claims will pay more than cities with a consistent record of lesser claims activity. The City has a \$50,000 deductible under the plan. Per occurrence coverage limits provided by the Association are: bodily injury by accident, \$5,000,000 each accident, bodily injury by disease, \$5,000,000 memorandum limit and bodily injury by disease, \$5,000,000 each employee. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Any money not used to pay claims and expenses remains with IMWCA as surplus to fund future catastrophic claims. At such time that surplus substantially exceeds an actuarially sound figure, a distribution may be made to current members according to a formula that contemplates members' premium and claims experience of past years. Management of the City is not aware of any deficit situations in IMWCA that would require an accrual of a liability as of June 30, 2015. The City's contribution to the pool for the year ended June 30, 2015 was \$353,289, which is recorded in the risk financing internal service fund.

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

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 9. Risk Management and Insurance (Continued)

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. All outstanding claims are expected to be paid within fiscal year 2015.

The changes in the aggregate liabilities for claims for the years ended June 30, 2015 and 2014 are as follows:

	Employee Health Insurance	
	2015	2014
Claims payable, beginning of year	\$ 241,376	\$ 253,111
Claims recognized	3,378,746	2,691,286
Claim payments	(3,235,480)	(2,703,021)
Claims payable, end of year	<u>\$ 384,642</u>	<u>\$ 241,376</u>

Note 10. Other Postemployment Benefits

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2015, the City contributed \$54,375. Retiree and active members receiving benefits have required contributions of \$803.45 per month for single health coverage and \$1,785.31 per month for retiree and spouse coverage.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Continued)

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

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

Annual required contribution	\$ 239,314
Interest on net OPEB obligation	41,739
Adjustment to annual required contribution	(41,469)
Annual OPEB cost (expense)	<u>239,584</u>
Contributions and payments made	<u>54,375</u>
Increase in net OPEB obligation	185,209
Net OPEB obligation - July 1, 2014	<u>1,043,475</u>
Net OPEB obligation - June 30, 2015	<u><u>\$ 1,228,684</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2015 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	245,078	24.19%	868,247
June 30, 2014	239,857	26.94	1,043,475
June 30, 2015	239,584	22.70	1,228,684

Funded status and funding progress: The results of the July 1, 2014 valuation, the most recent valuation date, were rolled forward to June 30, 2015. As of July 1, 2014, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$2,271,213 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$2,271,213. The covered payroll (annual payroll of active employees covered by the plan) was \$14,055,471 and the ratio of the UAAL to the covered payroll was 16.2 percent.

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

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Continued)

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

In the July 1, 2014 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate, 3 percent per year payroll growth, a 3 percent per year inflation rate and an annual health care cost trend rate of 9 percent initially, grading down to 5 percent in 9 years. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open group. The remaining amortization period at July 1, 2014 was 30 years.

Note 11. Commitments and Contingencies

Regular City employees accumulate sick leave hours for subsequent use. The City's approximate maximum contingent liability for nonvested sick leave benefits as of June 30, 2015, is \$3,815,000.

The City has financial commitments relating to various construction projects that are estimated to be approximately \$5,921,000.

The City had encumbrances in the General Fund, Capital Projects fund and nonmajor governmental funds of \$19,012, \$2,695,214 and \$820,110, respectively.

The City is a member of the Scott Area Solid Waste Management Commission (the Commission) for the acquisition, construction and equipping of a material recovery system, recovery facility and a new landfill. The Commission is obligated to provide rates, charges and fees sufficient to pay the cost of operations and maintenance of the Commission and to leave net revenues sufficient to pay the semiannual debt service requirements. The City made payments to the Commission of \$327,472 for the year ended June 30, 2015. In the event future net revenues or other Commission funds are insufficient to pay debt service requirements, each of the members of the Commission has obligated itself to repay the County of Scott, Iowa, its pro rata share of the deficiency from rates imposed on each property within its jurisdiction.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

Note 12. Fund Balances

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

Fund Balances:	General	Debt Service	Capital Projects Reserve	Nonmajor Governmental	Total
Nonspendable:					
Advances	\$ 158,677	\$ -	\$ -	\$ -	\$ 158,677
Inventories	12,584	-	-	-	12,584
Loans	10,877	-	-	-	10,877
Total nonspendable	182,138	-	-	-	182,138
Restricted:					
Culture and recreation	-	-	-	258,408	258,408
Debt service	-	364,052	-	-	364,052
Law enforcement	-	-	-	64,800	64,800
Economic development	-	-	-	37,926	37,926
Police department operations	2,408	-	-	9,850	12,258
Police department public assistance	-	-	-	33,796	33,796
Fire department supplies	6,437	-	-	-	6,437
Parks department operations	10,063	-	-	126,326	136,389
Library department operations	-	-	-	261,806	261,806
Public works department operations	105	-	-	100,359	100,464
Capital improvements and equipment	935,580	-	3,341,814	1,696,824	5,974,218
Total restricted	954,593	364,052	3,341,814	2,590,095	7,250,554
Assigned:					
Capital improvements and equipment	-	-	-	1,036,950	1,036,950
Public works department operations	-	-	-	644,932	644,932
Library department	-	-	-	54,408	54,408
Parks department	-	-	-	8,644	8,644
Police department	-	-	-	8,659	8,659
Total assigned	-	-	-	1,753,593	1,753,593
Unassigned (deficit)	6,670,490	-	-	(127,060)	6,543,430
Total fund balances	\$ 7,807,221	\$ 364,052	\$ 3,341,814	\$ 4,216,628	\$ 15,729,715

Notes to Basic Financial Statements

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

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

- GASB Statement No. 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.
- 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. 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.

City of Bettendorf, Iowa

Notes to Basic Financial Statements

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

- 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.

Note 14. Subsequent Event

In December 2015, the City issued \$9,585,000 General Obligation Bonds, Series 2015A with interest rates of 2.0 percent to 5.0 percent due on June 1, 2034 and with annual debt service from \$60,000 to \$740,000 for various public improvement projects pursuant to the City's Capital Improvement Plan, and property acquisition, demolition, and various improvements to downtown areas of the City. In addition, the City issued \$10,835,000 General Obligation Refunding Bonds, Series 2015B with interest rates of 5 percent due on June 1, 2026 and with annual debt service from \$230,000 to \$1,390,000 to refund the June 1, 2018 through June 1, 2026 maturities of the City's General Obligation Bonds, Series 2007B, dated May 15, 2007; and the June 1, 2019 through June 1, 2026 maturities of the City's General Obligation Bonds, Series 2008A, dated June 1, 2008.

City of Bettendorf, Iowa

**Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System**

	<u>June 30, 2014</u>
City's proportion of the net pension liability	0.155993%
City's proportionate share of the net pension liability	\$ 6,186,554
City's covered-employee payroll	10,258,331
City's proportionate share of the net pension liability as a percentage of its covered payroll	60.31%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

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.

See Notes to Required Supplementary Information.

City of Bettendorf, Iowa

**Required Supplementary Information
Schedule of City Contributions
Iowa Public Employees' Retirement System**

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 941,311	\$ 941,311	\$ -	\$ 10,541,284	8.93%
2014	916,069	916,069	-	10,258,331	8.93
2013	852,278	852,278	-	N/A	N/A
2012	771,588	771,588	-	N/A	N/A
2011	671,003	671,003	-	N/A	N/A
2010	654,162	654,162	-	N/A	N/A
2009	591,503	591,503	-	N/A	N/A
2008	545,648	545,648	-	N/A	N/A
2007	490,508	490,508	-	N/A	N/A
2006	474,555	474,555	-	N/A	N/A

N/A - information was not available

See Notes to Required Supplementary Information.

City of Bettendorf, Iowa

Notes to Required Supplementary Information – IPERS Pension Liability Year Ended June 30, 2015

Note 1. 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.

Note 2. 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.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

City of Bettendorf, Iowa

**Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa**

	<u>June 30, 2014</u>
City's proportion of the net pension liability	1.874664%
City's proportionate share of the net pension liability	\$ 9,248,010
City's covered-employee payroll	4,806,029
City's proportionate share of the net pension liability as a percentage of its covered payroll	192.43%
Plan fiduciary net position as a percentage of the total pension liability	86.27%

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.

See Notes to Required Supplementary Information.

City of Bettendorf, Iowa

**Required Supplementary Information
 Schedule of City Contributions
 Municipal Fire and Police Retirement System of Iowa**

Fiscal Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 1,495,380	\$ 1,495,380	\$ -	\$ 4,917,395	30.41%
2014	1,447,576	1,447,576	-	4,806,029	30.12
2013	1,241,755	1,241,755	-	N/A	N/A
2012	1,108,398	1,108,398	-	N/A	N/A
2011	889,544	889,544	-	N/A	N/A
2010	746,604	746,604	-	N/A	N/A
2009	741,040	741,040	-	N/A	N/A
2008	957,809	957,809	-	N/A	N/A
2007	953,203	953,203	-	N/A	N/A
2006	949,162	949,162	-	N/A	N/A

N/A - information was not available

See Notes to Required Supplementary Information.

City of Bettendorf, Iowa

**Notes to Required Supplementary Information – MFPRSI Pension Liability
Year Ended June 30, 2015**

Note 1. Changes of Benefit Terms

There were no significant changes of benefit terms.

Note 2. 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 rates used by the MFPRSI's actuary 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 Bettendorf, Iowa

**Required Supplementary Information
Other Postemployment Benefit Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2013	7/1/12	\$ -	\$ 2,294,060	\$ 2,294,060	\$ -	\$ 13,684,188	16.8%
2014	7/1/12	-	2,288,491	2,288,491	-	14,094,714	16.2
2015	7/1/14	-	2,271,213	2,271,213	-	14,055,471	16.2

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2014.

Additional information follows:

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



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City of Bettendorf, Iowa

**Budgetary Comparison Schedule
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year Ended June 30, 2015**

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual
Revenues:			
Property tax	\$ 23,668,128	\$ -	\$ 23,668,128
Tax increment financing	1,879,402	-	1,879,402
Other City taxes	8,386,315	-	8,386,315
Special assessments	21,789	-	21,789
Licenses and permits	642,926	74,091	717,017
Intergovernmental	5,566,411	820,086	6,386,497
Charges for services	608,445	18,932,801	19,541,246
Use of money and property	318,359	66,821	385,180
Miscellaneous	1,074,979	10,005,447	11,080,426
Total revenues	42,166,754	29,899,246	72,066,000
Expenditures/Expenses:			
Public safety	11,194,067	-	11,194,067
Public works	3,359,370	-	3,359,370
Culture and recreation	4,436,834	-	4,436,834
Community and economic development	1,674,097	-	1,674,097
General government	3,867,262	-	3,867,262
Debt service	12,689,140	-	12,689,140
Capital outlay	13,607,541	-	13,607,541
Business-type	-	24,918,597	24,918,597
Total expenditures/expenses	50,828,311	24,918,597	75,746,908
Excess (deficiency) of revenues over expenditures/expenses	(8,661,557)	4,980,649	(3,680,908)
Other financing sources, net	(3,405,125)	4,620,965	1,215,840
Excess (deficiency) of revenues and other financing sources over expenditures/expenses and other financing uses	(12,066,682)	9,601,614	(2,465,068)
Balances, beginning of year	27,796,397	45,248,451	73,044,848
Balances, end of year	\$ 15,729,715	\$ 54,850,065	\$ 70,579,780

See Note to Required Supplementary Information.

Budgeted Amounts		Final	Final to Actual
Original			Variance -
\$ 23,816,801	\$ 23,815,801	\$	(147,673)
1,943,186	1,867,585		11,817
8,534,186	8,338,593		47,722
24,295	59,688		(37,899)
741,810	810,210		(93,193)
9,537,046	6,673,697		(287,200)
19,498,079	19,064,036		477,210
438,350	455,755		(70,575)
1,184,212	11,535,049		(454,623)
65,717,965	72,620,414		(554,414)
11,133,214	11,370,287		176,220
3,396,189	3,625,805		266,435
4,322,097	4,491,869		55,035
1,751,122	1,745,583		71,486
3,873,643	3,906,922		39,660
12,546,988	12,690,399		1,259
18,135,115	17,119,118		3,511,577
24,976,752	25,489,859		571,262
80,135,120	80,439,842		4,692,934
(14,417,155)	(7,819,428)		4,138,520
1,947,500	1,742,500		(526,660)
\$ (12,469,655)	\$ (6,076,928)	\$	3,611,860

City of Bettendorf, Iowa

**Note to Required Supplementary Information – Budgetary Reporting
Year Ended June 30, 2015**

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

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay and business-type. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, a budget amendment increased budgeted expenditures by \$304,722. The budget amendment was primarily due to an increase in anticipated receipts for prepayment of the Quad City Waterfront Convention Center notes and postponed federal funds for the Forest Grove Road project. These were offset by increased expenditures for overtime in public safety, marginal increases in all enterprise funds, and increased transfers out for downtown improvements.

City of Bettendorf, Iowa

Balance Sheet - General Fund - By Account
June 30, 2015

	General Account	Riverboat Gaming Account	Downtown Improvements	Total
Assets				
Cash and investments	\$ 5,064,426	\$ 294,234	\$ 1,765,561	\$ 7,124,221
Property taxes	10,969,468	-	-	10,969,468
Accounts	247,244	33,077	-	280,321
Special assessments	20,671	-	-	20,671
Loans	10,877	-	-	10,877
Accrued interest	6,258	508	1,536	8,302
Due from other funds	447,464	-	-	447,464
Due from other governments	869,964	-	-	869,964
Inventories	12,584	-	-	12,584
Advances to other funds	158,677	-	-	158,677
Total assets	\$ 17,807,633	\$ 327,819	\$ 1,767,097	\$ 19,902,549
Liabilities, Deferred Inflows of Resources and Fund Equity				
Liabilities				
Accounts payable	\$ 548,613	\$ -	\$ -	\$ 548,613
Accrued liabilities	291,760	-	-	291,760
Refundable deposits	68,191	-	-	68,191
Due to other governments	72,790	-	-	72,790
Contracts payable	-	-	47,600	47,600
Total liabilities	981,354	-	47,600	1,028,954
Deferred inflows of resources				
Unavailable revenue - property taxes	10,884,358	-	-	10,884,358
Unavailable revenue - local option sales tax	156,600	-	-	156,600
Unavailable revenue - intergovernmental	25,416	-	-	25,416
Total deferred inflows of resources	11,066,374	-	-	11,066,374
Fund balances				
Nonspendable	182,138	-	-	182,138
Restricted	19,012	-	935,581	954,593
Unassigned	5,558,755	327,819	783,916	6,670,490
Total fund balance	5,759,905	327,819	1,719,497	7,807,221
Total liabilities, deferred inflows of resources and fund balance	\$ 17,807,633	\$ 327,819	\$ 1,767,097	\$ 19,902,549

City of Bettendorf, Iowa

**Schedule of Revenues, Expenditures and Changes in Fund Balances -
General Fund - By Account
Year Ended June 30, 2015**

	General Account	Riverboat Gaming Account	Downtown Improvements	Total
Revenues:				
Property taxes	\$ 10,575,839	\$ -	\$ -	\$ 10,575,839
Other taxes	4,435,966	1,454,052	-	5,890,018
Special assessments	16,363	-	-	16,363
Licenses and permits	623,039	-	-	623,039
Intergovernmental	628,738	-	-	628,738
Charges for services	608,445	-	-	608,445
Use of money and property	201,896	1,978	7,674	211,548
Miscellaneous	226,906	-	-	226,906
Total revenues	17,317,192	1,456,030	7,674	18,780,896
Expenditures:				
Current operating:				
Public safety	11,183,641	-	-	11,183,641
Public works	15,944	-	-	15,944
Culture and recreation	4,359,993	-	-	4,359,993
Community and economic development	953,370	-	-	953,370
General government	3,867,262	-	-	3,867,262
Capital outlay	410,984	-	120,342	531,326
Total expenditures	20,791,194	-	120,342	20,911,536
Excess (deficiency) of revenues over expenditures	(3,474,002)	1,456,030	(112,668)	(2,130,640)
Other financing sources (uses):				
Transfers in	4,373,869	-	760,000	5,133,869
Transfers out	(830,545)	(1,336,174)	-	(2,166,719)
Total other financing sources (uses)	3,543,324	(1,336,174)	760,000	2,967,150
Net changes in fund balance	69,322	119,856	647,332	836,510
Fund balances, beginning of year	5,690,583	207,963	1,072,165	6,970,711
Fund balances, end of year	\$ 5,759,905	\$ 327,819	\$ 1,719,497	\$ 7,807,221



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City of Bettendorf, Iowa

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue		
	Road Use Tax	Economic Development	Police
Assets			
Cash and investments	\$ 581,929	\$ 37,887	\$ 123,607
Receivables:			
Property taxes	-	-	-
Accounts	360	-	-
Accrued interest	563	39	104
Due from other governments	359,169	-	-
Total assets	\$ 942,021	\$ 37,926	\$ 123,711
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 70,773	\$ -	\$ 135
Accrued liabilities	36,898	-	-
Due to other governments	14,334	-	6,470
Due to other funds	-	-	-
Contracts payable	57,106	-	-
Advances from other funds	-	-	-
Total liabilities	179,111	-	6,605
Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	17,619	-	-
Total deferred inflows of resources	17,619	-	-
Fund balances (deficit)			
Restricted	100,359	37,926	108,447
Assigned	644,932	-	8,659
Unassigned	-	-	-
Total fund balance (deficit)	745,291	37,926	117,106
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 942,021	\$ 37,926	\$ 123,711

(Continued)

Special Revenue			Capital Projects		
Library	Park	Tax Increment Financing	Vehicle Replacement	Electronic Equipment Replacement	
\$ 576,473	\$ 134,830	\$ 8,122	\$ 1,290,491	\$ 450,078	
-	-	1,758,660	-	-	
-	-	-	-	-	
603	140	-	1,268	444	
-	-	-	-	-	
<u>\$ 577,076</u>	<u>\$ 134,970</u>	<u>\$ 1,766,782</u>	<u>\$ 1,291,759</u>	<u>\$ 450,522</u>	
\$ 2,227	\$ -	\$ -	\$ 47,585	\$ -	
-	-	-	-	-	
228	-	-	-	-	
-	-	11,720	-	-	
-	-	-	-	-	
-	-	158,677	-	-	
<u>2,455</u>	<u>-</u>	<u>170,397</u>	<u>47,585</u>	<u>-</u>	
-	-	1,723,445	-	-	
-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>1,723,445</u>	<u>-</u>	<u>-</u>	
520,213	126,326	-	626,147	76,955	
54,408	8,644	-	618,027	373,567	
-	-	(127,060)	-	-	
<u>574,621</u>	<u>134,970</u>	<u>(127,060)</u>	<u>1,244,174</u>	<u>450,522</u>	
<u>\$ 577,076</u>	<u>\$ 134,970</u>	<u>\$ 1,766,782</u>	<u>\$ 1,291,759</u>	<u>\$ 450,522</u>	

City of Bettendorf, Iowa

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2015

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
Assets				
Cash and investments	\$ 55,155	\$ 635,703	\$ 125,318	\$ 4,019,593
Receivables:				
Property taxes	-	-	-	1,758,660
Accounts	-	-	-	360
Accrued interest	188	662	-	4,011
Due from other governments	426,452	-	-	785,621
Total assets	\$ 481,795	\$ 636,365	\$ 125,318	\$ 6,568,245
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 120,720
Accrued liabilities	-	-	-	36,898
Due to other governments	-	-	-	21,032
Due to other funds	100,000	-	-	111,720
Contracts payable	-	-	-	57,106
Advances from other funds	-	-	-	158,677
Total liabilities	100,000	-	-	506,153
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	1,723,445
Unavailable revenue - intergovernmental	104,400	-	-	122,019
Total deferred inflows of resources	104,400	-	-	1,845,464
Fund balances (deficit)				
Restricted	247,612	620,792	125,318	2,590,095
Assigned	29,783	15,573	-	1,753,593
Unassigned	-	-	-	(127,060)
Total fund balance (deficit)	277,395	636,365	125,318	4,216,628
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 481,795	\$ 636,365	\$ 125,318	\$ 6,568,245



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City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2015

	Special Revenue		
	Road Use Tax	Economic Development	Police
Revenues:			
Tax increment financing taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Intergovernmental	3,539,255	-	-
Use of money and property	3,295	736	1,170
Miscellaneous	36,366	-	8,639
Total revenues	3,578,916	736	9,809
Expenditures:			
Current operating:			
Public safety	-	-	10,426
Public works	3,343,426	-	-
Culture and recreation	-	-	-
Community and economic development	16,308	569	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	39,845	-	-
Total expenditures	3,399,579	569	10,426
Excess (deficiency) of revenues over expenditures	179,337	167	(617)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Transfers in	90,867	-	1,969
Transfers out	-	-	(51,969)
Total other financing sources (uses)	90,867	-	(50,000)
Net changes in fund balance	270,204	167	(50,617)
Fund balance (deficit), beginning of year	475,087	37,759	167,723
Fund balance (deficit), end of year	\$ 745,291	\$ 37,926	\$ 117,106

(Continued)

Special Revenue			Capital Projects		
Library	Park	Tax Increment Financing	Vehicle Replacement	Electronic Equipment Replacement	
\$ -	\$ -	\$ 1,879,402	\$ -	\$ -	
-	-	-	-	-	
-	-	-	40,000	-	
3,835	834	-	5,289	2,647	
51,668	2,796	11,250	2,951	1,240	
55,503	3,630	1,890,652	48,240	3,887	
-	-	-	-	-	
-	-	-	-	-	
76,841	-	-	-	-	
-	-	703,850	-	-	
-	-	110,000	-	-	
-	-	12,125	-	-	
15,078	-	-	818,739	72,200	
91,919	-	825,975	818,739	72,200	
(36,416)	3,630	1,064,677	(770,499)	(68,313)	
-	-	-	144,175	-	
-	-	-	1,329,330	150,000	
(53,200)	(3,000)	(1,082,302)	-	(37,680)	
(53,200)	(3,000)	(1,082,302)	1,473,505	112,320	
(89,616)	630	(17,625)	703,006	44,007	
664,237	134,340	(109,435)	541,168	406,515	
\$ 574,621	\$ 134,970	\$ (127,060)	\$ 1,244,174	\$ 450,522	

City of Bettendorf, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended June 30, 2015

	Capital Projects			Total
	CIP/LOT and Interest	GEO Thuenen Overpass	Future Projects	
Revenues:				
Tax increment financing taxes	\$ -	\$ -	\$ -	\$ 1,879,402
Other taxes	1,992,249	-	-	1,992,249
Intergovernmental	-	-	-	3,579,255
Use of money and property	4,125	2,969	-	24,900
Miscellaneous	-	-	-	114,910
Total revenues	1,996,374	2,969	-	7,590,716
Expenditures:				
Current operating:				
Public safety	-	-	-	10,426
Public works	-	-	-	3,343,426
Culture and recreation	-	-	-	76,841
Community and economic development	-	-	-	720,727
Debt service:				
Principal	-	-	-	110,000
Interest and other charges	-	-	-	12,125
Capital outlay	-	-	-	945,862
Total expenditures	-	-	-	5,219,407
Excess (deficiency) of revenues over expenditures	1,996,374	2,969	-	2,371,309
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	144,175
Transfers in	-	-	-	1,572,166
Transfers out	(2,802,879)	-	-	(4,031,030)
Total other financing sources (uses)	(2,802,879)	-	-	(2,314,689)
Net changes in fund balance	(806,505)	2,969	-	56,620
Fund balance (deficit), beginning of year	1,083,900	633,396	125,318	4,160,008
Fund balance (deficit), end of year	\$ 277,395	\$ 636,365	\$ 125,318	\$ 4,216,628



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City of Bettendorf, Iowa

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 June 30, 2015

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Assets		
Current assets:		
Cash and investments	\$ 1,308,459	\$ 130,574
Restricted cash and investments	-	-
Receivables:		
Accounts and unbilled usage	693,940	14,380
Accrued interest	1,428	-
Special assessments	89,311	-
Due from other governments	-	-
Total current assets	2,093,138	144,954
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	-	579,370
Construction-in-progress	-	30,564
Depreciable:		
Buildings and structures	-	1,490,637
Equipment and vehicles	2,752,953	1,802,853
Improvements other than buildings	-	1,597,568
Accumulated depreciation	(2,130,452)	(1,888,505)
Net capital assets	622,501	3,612,487
Total noncurrent assets	622,501	3,612,487
Total assets	2,715,639	3,757,441
Deferred outflows of resources, pension related deferred outflows	63,227	27,097

(Continued)

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 165,519	\$ 90,861	\$ 5,725	\$ 101,120	\$ 14,491	\$ 1,816,749
-	-	16,200	-	-	16,200
9,565	7,287	7,357	41,858	8,071	782,458
-	-	-	-	22	1,450
-	-	-	-	-	89,311
-	-	345,656	-	30,001	375,657
175,084	98,148	374,938	142,978	52,585	3,081,825
840,000	-	-	148,070	-	1,567,440
-	-	-	-	-	30,564
3,511,022	4,180,433	-	5,254,498	-	14,436,590
345,929	146,878	1,991,860	1,970,712	849,028	9,860,213
85,885	8,120	-	211,624	-	1,903,197
(2,462,953)	(2,213,648)	(1,421,204)	(3,150,426)	(668,802)	(13,935,990)
2,319,883	2,121,783	570,656	4,434,478	180,226	13,862,014
2,319,883	2,121,783	570,656	4,434,478	180,226	13,862,014
2,494,967	2,219,931	945,594	4,577,456	232,811	16,943,839
26,829	3,640	57,969	105,154	5,123	289,039

City of Bettendorf, Iowa

Combining Statement of Net Position (Continued)
 Nonmajor Enterprise Funds
 June 30, 2015

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Liabilities and Net Position		
Liabilities		
Current:		
Accounts payable	\$ 70,861	\$ 219,498
Compensated absences	11,330	5,258
Accrued liabilities	13,076	6,400
Due to other governments	7,330	7,058
Due to other funds	-	-
Interest payable	271	-
Contracts payable	-	-
Unearned revenue	-	-
Current maturities, general obligation bonds	130,000	-
Total current liabilities	232,868	238,214
Noncurrent:		
Compensated absences	30,262	14,046
Other post employment benefits obligation	49,683	8,704
General obligation bonds, net of bond discounts and premiums	2,476	-
Net pension liability	290,149	124,350
Total noncurrent liabilities	372,570	147,100
Total liabilities	605,438	385,314
Deferred inflows of resources , pension related deferred inflows	110,655	47,423
Net position		
Net investment in capital assets	490,025	3,612,487
Unrestricted	1,572,748	(260,686)
Total net position	\$ 2,062,773	\$ 3,351,801

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 44,841	\$ 92,418	\$ 67,106	\$ 60,852	\$ -	\$ 555,576
5,037	688	10,496	20,281	825	53,914
6,076	765	9,145	23,603	1,677	60,742
3,203	5,753	3,300	4,221	273	31,138
-	-	310,000	-	-	310,000
-	-	-	1,833	-	2,104
-	-	-	63,157	-	63,157
82,436	-	-	-	-	82,436
-	-	-	60,000	-	190,000
141,593	99,624	400,047	233,947	2,775	1,349,067
13,454	1,837	28,036	54,173	2,203	144,012
4,070	-	42,251	55,884	-	160,592
-	-	-	520,000	-	522,476
123,112	16,703	266,022	482,551	23,509	1,326,396
140,636	18,540	336,309	1,112,608	25,712	2,153,476
282,229	118,164	736,356	1,346,555	28,487	3,502,543
46,952	6,370	101,453	184,031	8,966	505,850
2,319,883	2,121,783	570,656	3,854,478	180,226	13,149,538
(127,268)	(22,746)	(404,902)	(702,454)	20,255	74,947
\$ 2,192,615	\$ 2,099,037	\$ 165,754	\$ 3,152,024	\$ 200,481	\$ 13,224,485

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2015**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Operating revenues:		
Charges for services	\$ 2,242,778	\$ 711,286
Other, primarily concessions	1,884	355,132
Total operating revenues	2,244,662	1,066,418
Operating expenses:		
Salaries and benefits	843,062	644,683
Supplies and services	992,620	466,154
Depreciation	189,717	208,473
Total operating expenses	2,025,399	1,319,310
Operating income (loss)	219,263	(252,892)
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Investment earnings	9,281	143
Gain (loss) on disposal of assets	-	3,551
Interest and bond issuance expense	(6,229)	-
Amortization	2,476	-
Total nonoperating revenues (expenses)	5,528	3,694
Income (loss) before capital grants and contributions and transfers	224,791	(249,198)
Transfers in	-	117,568
Changes in net position	224,791	(131,630)
Net position, beginning, as restated	1,837,982	3,483,431
Net position, ending	\$ 2,062,773	\$ 3,351,801

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 614,472	\$ 226,983	\$ 133,728	\$ 978,252	\$ 10,355	\$ 4,917,854
507	4,350	-	130	27,091	389,094
614,979	231,333	133,728	978,382	37,446	5,306,948
474,644	208,129	677,341	1,367,733	48,149	4,263,741
295,553	146,652	999,922	515,631	31,262	3,447,794
76,336	156,160	204,838	321,214	122,665	1,279,403
846,533	510,941	1,882,101	2,204,578	202,076	8,990,938
(231,554)	(279,608)	(1,748,373)	(1,226,196)	(164,630)	(3,683,990)
-	-	778,368	31,915	41,718	852,001
-	-	-	724	69	10,217
-	-	-	(7,299)	-	(3,748)
-	-	-	(23,650)	-	(29,879)
-	-	-	-	-	2,476
-	-	778,368	1,690	41,787	831,067
(231,554)	(279,608)	(970,005)	(1,224,506)	(122,843)	(2,852,923)
165,736	189,223	787,145	1,020,890	-	2,280,562
(65,818)	(90,385)	(182,860)	(203,616)	(122,843)	(572,361)
2,258,433	2,189,422	348,614	3,355,640	323,324	13,796,846
\$ 2,192,615	\$ 2,099,037	\$ 165,754	\$ 3,152,024	\$ 200,481	\$ 13,224,485

City of Bettendorf, Iowa

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2015**

	Recycling/Solid Waste Management	Palmer Hills Golf Course
Cash flows from operating activities:		
Receipts from customers and users	\$ 2,170,803	\$ 719,366
Receipts from other operating revenue	1,884	355,132
Payments to suppliers	(983,796)	(449,860)
Payments to employees	(844,760)	(646,536)
Net cash provided by (used in) operating activities	344,131	(21,898)
Cash flows from noncapital financing activities:		
Intergovernmental	-	-
Proceeds from interfund accounts	-	-
Transfers in	-	117,568
Net cash provided by noncapital financing activities	-	117,568
Cash flows from capital and related financing activities:		
Purchase of capital assets	(217,948)	(99,474)
Proceeds from the sale of capital assets	-	3,546
Payment on debt	(130,000)	-
Interest (paid) on debt	(6,500)	-
Net cash (used in) capital and related financing activities	(354,448)	(95,928)
Cash flows from investing activities, interest received	9,921	301
Net increase (decrease) in cash and cash equivalents	(396)	43
Cash and cash equivalents:		
Beginning	1,308,855	130,531
Ending	\$ 1,308,459	\$ 130,574
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 219,263	\$ (252,892)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	189,717	208,473
Change in assets and liabilities:		
Receivables and due from other governments	(71,975)	8,080
Prepaid items	-	-
Accounts payable and due to other governments	8,825	16,294
Compensated absences and accrued liabilities	7,139	3,307
Other post employment benefits obligation	12,863	4,140
Decrease in net pension liability	(111,880)	(47,948)
Increase in deferred outflows of resources	(20,476)	(8,775)
Increase in deferred inflows of resources	110,655	47,423
Unearned revenue	-	-
Net cash provided by (used in) operating activities	\$ 344,131	\$ (21,898)
Schedule of noncash items, capital and related financing activities, acquisition of capital assets through contracts or accounts payable	\$ -	\$ -

Life Fitness Center	Aquatic Center	Transit	Family Museum of Arts & Science	Riverfront Circulator	Total
\$ 611,209	\$ 225,981	\$ 133,659	\$ 951,733	\$ 10,355	\$ 4,823,106
507	4,350	-	130	42,706	404,709
(293,945)	(165,632)	(992,829)	(486,319)	(35,314)	(3,407,695)
(483,505)	(209,732)	(697,535)	(1,392,585)	(50,204)	(4,324,857)
(165,734)	(145,033)	(1,556,705)	(927,041)	(32,457)	(2,504,737)
-	-	641,140	31,915	33,127	706,182
-	-	130,770	-	-	130,770
165,736	189,223	787,145	1,020,890	-	2,280,562
165,736	189,223	1,559,055	1,052,805	33,127	3,117,514
-	(44,185)	-	(40,739)	-	(402,346)
-	-	-	-	-	3,546
-	-	-	(60,000)	-	(190,000)
-	-	-	(23,800)	-	(30,300)
-	(44,185)	-	(124,539)	-	(619,100)
-	-	-	810	121	11,153
2	5	2,350	2,035	791	4,830
165,517	90,856	19,575	99,085	13,700	1,828,119
\$ 165,519	\$ 90,861	\$ 21,925	\$ 101,120	\$ 14,491	\$ 1,832,949
\$ (231,554)	\$ (279,608)	\$ (1,748,373)	\$ (1,226,196)	\$ (164,630)	\$ (3,683,990)
76,336	156,160	204,838	321,214	122,665	1,279,403
427	(1,002)	(67)	(26,518)	15,615	(75,440)
-	-	-	-	-	-
1,608	(18,981)	7,093	29,312	(4,051)	40,100
(469)	(353)	438	4,284	(298)	14,048
817	-	(738)	6,953	-	24,035
(47,472)	(6,440)	(102,576)	(186,067)	(9,065)	(511,448)
(8,689)	(1,179)	(18,773)	(34,054)	(1,659)	(93,605)
46,952	6,370	101,453	184,031	8,966	505,850
(3,690)	-	-	-	-	(3,690)
\$ (165,734)	\$ (145,033)	\$ (1,556,705)	\$ (927,041)	\$ (32,457)	\$ (2,504,737)
\$ -	\$ -	\$ -	\$ 63,157	\$ -	\$ 63,157

City of Bettendorf, Iowa

Combining Statement of Net Position
Internal Service Funds
June 30, 2015

Assets	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Current assets:					
Cash and investments	\$ 1,479,352	\$ 761,425	\$ 415,296	\$ 388,868	\$ 3,044,941
Receivables:					
Accounts	-	1,773	1,365	-	3,138
Accrued interest	1,363	765	226	381	2,735
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	8,095	8,095
Total current assets	1,480,715	763,963	416,887	397,344	3,058,909
Noncurrent assets:					
Capital assets:					
Nondepreciable, land	-	-	43,609	-	43,609
Depreciable:					
Buildings and structures	-	-	423,461	-	423,461
Equipment and vehicles	-	-	553,404	-	553,404
Accumulated depreciation	-	-	(801,013)	-	(801,013)
Total noncurrent assets	-	-	219,461	-	219,461
Total assets	1,480,715	763,963	636,348	397,344	3,278,370
Deferred outflows of resources, pension related deferred outflows	-	-	51,364	45,837	97,201
Liabilities and Net Position					
Liabilities					
Current:					
Accounts payable	69,002	71,611	108,775	2,736	252,124
Claims payable	384,642	-	-	-	384,642
Compensated absences	-	-	9,627	8,574	18,200
Accrued liabilities	-	-	10,727	9,758	20,485
Due to other governments	-	-	1,996	1,804	3,800
Total current liabilities	453,644	71,611	131,125	22,872	679,251
Noncurrent:					
Compensated absences	-	-	25,713	22,902	48,615
Other postemployment benefits obligation	-	-	28,940	26,428	55,368
Net pension liability	-	-	235,708	210,343	446,051
Total noncurrent liabilities	-	-	290,361	259,673	550,034
Total liabilities	453,644	71,611	421,486	282,545	1,229,286
Deferred inflows of resources, pension related deferred inflows	-	-	89,892	80,219	170,111
Net position					
Investment in capital assets	-	-	219,461	-	219,461
Unrestricted	1,027,071	692,352	(43,127)	80,417	1,756,713
Total net position	1,027,071	692,352	176,334	80,417	1,976,174
Total liabilities, deferred inflows of resources, and net position	\$ 1,480,715	\$ 763,963	\$ 687,712	\$ 443,181	\$ 3,375,571

City of Bettendorf, Iowa

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2015**

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Operating revenues:					
Charges for services	\$ 3,964,182	\$ 850,266	\$ 1,812,024	\$ 634,225	\$ 7,260,697
Other	-	14,625	6,176	16,688	37,489
Total operating revenues	3,964,182	864,891	1,818,200	650,913	7,298,186
Operating expenses:					
Salaries and benefits, primarily claims expense	3,378,746	-	594,940	492,530	4,466,216
Supplies and services	573,077	868,698	1,182,685	166,196	2,790,656
Depreciation	-	-	22,642	-	22,642
Total operating expenses	3,951,823	868,698	1,800,267	658,726	7,279,514
Operating (loss)	12,359	(3,807)	17,933	(7,813)	18,672
Nonoperating revenue:					
Gain on disposal of assets	-	-	-	-	-
Investment earnings	7,409	4,810	1,960	2,394	16,573
Total nonoperating revenue	7,409	4,810	1,960	2,394	16,573
Income (loss) before transfers	19,768	1,003	19,893	(5,419)	35,245
Transfers in	-	-	-	21,424	21,424
Changes in net position	19,768	1,003	19,893	16,005	56,669
Net position, beginning, as restated	1,007,303	691,349	156,441	64,412	1,919,505
Net position, ending	\$ 1,027,071	\$ 692,352	\$ 176,334	\$ 80,417	\$ 1,976,174

City of Bettendorf, Iowa

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2015

	Employee Health Insurance	Risk Management	Municipal Garage	Information Services	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 3,964,182	\$ 849,723	\$ 1,810,659	\$ 634,225	\$ 7,258,789
Receipts from other operating revenue	-	14,625	6,176	16,688	37,489
Payments to suppliers	(523,901)	(890,329)	(1,232,727)	(177,180)	(2,824,137)
Payments to claimants	(3,235,480)	-	-	-	(3,235,480)
Payments to employees	-	-	(604,395)	(491,062)	(1,095,457)
Net cash provided by (used in) operating activities	204,801	(25,981)	(20,287)	(17,329)	141,204
Cash flows from noncapital financing activities:					
Payments of interfund accounts	-	-	-	2,891	2,891
Transfers in	-	-	-	21,424	21,424
Net cash provided by noncapital financing activities	-	-	-	24,315	24,315
Cash flows from investing activities, interest received					
	9,022	5,321	2,452	2,776	19,571
Net increase in cash and cash equivalents	213,823	(20,660)	(17,835)	9,762	185,090
Cash and cash equivalents:					
Beginning	1,265,529	782,085	433,131	379,106	2,859,851
Ending	\$ 1,479,352	\$ 761,425	\$ 415,296	\$ 388,868	\$ 3,044,941
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:					
Operating (loss)	\$ 12,359	\$ (3,807)	\$ 17,933	\$ (7,813)	\$ 18,672
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	22,642	-	22,642
Change in assets and liabilities:					
Receivables and due from other governments	-	(542)	(1,365)	-	(1,907)
Prepaid items	-	-	-	8,095	8,095
Accounts payable and due to other governments	49,176	(21,632)	(50,042)	(10,984)	(33,482)
Claims payable	143,266	-	-	-	143,266
Compensated absences and accrued liabilities	-	-	4,842	4,118	8,960
Other postemployment benefits obligation	-	-	3,332	4,987	8,319
Decrease in net pension liability	-	-	(90,886)	(81,106)	(171,992)
Increase in deferred outflows of resources	-	-	(16,635)	(14,845)	(31,480)
Increase in deferred inflows of resources	-	-	89,892	80,219	170,111
Net cash provided by (used in) operating activities	\$ 204,801	\$ (25,981)	\$ (20,287)	\$ (17,329)	\$ 141,204

City of Bettendorf, Iowa

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2015

	Explorers	Section 125 Plan	Police Property Account	Explorers Special Events	Total
Assets					
Cash and investments	\$ -	\$ 28,270	\$ 62,901	\$ 2,440	\$ 93,611
Accounts receivable	3,201	-	-	-	3,201
Due from other funds	-	-	-	3,201	3,201
	<u>\$ 3,201</u>	<u>\$ 28,270</u>	<u>\$ 62,901</u>	<u>\$ 5,641</u>	<u>\$ 100,013</u>
Liabilities					
Accounts payable	\$ -	\$ 28,270	\$ 62,901	\$ 5,641	\$ 96,812
Due to other funds	3,201	-	-	-	3,201
	<u>\$ 3,201</u>	<u>\$ 28,270</u>	<u>\$ 62,901</u>	<u>\$ 5,641</u>	<u>\$ 100,013</u>

City of Bettendorf, Iowa

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2015**

Explorers	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Assets:				
Cash and investments	\$ 70	\$ 4,104	\$ 4,174	\$ -
Accounts receivable	819	3,201	819	3,201
	<u>\$ 889</u>	<u>\$ 7,305</u>	<u>\$ 4,993</u>	<u>\$ 3,201</u>
Liabilities:				
Accounts payable	\$ 889	\$ 3,329	\$ 4,218	\$ -
Due to other funds	-	3,201	-	3,201
	<u>\$ 889</u>	<u>\$ 6,530</u>	<u>\$ 4,218</u>	<u>\$ 3,201</u>
Section 125 Plan				
Assets , cash and investments	<u>\$ 22,197</u>	<u>\$ 34,590</u>	<u>\$ 28,517</u>	<u>\$ 28,270</u>
Liabilities , accounts payable	<u>\$ 22,197</u>	<u>\$ 34,590</u>	<u>\$ 28,517</u>	<u>\$ 28,270</u>
Police Property Account				
Assets , cash and investments	<u>\$ 24,607</u>	<u>\$ 38,294</u>	<u>\$ -</u>	<u>\$ 62,901</u>
Liabilities , accounts payable	<u>\$ 24,607</u>	<u>\$ 38,294</u>	<u>\$ -</u>	<u>\$ 62,901</u>
Police Womens' Conference				
Assets , cash and investments	<u>\$ -</u>	<u>\$ 14,713</u>	<u>\$ 14,713</u>	<u>\$ -</u>
Liabilities , accounts payable	<u>\$ -</u>	<u>\$ 14,713</u>	<u>\$ 14,713</u>	<u>\$ -</u>

(Continued)

City of Bettendorf, Iowa

Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended June 30, 2015

Explorers Special Events	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Assets:				
Cash and investments	\$ 4,077	\$ 2,391	\$ 4,028	\$ 2,440
Due from other funds	-	3,201	-	3,201
	\$ 4,077	\$ 5,592	\$ 4,028	\$ 5,641
Liabilities, accounts payable	\$ 4,077	\$ 2,391	\$ 827	\$ 5,641

Combined Funds

Assets:				
Cash and investments	\$ 50,951	\$ 94,092	\$ 51,432	\$ 93,611
Accounts receivable	819	3,201	819	3,201
Due from other funds	-	3,201	-	3,201
	\$ 51,770	\$ 100,494	\$ 52,251	\$ 100,013
Liabilities:				
Accounts payable	\$ 51,770	\$ 93,317	\$ 48,275	\$ 96,812
Due to other funds	-	3,201	-	3,201
	\$ 51,770	\$ 96,518	\$ 48,275	\$ 100,013



Bettendorf IOWA
a premier city

City of Bettendorf, Iowa

Statistical Section Contents

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	102 - 123
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	124 - 130
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	131 - 137
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	138 - 139
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	140 - 145

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

City of Bettendorf, Iowa

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 37,919,071	\$ 39,923,572	\$ 46,616,013	\$ 53,124,355
Restricted	6,221,183	10,260,032	7,158,860	5,920,270
Unrestricted	10,349,190	9,270,579	13,026,168	9,321,954
Total governmental activities net position	\$ 54,489,444	\$ 59,454,183	\$ 66,801,041	\$ 68,366,579
Business-type activities:				
Net investment in capital assets	\$ 29,262,706	\$ 30,564,714	\$ 38,279,056	\$ 37,323,495
Restricted	176,219	175,553	166,868	-
Unrestricted	2,967,755	1,071,417	(1,435,388)	1,272,231
Total business-type activities net position	\$ 32,406,680	\$ 31,811,684	\$ 37,010,536	\$ 38,595,726
Primary government:				
Net investment in capital assets	\$ 67,181,777	\$ 70,488,286	\$ 84,895,069	\$ 90,447,850
Restricted	6,397,402	10,435,585	7,325,728	5,920,270
Unrestricted	13,316,945	10,341,996	11,590,780	10,594,185
Total primary government net position	\$ 86,896,124	\$ 91,265,867	\$ 103,811,577	\$ 106,962,305

							Fiscal Year					
2010		2011		2012		2013		2014		2015		
\$	50,086,105	\$	59,344,680	\$	58,511,165	\$	63,012,236	\$	65,182,580	\$	64,332,256	
	11,423,859		4,103,202		9,140,403		4,734,224		6,463,660		2,861,379	
	8,367,447		7,734,422		5,113,400		5,854,707		3,864,280		(5,616,893)	
\$	69,877,411	\$	71,182,304	\$	72,764,968	\$	73,601,167	\$	75,510,520	\$	61,576,742	
<hr/>												
\$	38,063,230	\$	38,450,048	\$	36,793,296	\$	36,205,459	\$	38,104,581	\$	50,485,447	
	-		-		-		-		-		-	
	2,279,370		2,093,785		6,240,314		6,834,797		6,986,511		1,893,503	
\$	40,342,600	\$	40,543,833	\$	43,033,610	\$	43,040,256	\$	45,091,092	\$	52,378,950	
<hr/>												
\$	88,149,335	\$	97,794,728	\$	95,304,461	\$	99,217,695	\$	103,287,161	\$	114,817,703	
	11,423,859		4,103,202		9,140,403		4,734,224		6,463,660		2,861,379	
	10,646,817		9,828,207		11,353,714		12,689,504		10,850,791		(3,723,390)	
\$	110,220,011	\$	111,726,137	\$	115,798,578	\$	116,641,423	\$	120,601,612	\$	113,955,692	

City of Bettendorf, Iowa

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

	Fiscal Year		
	2006	2007	2008
Expenses:			
Governmental activities:			
Public safety	\$ 8,474,260	\$ 9,218,990	\$ 9,714,867
Public works	5,762,806	6,209,711	6,480,290
Culture and recreation	3,722,405	3,663,690	3,784,862
Community and economic development	1,521,206	1,529,551	2,013,017
General government	3,566,384	3,440,431	3,498,535
Interest and bond issuance costs on long-term debt	2,349,192	2,348,925	2,443,655
Total governmental activities expenses	25,396,253	26,411,298	27,935,226
Business-type activities:			
Sewer utility	2,767,540	2,906,148	2,927,523
Family Museum of Arts & Science	1,725,794	1,800,585	1,721,249
Aquatic Center	412,494	426,630	473,972
Recycling/solid waste management	1,580,939	1,633,478	1,720,851
Palmer Hills Golf Course	1,146,586	1,273,827	1,226,764
Life Fitness Center	782,242	788,259	880,485
Stormwater utility	783,017	672,361	794,675
Transit	1,091,502	1,187,029	1,229,554
QC Waterfront Convention Center	-	64,030	91,705
Riverfront Circulator	-	694,448	-
Total business-type activities expenses	10,290,114	11,446,795	11,066,778
Total primary government expenses	35,686,367	37,858,093	39,002,004
Program revenue:			
Governmental activities:			
Charges for services:			
Public safety	18,546	21,796	20,457
Public works	23,382	8,983	37,758
Culture and recreation	209,673	229,243	227,595
Community and economic development	1,037,467	616,722	567,023
General government	105,059	115,102	87,066
Operating grants and contributions:			
Public safety	436,083	378,140	917,634
Public works	2,664,831	2,665,412	2,728,338
Culture and recreation	159,889	108,257	83,837
Community and economic development	512,395	711,400	633,852
Capital grants and contributions:			
Public safety	-	80,000	103,726
Public works	1,165,844	1,323,870	2,315,830
Culture and recreation	27,051	30,000	20,000
Total governmental activities program revenue	6,360,220	6,288,925	7,743,116

(Continued)

		Fiscal Year											
		2009	2010	2011	2012	2013	2014	2015					
\$	9,951,992	\$	10,652,552	\$	10,119,472	\$	10,097,643	\$	10,929,229	\$	11,439,650	\$	13,462,312
	9,997,254		8,613,251		9,722,377		8,118,410		8,623,929		9,819,611		10,158,135
	4,180,037		4,735,415		4,857,215		5,050,752		4,919,241		5,447,349		6,364,557
	2,204,648		2,340,564		2,973,813		2,663,665		2,542,574		2,110,720		1,988,197
	3,706,638		4,284,049		3,699,119		4,004,959		3,958,233		4,030,857		3,906,448
	2,446,577		2,750,859		3,041,880		3,018,316		3,294,252		3,487,741		3,608,953
	32,487,146		33,376,690		34,413,876		32,953,745		34,267,458		36,335,928		39,488,602
	2,979,537		3,195,132		3,331,375		3,421,107		3,653,914		3,806,326		4,076,996
	1,934,671		1,973,712		2,016,226		1,910,145		2,123,336		2,195,838		2,237,293
	491,077		476,338		499,827		573,613		521,347		524,573		511,346
	1,793,971		1,803,620		1,897,813		1,886,757		1,969,461		1,948,548		2,022,601
	1,228,773		1,241,863		1,177,573		1,151,787		1,243,073		1,287,941		1,319,759
	861,694		835,180		873,930		862,185		890,368		892,284		847,188
	620,500		764,521		737,989		858,967		970,022		1,140,926		1,380,716
	1,256,562		1,324,093		1,532,212		1,702,699		1,622,843		1,805,636		1,873,737
	2,129,540		3,469,416		4,025,930		3,789,859		3,486,068		2,560,146		3,173,119
	-		184,387		423,702		442,905		457,026		255,387		201,813
	13,296,325		15,268,262		16,516,577		16,600,024		16,937,458		16,417,605		17,644,568
	45,783,471		48,644,952		50,930,453		49,553,769		51,204,916		52,753,533		57,133,170
	17,228		24,881		11,881		14,620		31,800		46,449		69,455
	13,343		18,280		29,880		18,041		31,423		253,091		42,019
	242,993		269,497		276,770		307,544		319,376		343,897		404,318
	517,903		613,992		599,360		659,703		701,725		842,904		757,368
	70,116		91,004		154,266		138,567		125,982		160,156		120,173
	326,636		238,659		304,673		332,609		557,885		378,498		476,446
	2,640,668		2,774,484		3,197,991		3,174,925		3,270,698		3,301,098		3,579,255
	72,008		82,794		61,334		41,941		81,495		251,019		125,040
	990,458		643,827		527,199		297,095		410,450		4,878		2,796
	383,794		108,218		100,000		125,000		125,000		-		362,822
	1,228,183		2,130,519		2,232,583		2,466,192		1,253,670		2,205,448		1,707,394
	5,000		-		15,000		-		45,000		-		-
	6,508,330		6,996,155		7,510,937		7,576,237		6,954,504		7,787,438		7,647,086

City of Bettendorf, Iowa

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

	Fiscal Year		
	2006	2007	2008
Business-type activities:			
Charges for services:			
Sewer utility	\$ 2,491,731	\$ 2,410,029	\$ 2,422,381
Family Museum of Arts & Science	516,211	572,603	615,898
Aquatic Center	167,157	187,471	211,302
Recycling/solid waste management	1,355,684	1,420,297	1,591,716
Palmer Hills Golf Course	738,340	740,103	686,948
Life Fitness Center	368,153	524,665	555,851
Stormwater utility	579,144	593,041	619,328
Transit	56,656	61,037	64,270
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Operating grants and contributions:			
Family Museum of Arts & Science	149,273	225,500	133,098
Stormwater utility	-	-	-
Transit	268,686	555,512	417,756
QC Waterfront Convention Center	-	-	-
Riverfront Circulator	-	-	-
Capital grants and contributions:			
Sewer utility	465,967	-	121,832
Family Museum of Arts & Science	-	-	-
Aquatic Center	-	-	-
Palmer Hills Golf Course	300,000	-	-
Stormwater utility	310,645	-	81,221
Transit	-	-	12,500
QC Waterfront Convention Center	-	138,040	4,486,960
Educational Center	250,000	200,000	-
Riverfront Circulator	-	-	-
Total business-type activities program revenues	8,017,647	7,628,298	12,021,061
Total primary government program revenues	14,377,867	13,917,223	19,764,177
Net (expense) revenue:			
Governmental activities	(19,036,033)	(20,122,373)	(20,192,110)
Business-type activities	(2,272,467)	(3,818,497)	954,283
Total primary government net expense	(21,308,500)	(23,940,870)	(19,237,827)
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	15,375,604	15,619,789	16,795,048
Tax increment financing taxes	1,853,383	1,962,103	3,172,985
Local option sales taxes	3,968,600	4,206,449	4,259,072
Other taxes	1,557,262	1,440,620	1,573,298
Gaming tax	2,121,774	1,963,498	2,076,120
Franchise tax	345,734	366,272	392,338
State replacement tax credits	22,335	22,350	23,080
State shared revenues, unrestricted	34,604	45,081	51,018
Investment earnings	826,908	1,398,304	1,451,101
Gain (loss) on sale of capital assets	-	-	21,163
Miscellaneous	352,050	511,323	775,171
Transfers	(3,495,963)	(2,448,677)	(3,051,426)
Total governmental activities	22,962,291	25,087,112	27,538,968

(Continued)

		Fiscal Year											
		2009	2010	2011	2012	2013	2014	2015					
\$	2,526,562	\$	2,532,985	\$	2,557,175	\$	2,826,626	\$	3,022,433	\$	3,270,356	\$	3,210,889
	643,992		650,093		709,016		757,003		883,212		931,903		978,252
	247,681		206,771		242,962		285,448		226,668		233,828		226,983
	1,652,843		1,727,398		1,793,407		1,851,851		1,929,796		2,025,807		2,242,778
	707,031		698,607		678,634		583,287		633,710		685,979		711,286
	564,126		569,750		604,013		624,097		631,471		626,722		614,472
	781,391		795,609		805,521		841,178		986,391		1,146,951		1,401,982
	68,655		73,000		87,822		109,321		116,326		130,736		133,728
	414,380		1,569,542		2,148,027		1,903,511		2,268,742		1,956,209		2,215,470
	-		12,162		26,477		29,223		26,150		13,890		10,355
	175,937		77,037		106,124		85,335		25,745		97,005		31,915
	2,000		-		-		-		-		-		-
	402,282		421,642		447,848		754,807		587,559		700,155		778,368
	963,453		674,212		702,369		736,036		128,552		244,544		9,546,596
	-		57,645		128,764		142,730		142,962		61,157		41,718
	507,934		299,097		257,321		627,175		704,148		1,199,603		560,855
	-		-		-		172,422		379,578		136,500		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	315,489		177,398		171,548		442,117		582,447		728,077		373,904
	-		793,166		510,904		-		-		35,607		-
	355,450		125,100		225,048		200,908		214,068		200,320		124,406
	-		-		-		-		-		-		-
	-		836,808		-		-		-		-		-
	10,329,206		12,298,022		12,202,980		12,973,075		13,489,958		14,425,349		23,203,957
	17,325,361		12,298,022		19,713,917		20,549,312		20,444,462		22,212,787		30,851,043
	(25,978,816)		(26,380,535)		(26,902,939)		(25,377,508)		(27,312,954)		(28,548,490)		(31,841,516)
	(4,939,056)		(2,970,240)		(4,313,597)		(3,626,949)		(3,447,500)		(1,992,256)		5,559,389
	(30,917,872)		(29,350,775)		(31,216,536)		(29,004,457)		(30,760,454)		(30,540,746)		(26,282,127)
	18,408,444		19,299,744		19,813,742		20,783,927		22,230,452		22,782,593		23,638,814
	3,377,334		3,499,290		3,097,551		2,318,400		2,069,141		2,027,720		1,879,402
	4,184,906		4,120,192		4,282,026		4,723,721		4,654,166		4,825,170		5,001,620
	1,533,961		1,550,364		1,519,082		1,494,993		1,531,730		1,466,228		1,594,097
	1,912,972		1,684,304		1,658,400		1,608,845		1,582,204		1,490,407		1,454,053
	368,246		374,172		379,885		374,108		368,550		356,342		357,545
	23,805		23,492		22,599		22,471		27,692		27,458		407,637
	52,352		57,449		56,641		55,985		55,721		54,157		37,114
	1,133,258		747,599		472,319		487,267		(67,319)		451,913		334,932
	1,726		-		46,183		35,581		9,887		31,248		132,948
	398,325		621,627		729,975		539,840		381,276		486,672		1,035,032
	(3,850,975)		(4,086,866)		(3,870,571)		(5,484,966)		(3,522,123)		(3,542,065)		(3,540,376)
	27,544,354		27,891,367		28,207,832		26,960,172		29,321,377		30,457,843		32,332,818

City of Bettendorf, Iowa

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

	Fiscal Year		
	2006	2007	2008
Business-type activities:			
Investment earnings	216,631	423,184	280,128
Gain (loss) on sale of capital assets	-	-	-
Miscellaneous	185,380	351,640	382,633
Transfers	3,495,963	2,448,677	3,051,426
Total business-type activities	3,897,974	3,223,501	3,714,187
Total primary government	\$ 26,860,265	\$ 28,310,613	\$ 31,253,155
Changes in net position:			
Governmental activities	3,926,258	4,964,739	7,346,858
Business-type activities	1,625,507	(594,996)	4,668,470
Total primary government	\$ 5,551,765	\$ 4,369,743	\$ 12,015,328

							Fiscal Year
2009	2010	2011	2012	2013	2014	2015	
351,216	187,973	111,539	117,586	(92,719)	92,759	50,248	
-	-	-	-	-	-	18,201	
350,118	442,275	532,720	514,174	482,231	408,268	389,447	
3,850,975	4,086,866	3,870,571	5,484,966	3,522,123	3,542,065	3,540,376	
4,552,309	4,717,114	4,514,830	6,116,726	3,911,635	4,043,092	3,998,272	
\$ 32,443,676	\$ 4,717,114	\$ 32,722,662	\$ 33,076,898	\$ 33,233,012	\$ 34,500,935	\$ 36,331,090	
1,565,538	1,510,832	1,304,893	1,582,664	2,008,423	1,909,353	491,302	
1,585,190	1,746,874	201,233	2,489,777	464,135	2,050,836	9,557,661	
\$ 3,150,728	\$ 3,257,706	\$ 1,506,126	\$ 4,072,441	\$ 2,472,558	\$ 3,960,189	\$ 10,048,963	

City of Bettendorf, Iowa

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

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

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2007			2008		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 21,796	\$ 378,140	\$ 80,000	\$ 20,457	\$ 917,634	\$ 103,726
8,983	2,665,412	1,323,870	37,758	2,728,338	2,315,830
229,243	108,257	30,000	227,595	83,837	20,000
616,722	711,400	-	567,023	633,852	-
115,102	-	-	87,066	-	-
-	-	-	-	-	-
991,846	3,863,209	1,433,870	939,899	4,363,661	2,439,556
2,410,029	-	-	2,422,381	-	121,832
572,603	225,500	-	615,898	133,098	-
187,471	-	-	211,302	-	-
1,420,297	-	-	1,591,716	-	-
740,103	-	-	686,948	-	-
524,665	-	-	555,851	-	-
593,041	-	-	619,328	-	81,221
61,037	555,512	-	64,270	417,756	12,500
-	-	138,040	-	-	-
-	-	200,000.00	-	-	4,486,960
-	-	-	-	-	-
6,509,246	781,012	338,040	6,767,694	550,854	4,702,513
\$ 7,501,092	\$ 4,644,221	\$ 1,771,910	\$ 7,707,593	\$ 4,914,515	\$ 7,142,069

City of Bettendorf, Iowa

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

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

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2010			2011		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 24,881	\$ 238,659	\$ 108,218	\$ 11,881	\$ 304,673	\$ 100,000
18,280	2,774,484	2,130,519	29,880	3,197,991	2,232,583
269,497	82,794	-	276,770	61,334	15,000
613,992	643,827	-	599,360	527,199	-
91,004	-	-	154,266	-	-
-	-	-	-	-	-
1,017,654	3,739,764	2,238,737	1,072,157	4,091,197	2,347,583
2,532,985	-	299,097	2,557,175	-	257,321
650,093	77,037	-	709,016	106,124	-
206,771	-	-	242,962	-	-
1,727,398	-	-	1,793,407	-	-
698,607	-	-	678,634	-	-
569,750	-	-	604,013	-	-
795,609	-	177,398	805,521	-	171,548
73,000	421,642	793,166	87,822	447,848	510,904
-	-	-	-	-	-
1,569,542	674,212	125,100	2,148,027	702,369	225,048
12,162.00	57,645.00	836,808	26,477	128,764	-
8,835,917	1,230,536	2,231,569	9,653,054	1,385,105	1,164,821
\$ 9,853,571	\$ 4,970,300	\$ 4,470,306	\$ 10,725,211	\$ 5,476,302	\$ 3,512,404

City of Bettendorf, Iowa

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

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

(Continued)

Program Revenues			Program Revenues		
Fiscal Year			Fiscal Year		
2013			2014		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 31,800	\$ 557,885	\$ 125,000	\$ 46,449	\$ 378,498	\$ -
31,423	3,270,698	1,253,670	253,091	3,301,098	2,205,448
319,376	81,495	45,000	343,897	251,019	-
701,725	410,450	-	842,904	4,878	-
125,982	-	-	160,156	-	-
-	-	-	-	-	-
1,210,306	4,320,528	1,423,670	1,646,497	3,935,493	2,205,448
3,022,433	-	704,148	3,270,356	-	1,199,603
883,212	25,745	379,578	931,903	97,005	136,500
226,668	-	-	233,828	-	-
1,929,796	-	-	2,025,807	-	-
633,710	-	-	685,979	-	-
631,471	-	-	626,722	-	-
986,391	-	582,447	1,146,951	-	728,077
116,326	587,559	-	130,736	700,155	35,607
-	-	-	-	-	-
2,268,742	128,552	214,068	1,956,209	244,544	200,320
26,150	142,962	-	13,890	61,157	-
10,724,899	884,818	1,880,241	11,022,381	1,102,861	2,300,107
\$ 11,935,205	\$ 5,205,346	\$ 3,303,911	\$ 12,668,878	\$ 5,038,354	\$ 4,505,555

City of Bettendorf, Iowa

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

Program/Functions	Program Revenues		
	Fiscal Year		
	2015		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:			
Public safety	\$ 69,455	\$ 476,446	\$ 362,822
Public works	42,019	3,579,255	1,707,394
Culture and recreation	404,318	125,040	-
Community and economic development	757,368	2,796	-
General government	120,173	-	-
Interest on long-term debt	-	-	-
Total governmental activities	1,393,333	4,183,537	2,070,216
Business-type activities:			
Sewer utility	3,210,889	-	560,855
Family Museum of Arts & Science	978,252	31,915	-
Aquatic Center	226,983	-	-
Recycling/solid waste management	2,242,778	-	-
Palmer Hills Golf Course	711,286	-	-
Life Fitness Center	614,472	-	-
Stormwater utility	1,401,982	-	373,904
Transit	133,728	778,368	-
Educational Center	-	-	-
Downtown Event Center	2,215,470	9,546,596	124,406
Riverfront Circulator	10,355	41,718	-
Total business-type activities	11,746,195	10,398,597	1,059,165
Total primary government	\$ 13,139,528	\$ 14,582,134	\$ 3,129,381



Bettendorf IOWA
a premier city

City of Bettendorf, Iowa

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	47,989	69,408	242,784	210,290
Unreserved	4,780,972	4,908,122	4,857,574	5,030,470
Total General Fund	\$ 4,828,961	\$ 4,977,530	\$ 5,100,358	\$ 5,240,760
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,888,698	4,267,649	8,817,132	10,591,791
Unreserved, reported in:				
Special revenue funds	2,780,057	3,182,157	1,903,418	1,280,112
Debt service funds	1,202,569	4,658,472	724,672	806,085
Capital projects funds	7,712,234	6,431,017	9,184,841	2,754,153
Total all other government funds	\$ 14,583,558	\$ 18,539,295	\$ 20,630,063	\$ 15,432,141

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		
\$	-	\$	187,937	\$	195,598	\$	178,342	\$	175,790	\$	182,138	
	-		13,014		254,286		15,933		1,050,234		954,593	
	-		-		-		-		-		-	
	-		85,692		98,214		-		-		-	
	-		5,157,680		5,064,398		5,503,804		5,744,687		6,670,490	
	218,796		-		-		-		-		-	
	5,048,259		-		-		-		-		-	
\$	5,267,055	\$	5,444,323	\$	5,612,496	\$	5,698,079	\$	6,970,711	\$	7,807,221	
<hr/>												
\$	-	\$	153,325	\$	4,233	\$	4,233	\$	-	\$	-	
	-		10,915,683		16,189,550		13,089,850		19,518,076		6,295,961	
	-		-		-		-		-		-	
	-		1,523,617		1,571,182		1,575,658		1,417,045		1,753,593	
	-		(2,212,680)		(141,624)		(162,782)		(109,435)		(127,060)	
	10,448,066		-		-		-		-		-	
	1,625,616		-		-		-		-		-	
	8,105,135		-		-		-		-		-	
	(2,671,608)		-		-		-		-		-	
\$	17,507,209	\$	10,379,945	\$	17,623,341	\$	14,506,959	\$	20,825,686	\$	7,922,494	

City of Bettendorf, Iowa

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Revenues:				
Property taxes	\$ 15,383,115	\$ 15,648,364	\$ 16,763,147	\$ 18,384,425
Tax increment financing taxes	1,853,383	1,962,103	3,172,985	3,377,334
Other taxes	7,511,852	7,995,246	8,416,881	7,999,085
Special assessments	19,947	6,761	9,505	12,163
Licenses and permits	865,209	542,182	497,123	397,701
Intergovernmental	3,952,501	5,019,945	5,343,234	4,833,515
Charges for services	394,575	327,801	346,205	381,603
Use of money and property	761,546	1,274,705	1,317,230	1,034,978
Miscellaneous	729,844	703,696	1,000,499	644,219
Total revenues	31,471,972	33,480,803	36,866,809	37,065,023
Expenditures:				
Current operating:				
Community protection	*	*	*	*
Human development	*	*	*	*
Home and community development	*	*	*	*
Policy and administration	*	*	*	*
Public safety	7,895,689	8,194,904	9,029,275	9,171,879
Public works	2,727,337	2,627,335	3,288,166	4,195,342
Culture and recreation	3,300,346	3,187,458	3,311,645	3,578,409
Community and economic development	1,258,141	1,443,565	1,921,626	2,033,310
General government	3,106,289	3,104,868	3,138,414	3,300,052
Debt service:				
Principal	5,089,158	5,524,216	5,615,000	6,020,400
Interest	2,331,935	2,315,370	2,318,366	2,384,362
Bond issuance costs	37,456	251,346	86,604	119,213
Expenditures in capital outlay not capitalized	1,093,385	1,298,676	870,795	3,359,508
Capitalized capital outlay	7,253,947	8,368,929	8,818,626	17,839,544
Total expenditures	34,093,683	36,316,667	38,398,517	52,002,019
Excess of revenues (under) expenditures	(2,621,711)	(2,835,864)	(1,531,708)	(14,936,996)
Other financing sources (uses):				
Issuance of long-term debt	4,580,000	15,155,000	10,540,000	13,700,000
Payment to bond escrow agent	-	(6,275,000)	(3,821,388)	-
Premiums	3,190	76,667	130,466	33,339
Discounts	(44,519)	-	-	-
Proceeds from sale of capital assets	90,972	224,110	28,652	37,112
Transfers in	6,925,915	7,681,976	8,607,299	8,191,217
Transfers out	(10,475,082)	(9,922,583)	(11,739,725)	(12,082,192)
Total other financing sources (uses)	1,080,476	6,940,170	3,745,304	9,879,476
Net changes in fund balance	\$ (1,541,235)	\$ 4,104,306	\$ 2,213,596	\$ (5,057,520)
Debt service as a percentage of noncapital expenditures	27.6%	28.1%	26.8%	24.6%

							Fiscal Year					
2010		2011		2012		2013		2014		2015		
\$	19,267,371	\$	19,829,519	\$	20,786,732	\$	22,061,524	\$	22,970,438	\$	23,668,128	
	3,499,290		3,097,551		2,318,400		2,069,141		2,027,720		1,879,402	
	7,732,033		7,936,429		8,062,631		8,118,650		8,141,147		8,386,315	
	15,577		28,273		17,128		17,238		214,314		21,789	
	583,037		527,768		585,562		617,653		747,145		642,926	
	5,498,796		5,954,268		5,193,810		4,599,105		4,564,917		5,566,411	
	328,038		361,850		397,219		449,433		524,882		608,445	
	646,585		432,853		436,294		13,349		409,658		318,359	
	917,078		924,404		674,736		609,534		697,384		1,074,979	
	38,487,805		39,092,915		38,472,512		38,555,627		40,297,605		42,166,754	
	*		*		*		-		-		-	
	*		*		*		-		-		-	
	*		*		*		-		-		-	
	*		*		*		-		-		-	
	9,804,915		9,472,492		9,555,788		10,324,281		10,718,700		11,194,067	
	3,387,878		3,506,350		3,136,111		3,052,325		3,665,793		3,359,370	
	3,759,768		3,825,678		4,035,446		3,992,251		4,092,733		4,436,834	
	2,153,192		2,691,227		2,273,367		2,212,192		1,796,288		1,674,097	
	3,435,015		3,336,470		3,503,278		3,599,612		3,700,010		3,867,262	
	5,488,100		14,629,300		5,975,900		10,370,000		8,950,000		8,735,000	
	2,687,193		2,998,380		3,006,807		3,294,692		3,394,455		3,954,140	
	287,556		183,039		335,423		136,680		282,370		-	
	2,853,555		3,482,715		2,033,986		2,028,320		2,506,739		3,356,146	
	20,355,433		14,657,435		11,820,698		10,656,904		13,916,145		10,251,395	
	54,212,605		58,783,086		45,676,804		49,667,257		53,023,233		50,828,311	
	(15,724,800)		(19,690,171)		(7,204,292)		(11,111,630)		(12,725,628)		(8,661,557)	
	21,580,000		16,030,000		18,570,000		10,685,000		22,745,000		-	
	-		-		-		-		-		-	
	279,613		555,193		1,527,246		846,913		1,109,198		-	
	-		-		-		-		-		-	
	2,982		57,553		35,581		96,659		53,343		156,675	
	9,499,107		5,931,971		6,310,667		4,030,704		1,454,347		7,306,937	
	(13,535,539)		(9,834,542)		(11,827,633)		(7,578,445)		(5,044,901)		(10,868,737)	
	17,826,163		12,740,175		14,615,861		8,080,831		20,316,987		(3,405,125)	
\$	2,101,363	\$	(6,949,996)	\$	7,411,569	\$	(3,030,799)	\$	7,591,359	\$	(12,066,682)	

24.1%

39.9%

26.5%

35.0%

31.6%

31.3%

City of Bettendorf, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Hotel/Motel Tax	Local Option Sales Tax	Utility Franchise Tax	Tax Increment Financing
2006	15,383,115	876,854	3,832,816	671,320	1,853,383
2007	15,648,364	742,038	4,224,858	691,118	1,962,102
2008	16,763,147	879,403	4,375,125	684,244	3,172,985
2009	18,384,425	774,409	4,183,906	747,401	3,377,334
2010	19,267,371	781,543	4,123,192	734,285	3,499,290
2011	19,829,519	803,119	4,379,063	707,751	3,097,551
2012	20,786,732	738,376	4,584,685	748,281	2,318,399
2013	22,061,524	782,972	4,636,166	740,971	2,069,141
2014	22,970,438	728,153	4,828,170	730,514	2,027,720
2015	23,668,128	671,524	4,980,620	916,310	1,879,402
Change 2006-2015	3.04%	-7.78%	3.16%	25.43%	-7.31%

Source: City records.

Mobile Home Tax	Gaming Tax	Cable Franchise Tax	Total
9,088	2,121,774	345,734	25,094,084
6,818	1,963,498	366,272	25,605,068
9,651	2,076,120	392,338	28,353,013
12,151	1,912,972	368,246	29,760,844
13,072	1,684,304	374,172	30,477,229
8,211	1,658,400	379,885	30,863,499
8,337	1,608,845	374,108	31,167,463
7,787	1,582,204	368,550	32,249,315
7,561	1,490,407	356,342	33,139,305
6,262	1,454,053	357,545	33,933,844
-17.18%	-2.44%	0.34%	2.40%

City of Bettendorf, Iowa

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Machinery & Equipment
2006	1,798,988,393	341,209,113	13,455,769	-
2007	1,851,303,035	347,801,087	14,809,173	-
2008	1,921,741,462	351,218,507	20,010,233	-
2009	2,138,636,766	430,585,395	20,661,813	-
2010	2,199,236,152	441,241,852	16,391,700	-
2011	2,255,170,983	443,808,680	21,782,851	-
2012	2,295,440,702	466,519,335	26,141,962	-
2013	2,388,725,104	474,596,546	32,025,838	-
2014	2,454,761,423	459,073,798	34,047,133	-
2015	2,500,170,562	499,941,413	33,890,912	-

Source: Scott County Auditor

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

Public Utility	Agricultural Property	Total Assessed Value (1)	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
15,613,994	4,529,273	2,173,796,542		12.34952	1,231,469,607	56.65
15,077,966	4,459,440	2,233,450,701	2.74%	12.60000	1,224,008,170	54.60
14,536,012	4,437,370	2,311,943,584	3.51%	12.95000	1,261,266,735	54.55
14,365,946	4,692,920	2,608,942,840	12.85%	12.85000	1,404,665,394	53.84
14,034,322	4,727,390	2,675,631,416	2.56%	12.60000	1,474,385,310	55.10
14,232,920	6,407,620	2,741,403,054	5.08%	12.60000	1,535,809,491	56.02
14,671,227	6,382,570	2,809,155,796	7.67%	12.55000	1,620,307,396	57.68
15,976,961	7,248,670	2,918,573,119	26.24%	12.55000	1,733,928,823	59.41%
14,660,242	7,138,250	2,969,680,846	13.83%	12.55000	1,803,564,703	60.73%
7,270,077	9,661,340	3,050,934,304	16.94%	12.55000	1,870,141,797	61.30%

City of Bettendorf, Iowa

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Tax Year Levied	City Direct Rates				
	General Fund	Employee Benefits	Insurance	Debt Service	Total Direct
2006	7.04761	1.23016	0.27175	3.80000	12.34952
2007	7.04809	1.23016	0.27175	4.05000	12.60000
2008	6.87883	1.23016	0.34101	4.50000	12.95000
2009	6.48340	1.50164	0.36496	4.50000	12.85000
2010	5.71631	1.54366	0.34003	5.00000	12.60000
2011	5.49661	1.78467	0.31872	5.00000	12.60000
2012	7.55000	-	-	5.00000	12.55000
2013	7.55000	-	-	5.00000	12.55000
2014	5.43955	1.85029	0.26016	5.00000	12.55000
2015	5.43326	1.86200	0.25474	5.00000	12.55000

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

Overlapping Rates

Bettendorf School District	Scott County	County Assessor	Area IX	Other	Total Levy
14.69042	5.56513	0.27404	0.59269	0.06973	33.54153
15.00216	5.51106	0.29563	0.61277	0.07034	34.09196
15.00025	5.54040	0.28899	0.60785	0.07079	34.45828
14.85367	5.47607	0.33733	0.87714	0.06845	34.46266
15.00820	6.37607	0.28465	0.92444	0.06946	35.26282
15.00244	6.37759	0.28110	1.01724	0.06891	35.34728
15.00292	6.30156	0.28081	0.91511	0.06865	35.11905
14.54629	6.23534	0.27996	0.92043	0.06890	34.60092
14.01636	6.13204	0.27068	0.92782	0.07009	33.96699
14.01633	6.00377	0.27052	0.96863	0.07135	33.88060

City of Bettendorf, Iowa

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Isle of Capri Bettendorf LC	76,502,088	1	32.17	\$ 85,002,320	1	38.99
MidAmerican Energy Company	63,059,978	2	26.52	64,264,012	2	29.48
Continental 203 Fund LLC	19,878,588	3	8.36			
CMS/Chateau Knoll	17,651,196	4	7.42			
Haversian Canal Systems LLP	14,402,340	5	6.06	13,754,280	3	6.31
Duck Creek LLC	11,689,056	6	4.92	11,168,120	4	5.12
First Equity Mngmt LC	9,411,048	7	3.96			
Green Bridge Co.	8,849,196	8	3.72	6,422,260	9	2.95
Olympic Steel Iowa, Inc.	8,647,425	9	3.64			
Bettendorf Regency Apartments LC	7,692,300	10	3.24	8,368,880	6	3.84
Genventures, Inc.				9,294,230	5	4.26
Americold Real Estate LP				6,905,370	7	3.17
Quest				6,494,301	8	2.98
GMS Realty Co.				6,325,440	10	2.90
Total	\$ 237,783,215		100.00	\$ 217,999,213		100.00

Total assessed value

Source: Scott County Auditor



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City of Bettendorf, Iowa

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

Fiscal Year Ended June 30:	Tax Year	Net Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2006	2004	15,419,061	15,378,320	99.74
2007	2005	15,663,030	15,606,270	99.64
2008	2006	16,797,824	16,749,669	99.71
2009	2007	18,559,049	18,375,091	99.01
2010	2008	19,466,344	19,259,546	98.94
2011	2009	19,860,334	19,814,066	99.77
2012	2010	20,787,360	20,772,796	99.93
2013	2011	22,095,379	22,060,321	99.84
2014	2012	22,985,618	22,959,076	99.88
2015	2013	24,294,664	23,663,558	97.40%

Source: City records

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

Information not available by levy year.

Delinquent Tax Collections	Total Collections to Date	
	Amount	Percentage of Levy
4,795	15,383,115	99.77
13,519	15,619,789	99.72
13,480	16,763,149	99.79
9,334	18,384,425	99.06
7,825	19,267,371	98.98
15,453	19,829,519	99.84
13,936	20,786,732	100.00
1,203	22,061,524	99.85
11,363	22,970,439	99.93
4,570	23,668,128	97.42%

City of Bettendorf, Iowa

Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt			Net General Bonded Debt	Percentage of Actual Taxable Value of Property
	Governmental Activities General Obligation Bonds	Business Type Activities General Obligation Bonds	Less Amount Available in Debt Service		
2006	43,972,916	8,432,084	1,202,568	\$ 51,202,432	4.16
2007	48,128,700	7,756,300	4,658,472	\$ 51,226,528	4.19
2008	50,208,700	12,151,300	724,672	\$ 61,635,328	4.89
2009	59,213,300	11,296,700	806,085	\$ 69,703,915	4.96
2010	76,265,200	13,739,800	8,105,133	\$ 81,899,867	5.55
2011	78,845,900	14,654,100	607,182	\$ 92,892,818	6.05
2012	93,826,249	15,990,813	7,306,137	\$ 102,510,925	6.16
2013	94,820,315	16,464,164	2,950,043	\$ 108,334,436	6.25
2014	109,488,871	16,895,915	2,889,447	\$ 123,495,339	6.85
2015	100,439,474	14,217,417	364,051	\$ 114,292,840	6.11

Source: City records

* Information not available

Debt Per Capita	Other Governmental	Business Type	Total Primary Government	Percentage of Personal Income	Per Capita
	Activities	Activities			
	Debt Revenue Bonds	Debt Revenue Bonds			
1,637	5,120,000	740,000	\$ 57,062,432	9.53	\$ 1,754
1,638	4,320,000	460,000	\$ 56,006,528	9.31	\$ 1,826
1,971	3,465,000	180,000	\$ 65,280,328	9.51	\$ 1,987
2,229	2,140,000	13,565,000	\$ 85,408,915	12.42	\$ 2,596
2,466	1,180,000	13,055,000	\$ 96,134,867	14.22	\$ 3,138
2,797	-	12,510,000	\$ 105,402,818	13.48	\$ 3,191
3,005	-	11,925,000	\$ 114,435,925	15.26	\$ 3,665
3,261	-	11,300,000	\$ 119,634,436	15.52	\$ 3,690
3,718	-	10,140,000	\$ 133,635,339	16.72	\$ 4,110
3,441	-	-	\$ 114,292,840	*	\$ 3,452

City of Bettendorf, Iowa

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

Name of Governmental Unit	Total General Long-term Bonded Debt Outstanding	Percent Applicable to the City of Bettendorf	Amount Applicable to the City of Bettendorf
School District, Bettendorf	\$ -	64.52%	\$ -
School District, North Scott	-	0.28%	-
School District, Pleasant Valley	-	70.69%	-
Scott County	27,005,000	25.31%	6,834,966
Eastern Iowa Community College	51,810,000	14.85%	7,693,785
	<u>78,815,000</u>		<u>14,528,751</u>
City of Bettendorf	96,815,000	100.00%	96,815,000
	<u>\$ 175,630,000</u>		<u>\$ 111,343,751</u>

Source: Scott County Auditor

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



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City of Bettendorf, Iowa

**Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
100% assessed valuation	\$ 2,169,267,269	\$ 2,228,991,261	\$ 2,307,506,214	\$ 2,604,249,920
Plus: Public gas and electric utilities	60,744,311	65,453,665	70,778,591	71,650,075
Plus: Captured tax increment value	66,666,168	69,956,005	113,012,248	122,409,826
Less: Military exemption	(4,457,764)	(4,397,572)	(4,389,236)	(4,306,822)
Total assessed valuation of the property of the City of Bettendorf	<u>\$ 2,292,219,984</u>	<u>\$ 2,360,003,359</u>	<u>\$ 2,486,907,817</u>	<u>\$ 2,794,002,999</u>
Debt limit, 5% of total actual valuation	\$ 114,610,999	\$ 118,000,168	\$ 124,345,391	\$ 139,700,150
Debt applicable to debt limit:				
Governmental activities general obligation bonds	43,972,916	48,128,700	50,208,700	59,213,300
Business-type activities TIF revenue bonds	5,120,000	4,320,000	3,465,000	15,705,000
Business-type activities general obligation bonds	8,432,085	7,756,300	12,151,300	11,296,700
	<u>57,525,001</u>	<u>60,205,000</u>	<u>65,825,000</u>	<u>86,215,000</u>
Legal debt margin	<u>\$ 57,085,998</u>	<u>\$ 57,795,168</u>	<u>\$ 58,520,391</u>	<u>\$ 53,485,150</u>

* Information not available

Source: City records

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 2,670,904,026	\$ 2,734,995,434	\$ 2,802,773,226	\$ 2,911,324,449	\$ 2,962,542,596	\$ 3,041,272,964	
80,870,681	82,943,113	85,204,466	87,269,980	90,426,037	88,753,851	
125,373,346	109,976,871	82,751,531	74,877,772	78,344,205	74,909,563	
(4,245,706)	(4,197,554)	(4,148,478)	(4,063,286)	(3,959,644)	(3,926,308)	
\$ 2,872,902,347	\$ 2,923,717,864	\$ 2,966,580,745	\$ 3,069,408,915	\$ 3,127,353,194	\$ 3,201,010,070	
\$ 143,645,117	\$ 146,185,893	\$ 148,329,037	\$ 153,470,446	\$ 156,367,660	\$ 160,050,504	
76,265,200	78,845,900	91,440,000	91,755,000	105,550,000	98,375,635	
14,235,000	12,510,000	11,925,000	11,300,000	10,140,000	-	
13,739,800	14,654,100	15,680,000	16,165,000	16,480,000	13,835,000	
104,240,000	106,010,000	119,045,000	119,220,000	132,170,000	112,210,635	
\$ 39,405,117	\$ 40,175,893	\$ 29,284,037	\$ 34,250,446	\$ 24,197,660	\$ 47,839,869	

City of Bettendorf, Iowa

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 2,593,811	\$ 1,689,887	\$ 903,924	\$ 270,000	\$ 21,430	\$ 291,430
2007	2,634,901	1,714,330	920,571	280,000	16,030	296,030
2008	2,558,846	1,750,477	808,369	280,000	10,430	290,430
2009	2,620,392	1,830,696	789,696	180,000	4,410	184,410
2010	2,571,232	2,003,140	568,092	-	-	-
2011	2,596,567	2,011,581	584,986	-	-	-
2012	2,861,243	2,027,202	834,041	-	-	-
2013	2,977,498	2,015,705	961,793	-	-	-
2014	3,308,437	2,130,936	1,177,501	-	-	-
2015	3,239,592	2,286,807	952,785	-	-	-

Source: City records

Tax Increment Financing Bonds

Tax Increment		Debt Service		Coverage
Financing Revenue	Principal	Interest		
\$ 1,217,433	\$ 745,000	\$ 460,855	\$ 1,205,855	
1,215,580	800,000	407,575	1,207,575	
1,150,068	855,000	349,600	1,204,600	
1,541,249	1,785,000	1,064,737	2,849,737	
2,246,183	1,470,000	1,145,235	2,615,235	
3,140,542	1,725,000	1,012,430	2,209,449	
2,329,649	585,000	866,259	1,451,259	
2,080,391	625,000	823,467	1,448,467	
2,038,969	1,160,000	614,117	1,774,117	
1,890,652	10,140,000	471,606	10,611,606	

City of Bettendorf, Iowa

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

Fiscal Year Ended June 30,	Population (3)	Personal Income (1)	Per Capita Personal Income (1)	Building Permits (4)		School Enrollment (2)	Unemployment Rate (3)
				Number of Permits	Assessed Value of Permits		
2006	31,275	6,112,472	38,299	1,488	105,551,442	4,822	2.8
2007	31,275	6,515,556	40,703	1,179	60,087,091	4,955	3.3
2008	31,275	6,938,518	42,877	1,328	102,484,540	4,962	3.6
2009	31,275	6,942,723	42,442	1,143	45,307,916	4,975	6.0
2010	33,217	7,332,919	44,233	1,128	36,350,429	5,101	5.5
2011	33,217	7,861,586	47,026	1,667	22,771,605	5,194	5.5
2012	33,217	7,980,343	47,269	1,236	67,240,197	5,152	5.3
2013	33,217	7,900,211	46,321	1,171	71,143,183	5,221	4.6
2014	33,217	8,164,378	47,637	1,293	94,395,514	5,150	4.7
2015	33,217	*	*	1,122	67,034,818	5,460	4.7

Sources:

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

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

(3) Iowa Workforce Development

(4) City records

* Information not available

City of Bettendorf, Iowa

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Aluminum Company of America	2,500	1	3.03%	2,200	1	2.53%
Isle of Capri (formerly Lady Luck Casino)	1,050	2	1.27%	872	2	1.00%
Bettendorf Community School District	603	3	0.73%	615	3	0.71%
Quad City Bank & Trust	414		0.50%			
Sivyer Steel	400	4	0.49%	364	4	0.42%
City of Bettendorf	312	5	0.38%	290	5	0.33%
Galaxy 1 Marketing	200	7	0.24%			
Schebler Company	185	8	0.22%	154	6	0.18%
LeClaire Manufacturing	180	9	0.22%			
Olympic Steel	150	10	0.18%			
Total	5,994		7.27%	4,495		5.17%

Total County Employment as of 6/30/2015: 82,400

Total County Employment in 6/30/06: 86,900

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

City of Bettendorf, Iowa

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

Fund Type/Function	Full-Time Equivalent Employees for Fiscal Year Beginning July 1			
	2015	2014	2013	2012
General Fund:				
Administration	1.94	1.94	1.84	1.84
Community & Economic Development	10.50	10.50	10.00	10.50
Elected officials	13.00	13.00	13.00	13.00
Fire department	27.50	27.50	27.50	26.50
Finance	6.24	6.24	6.22	6.22
Human resources	1.88	1.88	1.88	1.88
Library	29.60	30.91	32.04	32.15
Legal	2.11	1.11	1.11	1.11
Police	56.84	55.14	55.33	55.74
Parks and recreation	8.03	8.50	8.60	8.80
Public works	6.04	6.34	6.34	6.12
Special revenue funds:				
Administration	0.05	0.05	0.15	0.15
Community development	1.50	1.50	2.00	2.50
Economic development	-	-	-	-
Finance	0.33	0.33	0.33	0.34
Human resources	0.10	0.10	0.10	0.10
Legal	0.01	0.01	0.01	0.01
Parks and recreation	-	-	-	-
Public works	21.97	22.22	23.14	23.24
Enterprise funds:				
Administration	0.01	0.01	0.01	0.01
Finance	1.43	1.43	1.42	1.42
Human resources	0.02	0.02	0.02	0.02
Legal	0.03	0.03	0.03	0.03
Museum	18.13	19.28	17.81	17.33
Parks and recreation	8.84	8.63	7.77	8.53
Public works	41.00	35.67	36.49	37.58
Internal service funds:				
Finance	4.02	4.02	4.02	4.02
Legal	-	-	-	-
Public works	6.88	6.86	6.40	6.16
Total	268.00	263.22	263.56	265.30
Budget book personnel summary				
Officials	13.00	13.00	13.00	13.00
Administration	4.00	4.00	4.00	4.00
Legal	2.15	1.15	1.15	1.15
Finance	12.00	12.00	12.00	12.00
Community & Economic Development	12.00	12.00	12.00	13.00
Public works	75.91	71.11	72.35	72.10
Police	56.84	55.14	55.34	55.74
Fire	27.50	27.50	27.50	26.50
Library	29.60	30.91	32.04	32.15
Museum	18.13	19.28	17.81	18.33
Parks	16.87	17.13	16.37	17.33
Total	268.00	263.22	263.56	265.30

Source: City of Bettendorf Budget Books

Full-Time Equivalent Employees for Fiscal Year Beginning July 1

2011	2010	2009	2008	2007	2006
1.84	1.83	1.82	1.82	1.78	1.77
9.50	9.50	9.50	9.50	9.50	8.50
13.00	13.00	13.00	13.00	13.00	13.00
26.50	26.50	23.50	23.50	20.50	20.50
6.22	6.21	5.17	5.17	5.17	4.80
1.88	1.80	1.81	1.80	1.80	1.80
32.02	31.67	30.91	30.91	30.91	29.63
1.11	1.08	1.08	1.08	1.07	1.07
55.64	63.06	62.84	62.62	62.62	62.60
8.80	8.80	9.49	9.20	9.59	13.50
6.42	6.42	6.46	6.37	6.28	12.61
0.15	0.15	0.15	0.15	0.20	0.20
1.50	1.50	1.50	2.50	2.50	2.20
1.00	1.00	1.00	1.00	1.00	1.00
0.34	0.34	0.34	0.35	0.35	0.36
0.10	0.10	0.10	0.10	0.10	0.10
0.01	0.01	0.01	0.01	0.02	0.02
-	-	-	-	-	-
23.24	23.24	22.44	22.44	22.95	22.95
0.01	0.03	0.03	0.03	0.03	0.03
1.42	1.44	1.48	1.46	1.46	1.59
0.02	0.10	0.09	0.10	0.10	0.10
0.03	0.06	0.05	0.06	0.05	0.05
17.70	17.60	16.85	16.98	16.98	18.94
10.53	10.67	10.02	10.31	9.92	44.46
37.52	35.08	34.74	34.23	32.87	31.19
4.02	4.02	4.02	5.02	5.02	5.00
-	-	-	-	0.01	0.01
6.16	6.16	6.16	5.16	6.35	6.25
266.68	271.37	264.56	264.87	262.13	304.23
13.00	13.00	13.00	13.00	13.00	13.00
4.00	4.00	4.00	4.00	4.01	4.00
1.15	1.15	1.15	1.15	1.15	1.15
12.00	12.00	11.00	12.00	12.00	11.75
12.00	12.00	12.00	13.00	13.00	11.70
73.34	70.90	69.80	68.20	68.45	73.00
55.64	63.06	62.84	62.62	62.62	62.60
26.50	26.50	23.50	23.50	20.50	20.50
32.02	31.67	30.91	30.91	30.91	29.63
17.70	17.60	16.85	16.98	16.98	18.94
19.33	19.47	19.51	19.51	19.51	57.96
266.68	271.35	264.56	264.87	262.13	304.23

City of Bettendorf, Iowa

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

Function/Program	Fiscal Year			
	05/06	06/07	07/08	08/09
Police:				
Calls for service	37,015	40,136	39,505	40,962
# of Group A offenses	1,801	1,771	1,830	1,836
# of Group B offenses	882	1,033	468	466
Traffic citations	8,640	11,380	8,847	5,999
Fire:				
Fire call volume	606	544	823	526
EMS call volume	1,611	1,631	1,831	1,653
Property loss	\$ 894,288	\$ 4,913,775	\$ 475,685	\$ 500,000
Building safety:				
Total building permits	4,112	3,306	3,291	3,200
Total revenue generated by permits	\$ 785,142	\$ 463,714	\$ 461,722	\$ 359,784
Library:				
Number of materials circulated	563,732	559,109	560,000	552,686
Number of registered borrowers	24,221	21,177	21,000	22,264
Public Works:				
Garbage collected (ton)	7,410	7,857	7,769	9,055
Recycle collected (ton)	2,671	2,661	2,668	2,676
Miles of streets maintained	195	195	220	221
Number of traffic signals	290	290	320	345
Miles of sanitary sewers maintained	174	178	178	179
Parks and Recreation:				
Recreation program attendance	128,350	135,486	135,500	87,404
Aquatics program attendance	42,240	41,424	47,799	56,606
Golf rounds played	34,812	32,209	30,026	30,066
Fitness Center memberships sold	1,495	1,658	1,687	1,725
Acres maintained	580	585	585	585

Source: City records

* Information not available.

Fiscal Year					
09/10	10/11	11/12	12/13	13/14	14/15
35,683	29,114	25,643	24,616	23,798	25,249
1,151	1,127	970	768	1,289	1,085
470	235	173	148	751	354
5,576	4,624	4,330	4,563	3,404	1,834
953	922	1,099	381	385	56
1,896	1,904	1,973	2,846	3,034	2,650
\$ 411,365	\$ 1,314,530	\$ 1,896,705	\$ 452,170	\$ 991,001	\$ 768,380
2,817	1,667	3,554	3,301	3,754	3,271
\$ 533,574	\$ 504,038	\$ 558,859	\$ 576,135	\$ 676,935	\$ 588,756
605,325	602,775	620,206	624,484	622,951	569,498
20,375	22,608	22,936	23,000	20,087	20,432
9,305	9,100	7,950	8,196	8,362	9,824
2,320	2,496	2,321	2,140	2,057	2,015
221	221	223	223	223	223
345	345	345	345	345	345
179	179	180	180	180	180
86,218	88,006	76,626	112,040	123,050	125,000
40,312	46,531	58,879	48,852	50,226	50,000
29,519	28,490	27,384	25,417	25,691	26,220
1,923	1,822	1,874	1,862	1,733	1,628
585	585	585	585	585	585

City of Bettendorf, Iowa

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

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Police:				
Stations	1	1	1	1
Squad cars	18	18	18	18
Fire, fire stations	4	4	4	4
Refuse collection:				
Collection trucks	12	12	12	13
Streets (miles)	195	220	221	221
Traffic signals	290	290	320	345
Parks and recreation:				
Acreage	580	585	585	585
Parks	21	21	21	21
Golf course	1	1	1	1
Baseball/softball diamonds	32	32	32	32
Soccer/football fields	8	8	8	8
Basketball courts	9	9	9	9
Tennis courts	8	8	8	8
Swimming pools	1	1	1	1
Parks with playground equipment	16	16	16	16
Picnic shelters	6	6	6	6
Community centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	150,242	153,000	153,000	153,000
Wastewater:				
Sanitary sewers (miles)	174	178	178	179
Storm sewers (miles)				

Source: City records

Fiscal Year						
2010	2011	2012	2013	2014	2015	
1	1	1	1	1	1	1
18	18	18	19	19	19	19
4	4	4	4	4	4	4
13	13	13	13	14	14	14
221	221	223	223	223	223	223
345	345	345	345	345	345	345
585	585	585	585	585	585	585
21	21	21	21	21	21	21
1	1	1	1	1	1	1
32	32	32	32	32	32	32
8	8	8	8	8	8	8
9	9	9	9	9	9	9
8	8	8	8	8	8	8
1	1	1	1	1	1	1
16	16	16	16	16	16	16
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
175,000	201,699	195,075	200,000	218,729	198,874	
179	179	180	180	180	180	



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City of Bettendorf, Iowa

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

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Transportation			
Direct Program, Urban Mass Transit Formula Grants,			
Federal Transit - Formula Grants	IA908386	20.507	\$ 542,165
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety Police Traffic Services	15-402-M0PT, Task 03-00-00	20.600	24,898
State and Community Highway Safety Police Traffic Services	14-402-M0PT, Task 03-00-00	20.600	12,970
Subtotal			<u>37,868</u>
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	STP-U-0587(636)--70-82	20.205	731,488
Highway Planning and Construction	BROS-0587(635)--8J-82	20.205	43,045
Subtotal			<u>774,533</u>
Urban Mass Transit, Riverfront Circulator	95-X003-587-09	20.507	41,718
			<u>816,251</u>
Total U.S. Department of Transportation			<u>1,396,284</u>
U.S. Department of Justice			
Passed through the Scott County Attorney's office:			
ODCP & AXD	N/A	16.738	60,102
Bulletproof Vest Program	N/A	16.607	2,194
Total U.S. Department of Justice			<u>62,296</u>
Executive Office of the President			
Passed through Quad City Metropolitan Enforcement Group,			
HIDTA Overtime Reimbursement	G11MW0002A	95.001	1,535
Total federal expenditures			<u>\$ 1,460,115</u>

See Notes to Schedule of Expenditures of Federal Awards.

City of Bettendorf, Iowa

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bettendorf, Iowa for the year ended June 30, 2015. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

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

Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principals contained in OMB Circular A-87, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Total by Program

The total for the Federal Transit Grant CFDA No. 20.507 is \$583,883.

City of Bettendorf, Iowa

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

	Finding	Status	Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting			
14-IV-F	The City did not publish Council minutes for two of five meetings tested within 15 days after the Council meetings.	Corrected	
14-IV-J	The Tax Increment Financing Fund has a deficit balance of \$109,435 as of June 30, 2014.	Uncorrected	See finding and corrective action plan at 15-IV-J.



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**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**

RSM US LLP

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bettendorf, Iowa, (City) as of and for the year ended June 30, 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 18, 2015. The City's June 30, 2014 financial statements have been restated due to the implementation of GASB Statement Nos. 68 and 71 to recognize a net pension liability and deferred outflows of resources of the governmental activities, business-type activities, each major enterprise fund and the aggregate remaining fund information.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

The City's Response to Findings

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

Purpose of this Report

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

RSM US LLP

Davenport, Iowa
December 18, 2015

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

RSM US LLP

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

We have audited the City's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on 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 the 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 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 18, 2015

City of Bettendorf, 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?
- Significant deficiencies identified?
- Noncompliance material to financial statements noted?

- Yes No
- Yes None Reported
- Yes No

Federal Awards

Internal control over major programs:

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

- Yes No
- Yes None Reported

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

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

- Yes No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.507	Urban Mass Transit Formula Grant

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

Auditee qualified as low-risk auditee?

- Yes No

(Continued)

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

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

A. Internal Control

None reported

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

A. Internal Controls in Administering Federal Awards

None reported

B. Instances of Noncompliance

None reported

IV. Other Findings Related to Required Statutory Reporting

15-IV-A Certified Budget

No expenditures exceeded the amended certified budget amounts.

15-IV-B Questionable Disbursements

No questionable disbursements were noted.

15-IV-C Travel Expense

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

15-IV-D Business Transactions

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

15-IV-E Bond Coverage

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

15-IV-F Council Minutes

No instances of noncompliance related to the Council Minutes.

15-IV-G Deposits and Investments

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

15-IV-H Revenue Notes

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

(Continued)

City of Bettendorf, Iowa

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

15-IV-I Telecommunication Services

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

15-IV-J Deficit Balances

Finding: The Tax Increment Financing Fund has a deficit fund balance of \$127,060 as of June 30, 2015.

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

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

15-IV-K Competitive Bid or Quote Procedures

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

City of Bettendorf, Iowa

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

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

15-IV-J	The Tax Increment Financing Fund has a deficit balance of \$127,060 as of June 30, 2015.	See corrective action plan at 15-IV-J.	June 2016	Finance Director
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