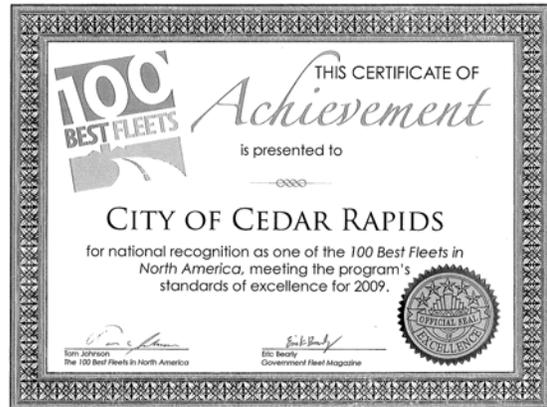
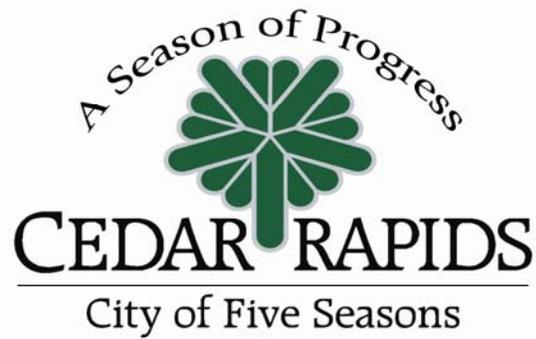


CITY OF CEDAR RAPIDS, IOWA



Comprehensive Annual Financial Report – For the Fiscal Year Ended

June 30, 2009

About the Cover

To honor the citizens who survived the Flood of 2008 and the thousands of volunteers who have helped rebuild our community, the City of Cedar Rapids has temporarily changed its “five seasons” slogan to “The Fifth Season of Progress.” Our community’s progress can be measured by the estimated 178,800 volunteer hours dedicated to repairing and rebuilding flood-damaged properties; estimated 81,000 tons of debris removed and estimated 2,300 citizens who participated in creating the City’s master plan for permanent floodwalls and neighborhood reinvestment. These measurements are estimates because progress is made every day in our community.

The picture on the upper left corner of this year’s Comprehensive Annual Financial Report cover is a snapshot of newly built single family homes that were desperately needed for families displaced due to the June 2008 flood. The upper right hand corner is a picture of the first Downtown Farmers’ Market since the flood, in which 6,500 patrons visited a record breaking 161 vendors.

The picture on the lower left represents the City’s phase I River Corridor Redevelopment Plan that received the International Downtown Association (IDA) Downtown Achievement Award of Distinction. Our project was one of 77 award submissions to IDA. The IDA is a guiding force in creating healthy and dynamic centers that anchor the well being of towns, cities, and regions of the world. The City has also been recognized by Government Fleet Magazine as one of the 100 Best Government Fleets in North America. Out of a possible 38,000 public fleets in North America, the 100 Best are identified as excellent by their peers, by using a comprehensive set of criteria, including implementing best business practices.

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF THE
CITY OF CEDAR RAPIDS, IOWA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

**PUBLISHED BY
FINANCE DEPARTMENT**

**CITY OF
CEDAR RAPIDS, IOWA**

CITY OF CEDAR RAPIDS, IOWA

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December 29, 2009

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

The City of Cedar Rapids, Iowa, is required by various state and federal regulations to publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to these requirements, the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Rapids, Iowa (City) for the fiscal year ended June 30, 2009 as prepared by the Finance Department is hereby submitted in accordance with the provisions of Chapter 11.6 of the Code of Iowa.

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

McGladrey & Pullen, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2009. The independent auditor’s report is located at the front of the financial section of this report.

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

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

PROFILE OF THE CITY OF CEDAR RAPIDS

The City of Cedar Rapids, incorporated in 1849, is located twenty-five miles north of Iowa City and one hundred-thirty miles east of Des Moines, the State Capitol. Cedar Rapids is an important manufacturing, service, and trade area servicing an eight county area with a combined population estimated at 419,245 and occupies 71 square miles. The population of Linn County based upon the 2005 census is 198,903 of which 122,206 reside within Cedar Rapids. The City of Cedar Rapids is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

In June 2008, record floods besieged communities throughout the Midwestern United States. Among the many communities that suffered flood-related damage, Cedar Rapids, Iowa was by far the most severely devastated. The cost and damage statistics from flood waters that reached 31.12 feet above flood level and covered 10 square miles of the City are staggering. The recovery costs are estimated to be as much as \$5 billion dollars and it will take as long as 15 years to complete the demolition, reconstruction, and installation of adequate flood protection for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with recovery efforts.

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

Regionalism continues to be the focus of our economic development initiatives. The state's first regional laborshed study was completed and confirmed that the Cedar Rapids/Iowa City Technology Corridor™ has one work force. Priority One, the economic development arm of the Cedar Rapids Chamber of Commerce, reported the following accomplishments for the past decade:

- New job creation: 14,394 jobs
- New business attractions: 59 companies
- Existing business expansions: 209 local expansions
- Total capital investment: \$2,149,617,000

In addition, the 2008 Laborshed Study, conducted by the Workforce Research Bureau of Iowa Workforce Development, reveals the Technology Corridor laborshed region has grown. Based on figures in the 2008 study, the potential available labor force in the Cedar Rapids area is estimated to be 100,983. That amount is up from 88,500 in the 2005 study. The increase reflects growth in the laborshed area, new population growth, increased numbers of people willing to re-enter the workforce and travel to the region's central nodes for work.

The largest concentrations of workers in the Technology Corridor are employed in the following four areas: manufacturing, health care & social services, education, and wholesale & retail trade. The top industries of the area are manufacturing, public administration & government, and construction.

The City of Cedar Rapids began the Neighborhood Planning Process in January 2009 immediately following a comprehensive planning process for a new flood management strategy. Both planning processes were a result of the record flooding that occurred in June 2008. The NPP was designed based on benchmark communities recognized for their high quality neighborhood planning activities and was tailored to incorporate elements specific to Cedar Rapids' unique situation. Under normal circumstances, a community commits to creating one neighborhood plan in a four to six month period. The NPP, through the dedication of residents and staff, was able to create a plan for 10 neighborhoods in four short months. The process ensured transparency and secured broad public participation in the development of the framework plan for reinvestment. A citizen-led Steering Committee was appointed to ensure the process remained focused on the goals that were originally established. By the end of the NPP, the Community had created a framework plan for reinvestment and action steps to accomplish this plan that will be implemented over the next 10 to 15 years.

The City has also partnered with local organizations and businesses to launch an effort to bring the talents of a diverse work force from around the world to this region. This effort is essential for Technology Corridor businesses to compete in a global economy and the City has pledged financial support for this project through calendar year 2010.

Cedar Rapids' unemployment rate of 6.0% increased for fiscal year ending 2009, but is lower than the state unemployment rate of 6.2% as well as the national unemployment rate of 9.5% for the same time period.

The Cedar Rapids MSA mean household income in 2009 was \$62,605 as compared to \$69,349 in 2008. These amounts are presented in current dollar.

Retail sales in the metro area increase to \$3.48 billion for calendar year 2009 compared to \$3.36 billion in calendar year 2008. Of this total, \$2.89 billion was generated in Cedar Rapids.

The total value of building permits in FY 2009 was approximately \$289.0 million. This compares with an amount of \$296 for FY 2008. This amount represents a decrease of 2.4 percent from the previous fiscal year.

Long-term financial planning

Unreserved fund balance in the general fund was \$32.1 million or 37.6 percent of total general fund budgeted expenditures for fiscal year 2009. This percentage falls within the City's policy guidelines for reserves, which at a minimum must be 25 percent of next fiscal year's budgeted general fund expenditures as established by Council resolution. By maintaining an appropriate reserve balance the City is able to react to both known and unknown events that will have an impact on the City finances without disrupting services provided to its citizens in the short term.

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

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

Relevant financial policies

Internal Controls

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

Single Audit

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

Budgetary Controls

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

In terms of long-range planning, the City, in compliance with a Council resolution, annually develops and issues a ten-year capital improvements program, which is funded primarily through the sale of general obligation bonds and federal and state grants. All operating departments are also required to submit a ten-year capital equipment program as part of the annual operating budget process.

Debt Administration

The City's debt management policy strives to repay 30 to 60 percent of the principal amount of its general obligation debt within five years and at least 60 percent within ten fiscal years. Capital projects financed through issuance of debt are programmed to be paid off completely within the expected useful life of the capital project. Currently, the City is on pace to repay over 78 percent of its debt within ten fiscal years. Moody's Investor Services continues to rate the City's general obligation bonds Aaa. This rating is predicated on the City's strong financial management, a diverse and substantial economic and tax base, and a low debt burden with a rapid payout. FY09 marked our thirty-seventh anniversary of maintaining this rating.

Cash Management

The City maintains almost all deposits, except for those funds that must maintain their demand deposits separately, in one demand deposit account in the General Fund. The majority of the City's investments are

handled through an investment pool. This concept provides for greater investment earnings, which are then allocated on a systematic basis.

Risk Management

The City's risk management program strives to protect the City's assets in a cost effective and responsible manner using a combination of the four recognized methods of treating risks: elimination, reduction, transfer, and retention. Safety and loss prevention programs help reduce the City's exposure to risks. Those risks that cannot be eliminated or reduced are either transferred or retained. Funded self-retention of risks is being employed not only because it is cost effective but it also enables the City to: stabilize insurance costs; build a fund to provide a reliable and constant source of funds to pay claims; and provide a high level of service by handling claims promptly and courteously. In fiscal year 2009, the City transferred its risk through the purchase of liability insurance to cover its airport, underground fuel storage tanks, five vehicles, lead paint hazard control program and liquor liability. The City retains or "self-insures" without excess insurance, the rest of its general liability, errors and employment practices liability, police liability, auto liability, and bus liability. The City also self-insures its workers compensation and dental benefits without stop loss insurance. A combination of risk transfer and risk retention is employed in handling the City's property and health insurance exposures. Property insurance and health insurance are purchased with large deductibles. The City accounts for and finances its retained risks through the Risk Management Internal Service Fund. In compliance with Statement 10 of the Governmental Accounting Standards Board, the City's financial statements show as an expense and liability, the estimated cost of all claims which have occurred. Claim liabilities are based on the estimated total cost of all claims including claims reported but not settled, and claims incurred but not reported. The tort liability and workers' compensation claims liabilities are shown at a 95% confidence level, as determined by an independent actuary, in the City's June 30, 2009, financial statements. The amount of incurred but unpaid health and dental bills were determined by an independent actuary along with calculations to comply with Statement 45 of the Governmental Accounting Standards Board.

AWARDS AND ACKNOWLEDGEMENTS

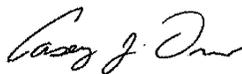
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids, Iowa, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-eight consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,


Jim Prosser
City Manager


Casey J. Drew, CPA
Finance Director

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cedar Rapids
Iowa

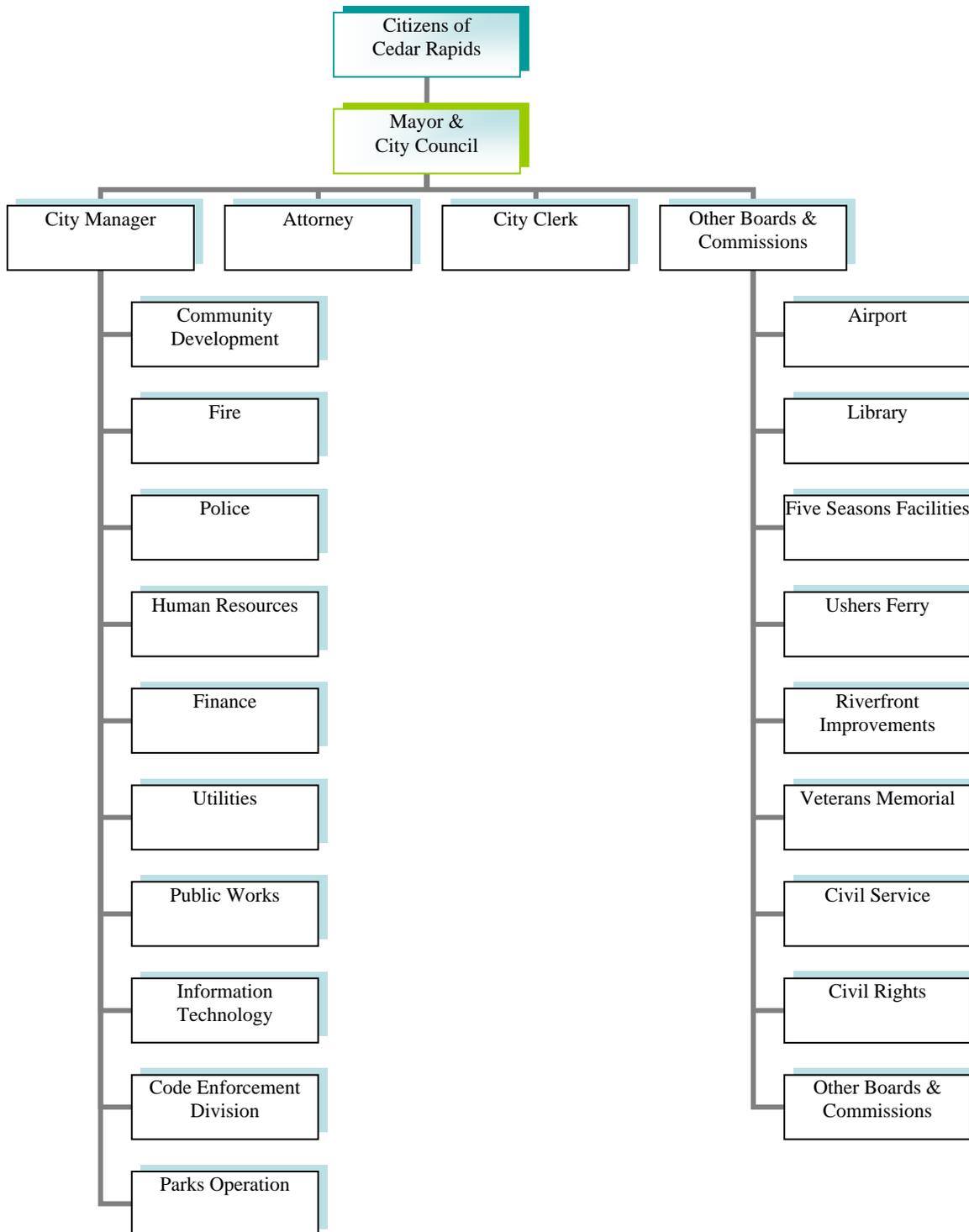
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



CITY OF CEDAR RAPIDS, IOWA

City Manager Form of Government

CITY COUNCIL

Kay B. Halloran
Mayor

Brian J. Fagan
At-Large

Tomas A. Podzimek
At-Large

Patrick S. Shey
At-Large

Kris G. Gulick
District 1

Monica W. Vernon
District 2

Jerome W. McGrane
District 3

Charles H. Wieneke
District 4

Justin K. Shields
District 5

STAFF

Casey J. Drew, CPA
Finance Director

Jim D. Prosser
City Manager

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cedar Rapids, Iowa's management. 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. The financial statements of the Cedar Rapids Public Library Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009 on our consideration of the City of Cedar Rapids, Iowa'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion & Analysis, the budgetary comparison information and the City of Cedar Rapids, Iowa Retiree Healthcare Plan schedule of funding progress on pages 14 through 22 and 67 through 70, respectively are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedar Rapids, Iowa's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
December 18, 2009

Management's Discussion and Analysis

As management of the City of Cedar Rapids, Iowa, we offer readers of the City of Cedar Rapids' financial statements this narrative overview and analysis of the financial statements of the City of Cedar Rapids for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

In June 2008, record floods besieged communities throughout the Midwestern United States. Among the many communities that suffered flood-related damage, Cedar Rapids, Iowa was by far the most severely devastated. The cost and damage statistics from flood waters that reached 31.12 feet above flood level and covered 10 square miles of the City are staggering. The recovery costs are estimated to be as much as \$5 billion dollars and it will take as long as 15 years to complete the demolition, reconstruction, and installation of adequate flood protection for the neighborhoods and downtown business district. The City continues to work closely with federal and state agencies to assist the City with recovery efforts.

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

Financial Highlights

- The assets of the City of Cedar Rapids exceeded its liabilities at the close of June 30, 2009, by \$592.3 million (net assets). Of this amount, \$203.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total assets increased by approximately \$54,700,000.
- At the close of the current fiscal year, the City of Cedar Rapids' governmental funds reported combined ending fund balances of \$109.0 million, a decrease of 20.2 percent as compared to the prior fiscal year.
- At the end of the current fiscal year, unreserved fund balance and targeted fund balance for the general fund was \$32.1 million, or 37.6 percent of the total general fund expenditures.
- Total debt decreased by \$12.0 million during the current fiscal year. The City issued \$31.725 million of new bonds and retired \$57.6 million of existing bonds.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets. The Statement of Net Assets presents information on all of the City of Cedar Rapids' assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Statement of Net Assets for the Fiscal Years Ended June 30, 2009 and 2008:

A condensed version of the Statement of Net Assets as of June 30, 2009 and 2008 follows:

	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2009	2008
	2009	2008	2009	2008	2009	2008
Cash and investments	\$ 190.6	\$ 226.5	\$ 1.4	\$ 1.9	\$ 192.0	\$ 228.4
Restricted assets	51.3	41.3	16.0	40.8	67.3	82.1
Other assets	92.0	49.6	82.4	77.1	174.4	126.7
Capital assets	333.5	300.1	325.2	300.4	658.7	600.5
Total assets	667.4	617.5	425.0	420.2	1,092.4	1,037.7
Other liabilities	175.4	166.0	40.4	37.2	215.8	203.0
Noncurrent liabilities	123.0	109.3	161.3	163.2	284.3	272.7
Total liabilities	298.4	275.3	201.7	200.4	500.1	475.7
Net assets:						
Invested in capital assets, net of debt	202.5	215.8	151.8	156.7	354.3	372.5
Restricted	34.9	46.3	0.1	0.2	35.0	46.5
Unrestricted (deficit)	131.6	80.1	71.4	62.9	203.0	143.0
Total net assets	\$ 369.0	\$ 342.2	\$ 223.3	\$ 219.8	\$ 592.3	\$ 562.0

Governmental Activities

Net assets increased \$26.8 million or 7.8 percent. The change is mainly an increase in improvements & structures due increase in infrastructure capital projects, an increase in due from other governments due to grant money earned but not received as of June 30, 2009, a decrease in cash and investments due to increase in expenditures related to flood recovery.

Business-Type Activities

Total net assets increased 1.6% for fiscal year 2009. The increase is mainly due to an increase in improvements and structures due to incinerator & sewer capital projects and a decrease in restricted assets is due to the defeasement of bonds that were crossed over in FY 2009.

Statement of Activities for the Fiscal Years Ended June 30, 2009 and 2008:

A condensed version of the Statement of Activities as of June 30, 2009 and 2008 follows:

Table 2
Governmental and Business-type Activities
For Fiscal Years Ending June 30, 2009 and 2008
(in millions)

	Governmental		Business-type		2009	2008
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues						
Charges for services	\$ 22.5	\$ 12.7	\$ 73.2	\$ 69.7	\$ 95.7	\$ 82.4
Operating grants and contributions	95.7	32.5	3.4	3.2	99.1	35.7
Capital grants and contributions	54.5	11.3	2.9	2.2	57.4	13.5
General revenues:						
Property taxes	82.3	78.2	3.7	3.0	86.0	81.2
Hotel-motel taxes	2.9	2.6	-	-	2.9	2.6
Local option sales taxes	4.3	-	-	-	4.3	-
Franchise taxes	1.4	1.4	-	-	1.4	1.4
Investment income	2.9	7.6	2.2	5.3	5.1	12.9
Gain on sale of capital assets	-	0.4	-	-	-	0.4
Total revenues	266.5	146.7	85.4	83.4	351.9	230.1
Expenses						
Public safety	53.0	45.1	-	-	53.0	45.1
Public works	31.6	26.5	-	-	31.6	26.5
Culture and recreation	18.6	14.9	-	-	18.6	14.9
Community and economic development	69.0	16.7	-	-	69.0	16.7
General government	62.9	27.0	-	-	62.9	27.0
Debt service	5.5	6.1	-	-	5.5	6.1
Water	-	-	22.3	20.9	22.3	20.9
Water pollution control	-	-	24.8	40.4	24.8	40.4
Sanitary sewer	-	-	6.8	6.3	6.8	6.3
Ground transportation system	-	-	8.5	14.4	8.5	14.4
Parking system	-	-	3.7	5.5	3.7	5.5
Solid waste management	-	-	7.5	6.8	7.5	6.8
Golf	-	-	3.0	3.1	3.0	3.1
U.S. cellular center	-	-	2.1	1.9	2.1	1.9
Paramount theatre	-	-	0.5	4.5	0.5	4.5
Ice arena	-	-	1.8	1.7	1.8	1.7
Total expenses	240.6	136.3	81.0	105.5	321.6	241.8
Increase in net assets before special						
Items and transfers	25.9	10.4	4.4	(22.1)	30.3	(11.7)
Transfers	0.9	2.1	(0.9)	(2.1)	-	-
Changes in net assets	26.8	12.5	3.5	(24.2)	30.3	(11.7)
Beginning net assets	342.2	329.7	219.8	244.0	562.0	573.7
Ending net assets	<u>\$ 369.0</u>	<u>\$ 342.2</u>	<u>\$ 223.3</u>	<u>\$ 219.8</u>	<u>\$ 592.3</u>	<u>\$ 562.0</u>

Governmental Activities

Charges for services make up 8.47 percent of governmental revenues. Operating and capital grants, primarily due to street projects and flood recovery grants, make up another 56.3 percent of governmental revenues. The remaining revenue comes from taxes, primarily property taxes, and interest revenue.

Business-type Activities

As expected, charges for services is the primary revenue source for business-type activities. Water fees, wastewater fees, and sanitary sewer charges are the primary charges for services that make up 85.7 percent of charges for services. Operating and capital grants make up 7.3 percent of overall revenue, grants for ground transportation system make up 54 percent of this amount.

Fund Financial Statements

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

Governmental Funds

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

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

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

The General Fund revenues increased \$8.6 million or 17.1%, while expenditures increased 9.9 percent over the prior year thus resulting in a decrease in the change in fund balance of \$3.1 million compared to an increase in FY 2008 of \$5.4 million. The majority of the increase in the General Fund expenditures was purchased services, which increased \$5.2 million and personal services, which increased \$2.9 million. The increase in purchase services is due to general fund departments being charged for internal services, which is new in FY09. Personal services increased due to an increase in full-time equivalent positions due to the 2008 flood. The City has continued to maintain its targeted unreserved fund balance policy of 25 percent of the next year's expenditure budget in the General Fund as it was at 37.6 percent. Infrastructure construction fund expenditures increased by 107.4 percent due to 2008 flood recovery costs and street improvements, and operating and capital grant revenue decreased 12.6 percent, resulting in a decrease in fund balance of \$11.4 million as compared to an increase of \$5.5 million in the prior year. The Debt Service Fund had a decrease in its fund balance by \$7.4 million primarily due to a defeasement of crossover

refunding bonds issued in FY 2007. The total amount of the defeasement was \$8.265 million. The Employee Benefits Fund had an increase in its fund balance by \$0.3 million. The change in fund balance is due to an increase in property taxes collected and an increase in employee benefits. The increase in employee benefits is due to a higher cost of health insurance. The Flood Fund had a decrease in fund balance of \$9.5 million resulting in a negative fund balance of \$18.9 million. The negative fund balance is due to a delay between expenditures and receiving reimbursement from federal and state funding and is expected to be temporary. In FY 2009, the citizens of Cedar Rapids approved a one-percent local option sales tax to pay for flood recovery and ten-percent property tax relief. The fund balance is \$3.8 million.

Proprietary Funds

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

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

Water operating revenues increased 8.4 percent over the prior year while operating expenses increased 6.8 percent thus increasing the net operating income from \$3.9 million in FY 2008 to \$4.5 million in FY 2009. The change in net assets increased \$2.4 million. The \$1.9 million increase in Water operating revenue is due to an increase in utility rates by 18.98% and reduction in customers due to 2008 flood. Water operating expenditures increased due to an increase in non-personal services. Water Pollution Control's change in net assets is \$0.9 million as compared to a decrease of \$16.6 million in FY 2008 mainly due to an increase in utility rates by 5.02%. Sanitary Sewer's operating revenues increased 14.3 percent while operating expenses increased 15.3 percent thus increasing the net change in assets to \$3.8 million in FY 2009 as compared to an increase of \$3.7 million in FY 2008. Sanitary Sewer's operating revenues increase was due to a 12.27 percent increase in utility rates, and operating expenses increase was due to an increase in non-personal services, primarily in accounting services and other internal service charges.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-65 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71-85 of this report.

Budgetary Highlights

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

The City had one budget amendment during the fiscal year that is our common practice. This amendment increased the expenditure budget by \$282.9 million to a total of \$662.2 million. This represented a 74.6 percent increase. The increase is primarily due to an increase of operating costs and capital equipment in the Fleet Services internal service fund, due to the reorganization and system upgrades in Information Technology, the payment of the cross-over refunding bonds, several enterprise funds had increase in operating costs due to 2008 flood and internal charges, and the changes in priority of capital projects in the governmental funds. Actual expenditures were \$456.0 million.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2009, the City had invested \$658.7 million in capital assets as reflected in the following table. This investment includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges.

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 34.0	\$ 31.6	\$ 12.3	\$ 12.3	\$ 46.3	\$ 43.9
Building and structures	35.0	36.2	75.6	74.5	110.6	110.7
Improvements other than buildings	234.9	217.8	186.5	180.5	421.4	398.3
Machinery and equipment	18.0	12.4	10.8	11.5	28.8	23.9
Construction in progress	11.6	2.1	40.0	21.6	51.6	23.7
Total	<u>\$ 333.5</u>	<u>\$ 300.1</u>	<u>\$ 325.2</u>	<u>\$ 300.4</u>	<u>\$ 658.7</u>	<u>\$ 600.5</u>

The following table reconciles the change in capital assets. Included with additions is construction in progress balances. The amount for governmental activities is \$333.5 million that represents an 11.1 percent increase. For business type activities the amount is \$325.2 million that is an 8.3 percent decrease. Detail of this summary is presented on pages 48-49 of the notes.

Table 4
Change in Capital Assets
(in millions)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Beginning Balance	\$ 300.1	\$ 300.6	\$ 300.4	\$ 317.3	\$ 600.5	\$ 617.9
Additions	49.2	22.4	46.2	25.2	95.4	47.6
Retirement	(1.7)	(8.6)	(6.6)	(35.6)	(8.3)	(44.2)
Depreciation	(14.1)	(14.3)	(14.8)	(6.5)	(28.9)	(20.8)
Ending Balance	\$ 333.5	\$ 300.1	\$ 325.2	\$ 300.4	\$ 658.7	\$ 600.5

Governmental Activities

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

- Street Improvements, \$19.0 million or 38.6% of total additions
- New Bridges on Edgewood Road and 33rd Avenue, \$4.1 million or 8.3% of total additions
- Fleet purchases, \$4.2 million or 8.6% of total additions
- Replacement of equipment damaged in June 2008 flood, \$2.9 million or 5.8% of total additions
- Storm Sewer Improvements, \$2.6 million or 5.2% of total additions

Business-type Activities

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

- Improvements at Water Pollution Control plant, \$14.1 million or 30.5% of total additions
- Sanitary Sewer improvements, \$5.1 million or 11.1% of total additions
- Improvements at Water Distribution plant, \$0.9 million or 2.0% of total additions

Additional information on the City of Cedar Rapids' capital assets can be found in notes 7 on pages 48-50 of this report.

Debt Administration

The amount of debt outstanding at fiscal year end was \$321.5 million as compared to \$307.8 million last fiscal year. The increase in debt in FY09 is due to issuance of \$31.7 million in general obligation bonds, \$14.8 in refunding bonds, and \$23.1 in state revolving fund loans for water and wastewater projects. Of the total debt outstanding, \$138.6 million is backed by the full faith and credit of the City. The remainder is general obligation debt and loans abated by enterprise revenues.

Table 5
Outstanding Debt at Year End
(in millions)

	Totals	
	2009	2008
Governmental		
General obligation	\$ 138.6	\$ 124.1
Note payable	-	0.6
Business-type		
General obligation		
Abated by:		
Water	87.3	78.0
Water Pollution Control	60.3	62.5
Sanitary Sewer	25.1	29.8
Others	10.2	12.8
Sub-totals	182.9	183.1
Totals	\$ 321.5	\$ 307.8

Moody's Investor Services continues to rate the City's general obligation bonds Aaa.

For more detailed information on the City's debt and amortization terms, please refer to page 51 of the Notes to the Financial Statements.

Economic Factors

Cedar Rapids' unemployment rate of 6.0% increased for fiscal year ending 2009, and is lower than the state unemployment rate of 6.2% as well as the national unemployment rate of 9.5% for the same time period.

The Cedar Rapids MSA mean household income in 2009 was \$62,605 as compared to \$69,349 in 2008. These amounts are presented in current dollar.

Retail sales in the metro area increase to \$3.48 billion for calendar year 2009 compared to \$3.36 billion in calendar year 2008. Of this total, \$2.89 billion was generated in Cedar Rapids.

The total value of building permits in FY 2009 was approximately \$289.0 million. This compares with an amount of \$296 for FY 2008. This amount represents a decrease of .02 percent from the previous fiscal year.

Next Year's Budget and Rates

Approximately 74 percent of our operating costs in the General fund are for Personal Services. Changes in Personal Services can be due to changes in the pay rates, changes in benefits and cost of benefits, changes in number of employees, or any combination of these. The Personal Services within the General Fund increased by \$3.1 million or an increase of 4.79 percent. Non-Personal Services were increased by \$2.0 million or 9.7 percent.

Water, Sewer, and Solid Waste fees combined are expected to increase approximately 11.61 percent in FY2010 for the average residential customer. The amount of dollar increase on the average residential user (usage of 10 units of water per month) will be \$13.77 bimonthly. Even with these increases in rates, our combined water and sewer rates are still far below other large cities in Iowa that provide similar services.

The tax levy for bus operations and capital will increase to 78.458 cents/\$1000 that will result in an increase of approximately \$276,602 in revenues. State law provides the City could levy up to \$.95/1000 as a part of the transit levy.

Financial Information Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the Finance Department at 3851 River Ridge Drive NE, Cedar Rapids, Iowa, 52402.

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

City of Cedar Rapids, Iowa
Statement of Net Assets
June 30, 2009

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
ASSETS						
Current assets:						
Cash and investments	\$ 190,551,701	\$ 1,410,199	\$ 191,961,900	\$ 12,670	\$ 21,940,582	\$ -
Receivables:						
Taxes	89,300,439	4,033,850	93,334,289	-	-	-
Accounts and unbilled usage, net						
\$260,576 of allowance for doubtful accounts	2,809,027	9,326,594	12,135,621	1,024,911	751,664	-
Special assessments	1,812,977	-	1,812,977	-	-	-
Interest	758,742	3,510	762,252	-	27,460	-
Internal balances, net	(63,553,431)	63,553,431	-	-	-	-
Due from primary government	-	-	-	31,206,695	-	-
Due from other governments	54,088,496	3,281,565	57,370,061	742,680	2,259,553	-
Notes receivable	2,925,000	-	2,925,000	-	-	-
Inventories	2,001,610	899,229	2,900,839	-	-	-
Prepaid items	1,076,158	135,003	1,211,161	4,667	36,844	-
Deferred charges	812,153	1,161,018	1,973,171	26,405	-	-
Restricted assets:						
Cash and investments	51,336,590	16,001,646	67,338,236	-	-	3,432,277
Total current assets	333,919,462	99,806,045	433,725,507	33,018,028	25,016,103	3,432,277
Noncurrent assets:						
Notes receivable	-	-	-	-	862,258	-
Land	33,994,141	12,330,403	46,324,544	8,832,230	3,657,920	-
Buildings and structures	62,560,522	201,192,218	263,752,740	65,704,093	2,294,792	-
Improvements other than buildings	355,279,640	286,476,597	641,756,237	69,491,837	12,751,532	-
Machinery and equipment	45,444,508	37,986,701	83,431,209	5,620,090	6,967,412	4,341
Accumulated depreciation	(175,335,447)	(252,769,257)	(428,104,704)	(61,563,517)	(8,554,004)	(3,855)
Construction in progress	11,565,200	39,970,964	51,536,164	23,694,891	2,401,556	-
Total noncurrent assets	333,508,564	325,187,626	658,696,190	111,779,624	20,381,466	486
Total assets	667,428,026	424,993,671	1,092,421,697	144,797,652	45,397,569	3,432,763
LIABILITIES						
Current liabilities:						
Vouchers payable	17,080,174	6,707,212	23,787,386	1,162,271	1,062,849	7,963
Contracts payable	2,681,456	2,398,469	5,079,925	295,495	-	-
Claims and judgments payable	7,640,300	-	7,640,300	-	-	-
Accrued expenses	2,241,969	820,416	3,062,385	63,047	57,587	-
Revenues collected in advance	440,498	166,507	607,005	-	34,760	-
Unearned revenues	85,538,802	4,119,266	89,658,068	191,443	-	-
Due to component unit	31,206,695	-	31,206,695	-	-	-
Due to employees	8,803	-	8,803	-	-	-
Due to other governments	2,437,195	174,913	2,612,108	-	213,836	-
Due to general public	329,217	743	329,960	-	-	-
Security deposits	910	288,489	289,399	2,979	38,000	-
General obligation bonds payable	20,175,021	23,850,848	44,025,869	494,132	-	-
Unamortized bond premium	63,931	133,023	196,954	2,211	-	-
Interest payable	548,907	505,652	1,054,559	10,915	-	-
Closure/post closure landfill	-	-	-	-	1,118,293	-
Compensated absences	5,022,365	1,188,757	6,211,122	203,517	112,978	-
Note Payable	-	-	-	-	-	-
Total current liabilities	175,416,243	40,354,295	215,770,538	2,426,010	2,638,303	7,963
Noncurrent liabilities:						
General obligation bonds payable	118,430,511	118,619,423	237,049,934	2,460,065	-	-
Closure/post closure landfill	-	780,210	780,210	-	14,901,474	-
Unamortized bond premium	806,428	1,448,910	2,255,338	23,259	-	-
Note Payable	-	40,393,446	40,393,446	-	-	-
Post-employment liabilities	3,289,798	-	3,289,798	-	-	-
Compensated absences	448,763	90,604	539,367	943	-	-
Total noncurrent liabilities	122,975,500	161,332,593	284,308,093	2,484,267	14,901,474	-
Total liabilities	298,391,743	201,686,888	500,078,631	4,910,277	17,539,777	7,963
NET ASSETS						
Invested in capital assets, net of related debt	202,547,673	151,831,976	354,379,649	108,799,957	19,519,208	486
Restricted for:						
Closure/post closure landfill	-	-	-	-	15,847,587	-
Compost site closure	-	-	-	-	425,000	-
Donor restrictions	-	-	-	-	-	1,634,826
Debt service	13,028,667	39,979	13,068,646	-	-	-
Other special revenue	7,091,955	-	7,091,955	-	-	-
Tax increment financing projects	8,467,717	-	8,467,717	-	-	-
Road construction projects	2,973,699	-	2,973,699	-	-	-
SSMID projects	278,245	-	278,245	-	-	-
Employee benefits	3,087,298	-	3,087,298	-	-	-
Unrestricted	131,561,029	71,434,828	202,995,857	31,087,418	(7,934,003)	1,789,488
	\$ 369,036,283	\$ 223,306,783	\$ 592,343,066	\$ 139,887,375	\$ 27,857,792	\$ 3,424,800

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

**City of Cedar Rapids, Iowa
Statement of Activities
For the Year Ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety	\$ 52,957,555	\$ 3,457,851	\$ 2,481,375	\$ 20,576
Public works	31,597,955	3,153,404	15,519,134	9,595,543
Culture and recreation	18,600,493	2,202,798	3,374,928	596,528
Community and economic development	69,037,194	1,236,449	21,909,102	44,114,704
General government	62,868,795	12,418,618	52,367,301	152,098
Interest on long-term debt	5,499,749	-	-	-
Total governmental activities	<u>240,561,741</u>	<u>22,469,120</u>	<u>95,651,840</u>	<u>54,479,449</u>
Business-type activities:				
Water	22,260,320	23,902,932	-	892,198
Water pollution control	24,761,524	25,191,014	-	1,017
Sanitary sewer	6,844,499	9,190,139	461	665,071
Ground transportation system	8,477,644	542,621	3,380,960	184,491
Parking system	3,736,096	1,953,982	-	1,094,279
Solid waste management	7,497,821	6,832,953	926	23,641
Golf	3,045,868	2,536,505	-	9,287
U.S. Cellular center	2,075,918	2,105,960	-	-
Paramount theatre	469,615	2,386	-	-
Ice arena	1,765,892	954,920	-	-
Total business-type activities	<u>80,935,197</u>	<u>73,213,412</u>	<u>3,382,347</u>	<u>2,869,984</u>
Total primary government	<u><u>321,496,938</u></u>	<u><u>95,682,532</u></u>	<u><u>99,034,187</u></u>	<u><u>57,349,433</u></u>
Component units:				
Airport	12,188,609	13,596,021	62,509	7,033,765
Cedar Rapids / Linn County Solid Waste Agency	9,830,535	11,565,096	1,360,744	-
Cedar Rapids Public Library Foundation	285,962	205,040	-	-
Total component units	<u><u>22,305,106</u></u>	<u><u>25,366,157</u></u>	<u><u>1,423,253</u></u>	<u><u>7,033,765</u></u>

General revenues:
Property taxes
Hotel-Motel taxes
Local option sales taxes
Franchise taxes
Investment income
Gain on sale of capital assets
Transfers
Total general revenues
and transfers
Change in net assets
Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
\$ (46,997,753)	\$ -	\$ (46,997,753)	\$ -	\$ -	\$ -
(3,329,874)	-	(3,329,874)	-	-	-
(12,426,239)	-	(12,426,239)	-	-	-
(1,776,939)	-	(1,776,939)	-	-	-
2,069,222	-	2,069,222	-	-	-
(5,499,749)	-	(5,499,749)	-	-	-
<u>(67,961,332)</u>	<u>-</u>	<u>(67,961,332)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2,534,810	2,534,810	-	-	-
-	430,507	430,507	-	-	-
-	3,011,172	3,011,172	-	-	-
-	(4,369,572)	(4,369,572)	-	-	-
-	(687,835)	(687,835)	-	-	-
-	(640,301)	(640,301)	-	-	-
-	(500,076)	(500,076)	-	-	-
-	30,042	30,042	-	-	-
-	(467,229)	(467,229)	-	-	-
-	(810,972)	(810,972)	-	-	-
-	<u>(1,469,454)</u>	<u>(1,469,454)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(67,961,332)</u>	<u>(1,469,454)</u>	<u>(69,430,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	8,503,686	-	-
-	-	-	-	3,095,305	-
-	-	-	-	-	(80,922)
-	-	-	<u>8,503,686</u>	<u>3,095,305</u>	<u>(80,922)</u>
82,304,313	3,724,950	86,029,263	-	-	-
2,922,240	-	2,922,240	-	-	-
4,254,513	-	4,254,513	-	-	-
1,422,897	-	1,422,897	-	-	-
2,958,322	2,206,122	5,164,444	527,928	576,237	-
26,159	-	26,159	-	-	-
915,214	(915,214)	-	-	-	-
<u>94,803,658</u>	<u>5,015,858</u>	<u>99,819,516</u>	<u>527,928</u>	<u>576,237</u>	<u>-</u>
26,842,326	3,546,404	30,388,730	9,031,614	3,671,542	(80,922)
342,193,957	219,760,379	561,954,336	130,855,761	24,186,250	3,505,722
<u>\$ 369,036,283</u>	<u>\$ 223,306,783</u>	<u>\$ 592,343,066</u>	<u>\$ 139,887,375</u>	<u>\$ 27,857,792</u>	<u>\$ 3,424,800</u>

City of Cedar Rapids, Iowa
Balance Sheet
Governmental Funds
June 30, 2009

	General	Infrastructure Construction	Debt Service	Employee Benefits	Flood	Local Option Sales Tax	Other Governmental Funds	Total
ASSETS								
Cash and investments	\$ 184,193,327	\$ 16,445,693	\$ 853,881	\$ -	\$ 14,590,188	\$ -	\$ 12,394,335	\$ 228,477,424
Receivables:								
Taxes	43,769,659	-	12,484,377	14,636,413	-	2,614,342	15,795,648	89,300,439
Accounts and unbilled usage, net	-	-	-	-	-	-	-	-
\$221,242 of allowance for doubtful accounts	1,155,941	72,892	-	449	(238)	-	1,039,632	2,268,676
Special assessments	113,651	1,699,326	-	-	-	-	-	1,812,977
Interest	749,547	-	-	-	-	-	6,424	755,971
Advance to other funds	88,000	-	-	-	-	-	-	88,000
Due from other funds	-	27,597,172	3,619,927	3,573,615	-	1,215,228	20,380,158	56,386,100
Due from other governments	107,757	4,883,626	-	-	45,689,689	-	3,355,955	54,037,027
Notes Receivable	-	-	-	-	-	-	2,925,000	2,925,000
Inventories	826,698	-	-	-	5,474	-	30,012	862,184
Prepaid items	187,409	1,058	-	-	23,411	-	379,240	591,118
Restricted assets:								
Cash and investments	-	-	8,544,522	-	-	-	-	8,544,522
Total assets	<u>231,191,989</u>	<u>50,699,767</u>	<u>25,502,707</u>	<u>18,210,477</u>	<u>60,308,524</u>	<u>3,829,570</u>	<u>56,306,404</u>	<u>446,049,438</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers payable	641,947	3,313,763	128,100	53,279	8,188,631	-	2,441,858	14,767,578
Contracts payable	-	604,495	-	-	2,053,147	-	23,814	2,681,456
Accrued expenditures	1,593,505	-	-	-	-	-	511,329	2,104,834
Revenues collected in advance	266,972	-	-	243	15,155	-	158,128	440,498
Deferred revenues	43,281,277	4,992,269	12,345,940	14,441,698	37,743,987	-	17,529,603	130,334,774
Due to other funds	118,457,884	-	-	-	31,170,787	-	144,457	149,773,128
Advance from other funds	-	-	-	-	-	-	2,992,000	2,992,000
Due to component unit	31,206,695	-	-	-	-	-	-	31,206,695
Due to general public	-	-	-	-	-	-	329,217	329,217
Due to employees	-	-	-	8,803	-	-	-	8,803
Due to other governments	706,638	1,111,345	-	619,020	-	-	192	2,437,195
Security deposits	274	-	-	136	-	-	500	910
Total liabilities	<u>196,155,192</u>	<u>10,021,872</u>	<u>12,474,040</u>	<u>15,123,179</u>	<u>79,171,707</u>	<u>-</u>	<u>24,131,098</u>	<u>337,077,088</u>
Fund balances:								
Reserved for:								
Notes receivable	-	-	-	-	-	-	2,500,000	2,500,000
Advance to other funds	88,000	-	-	-	-	-	-	88,000
Prepaid items	187,409	1,058	-	-	23,411	-	379,240	591,118
Encumbrances	1,623,677	12,929,338	-	-	-	-	3,773,214	18,326,229
Inventories	826,698	-	-	-	5,474	-	30,012	862,184
Future construction	169,256	-	-	-	-	-	-	169,256
Employee retirement	-	-	-	-	-	-	1,638,713	1,638,713
Debt service	-	-	13,028,667	-	-	-	-	13,028,667
Unreserved, designated:								
Targeted fund balance	23,014,600	-	-	-	-	-	-	23,014,600
Unreserved, undesignated reported in:								
General fund	9,127,157	-	-	-	-	-	-	9,127,157
Special revenue funds	-	-	-	3,087,298	-	3,829,570	16,833,037	23,749,905
Capital projects funds	-	27,747,499	-	-	(18,892,068)	-	7,021,090	15,876,521
Total fund balances	<u>35,036,797</u>	<u>40,677,895</u>	<u>13,028,667</u>	<u>3,087,298</u>	<u>(18,863,183)</u>	<u>3,829,570</u>	<u>32,175,306</u>	<u>108,972,350</u>
Total liabilities and fund balances	<u>\$ 231,191,989</u>	<u>\$ 50,699,767</u>	<u>\$ 25,502,707</u>	<u>\$ 18,210,477</u>	<u>\$ 60,308,524</u>	<u>\$ 3,829,570</u>	<u>\$ 56,306,404</u>	<u>\$ 446,049,438</u>

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

City of Cedar Rapids, Iowa
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2009

Fund balances-total governmental funds		\$ 108,972,350
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.		324,731,651
Other long-term assets not available to pay for current-period expenditures and, therefore, are deferred in the funds		44,795,972
Internal service funds:		
Capital assets	8,776,913	
Other current assets	7,085,402	
Internal balances	36,691,570	
Other current liabilities	(11,701,816)	
Noncurrent liabilities	(3,325,942)	37,526,127
Internal service funds allocated to business-type activities		(2,684,145)
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore are not reported in the funds:		
Compensated absences	(5,093,027)	
Bonds payable	(138,605,532)	
Bond premium	(870,359)	
Accrued interest on long-term debt	(548,907)	
Deferred charges	812,153	(144,305,672)
Net assets of governmental activities		<u>\$ 369,036,283</u>

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General	Infrastructure Construction	Debt Service	Employee Benefits	Flood	Local Option Sales Tax	Other Governmental Funds	Total
Revenues:								
Property taxes	\$ 42,062,073	\$ -	\$ 10,248,787	\$ 14,812,894	\$ -	\$ -	\$ 15,180,560	\$ 82,304,314
Hotel-Motel taxes	-	-	-	-	-	-	2,977,830	2,977,830
Local option sales taxes	-	-	-	-	-	4,254,513	-	4,254,513
Franchise taxes	1,422,897	-	-	-	-	-	-	1,422,897
Licenses and permits	2,206,219	-	-	-	-	-	16,350	2,222,569
Intergovernmental	635,972	7,144,853	-	-	88,342,721	-	20,431,928	116,555,474
Charges for services	11,196,599	1,298,515	-	-	1,577	-	129,426	12,626,117
Fines and forfeits	282,655	-	-	-	-	-	6,170	288,825
Use of money and property	552,940	970,531	779,339	43,229	(370,551)	508	548,696	2,524,692
Rents and royalties	180,621	549	-	-	-	-	296,588	477,758
Miscellaneous	430,237	222,987	-	-	776,730	-	853,599	2,283,553
Total revenues	<u>58,970,213</u>	<u>9,637,435</u>	<u>11,028,126</u>	<u>14,856,123</u>	<u>88,750,477</u>	<u>4,255,021</u>	<u>40,441,147</u>	<u>227,938,542</u>
Expenditures:								
Current:								
Public safety	42,925,026	-	-	-	8,149,184	-	836,376	51,910,586
Public works	17,275,533	707,679	-	-	3,272,492	-	2,292	21,257,996
Culture and recreation	10,704,115	-	-	-	4,756,903	-	1,105,677	16,566,695
Community and economic development	2,572,789	-	-	-	48,545,295	-	17,844,843	68,962,927
General government	11,861,369	-	4,264,338	4,465	44,193,826	-	1,886,095	62,210,093
Debt service:								
Principal	-	-	21,004,817	-	-	-	650,000	21,654,817
Interest	-	-	5,363,860	-	-	-	19,284	5,383,144
Bond issuance costs	3,773	17,659	-	-	45,486	-	29,403	96,321
Capital outlay	207,100	27,481,695	-	-	12,554,086	-	1,650,079	41,892,960
Total expenditures	<u>85,549,705</u>	<u>28,207,033</u>	<u>30,633,015</u>	<u>4,465</u>	<u>121,517,272</u>	<u>-</u>	<u>24,024,049</u>	<u>289,935,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,579,492)</u>	<u>(18,569,598)</u>	<u>(19,604,889)</u>	<u>14,851,658</u>	<u>(32,766,795)</u>	<u>4,255,021</u>	<u>16,417,098</u>	<u>(61,996,997)</u>
Other Financing Sources (Uses):								
Long-term debt issued	1,213,764	4,353,602	7,225,536	-	14,633,856	-	7,185,734	34,612,492
Premium (Discount) on bonds issued	(4,962)	17,226	104,348	-	(59,823)	-	(29,375)	27,414
Settlement reimbursement	465	-	-	-	-	-	-	465
Sale of capital assets	234,495	-	-	-	-	-	130,463	364,958
Transfers in	30,947,573	4,533,151	4,884,884	-	8,834,344	-	1,682,732	50,882,684
Transfers (out)	(8,953,366)	(1,766,931)	-	(14,550,936)	-	(425,451)	(25,858,877)	(51,555,561)
Total other financing sources (uses)	<u>23,437,969</u>	<u>7,137,048</u>	<u>12,214,768</u>	<u>(14,550,936)</u>	<u>23,408,377</u>	<u>(425,451)</u>	<u>(16,889,323)</u>	<u>34,332,452</u>
Net change in fund balances	(3,141,523)	(11,432,550)	(7,390,121)	300,722	(9,358,418)	3,829,570	(472,225)	(27,664,545)
Fund balances - July 1, 2008	38,178,320	52,110,445	20,418,788	2,786,576	(9,504,765)	-	32,647,531	136,636,895
Fund balances - June 30, 2009	<u>\$ 35,036,797</u>	<u>\$ 40,677,895</u>	<u>\$ 13,028,667</u>	<u>\$ 3,087,298</u>	<u>\$ (18,863,183)</u>	<u>\$ 3,829,570</u>	<u>\$ 32,175,306</u>	<u>\$ 108,972,350</u>

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

**City of Cedar Rapids, Iowa
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2009**

Net change in fund balances-total governmental funds \$ (27,664,545)

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

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

Capital outlay	42,082,989	
Contributions of capital assets	2,663,983	
Depreciation expense	<u>(14,596,742)</u>	30,150,230

Governmental funds reported proceeds from sale of capital assets	(364,958)
Gain on sale of capital assets	26,159

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	30,317,163
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Debt transferred from enterprise funds	(1,041,441)	
Premium on bond issued	(129,192)	
Discount on bond issued	101,778	
Payments of bond principal	21,004,817	
Payments of notes payable	650,000	
Issuance of debt	(34,612,492)	
Accrued interest	(106,785)	
Bond issuance costs	96,321	
Amortization	66,102	(13,970,892)

Expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(272,071)
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Internal service funds net change reported in governmental activities	9,497,084
Change in internal service funds activities allocated to business-type activities	(875,844)

Change in net assets - governmental activities	<u><u>\$ 26,842,326</u></u>
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The notes to the financial statements are an integral part of this statement.

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

**City of Cedar Rapids, Iowa
Statement of Net Assets
Proprietary Funds
June 30, 2009**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Sanitary Sewer	Other		
ASSETS						
Current assets:						
Cash and investments	\$ 829,617	\$ 75	\$ -	\$ 580,507	\$ 1,410,199	\$ 4,866,345
Receivables:						
Taxes	-	-	-	4,033,850	4,033,850	-
Accounts and unbilled usage, net						
\$39,334 of allowance for doubtful accounts	2,587,076	4,754,318	272,889	1,712,311	9,326,594	540,351
Interest	3,505	-	-	5	3,510	2,771
Due from other funds	9,197,570	20,913,427	13,259,760	17,925,192	61,295,949	33,699,570
Due from other governments	3,074,958	36,229	4,003	166,375	3,281,565	51,469
Inventories	730,008	41	5,096	164,084	899,229	1,139,426
Prepaid items	13,579	33,607	9,131	78,686	135,003	485,040
Deferred charges	679,187	293,326	118,557	69,948	1,161,018	-
Restricted Assets:						
Cash and investments	3,582,948	4,549,656	6,923,692	945,350	16,001,646	-
Due from other funds	-	780,210	-	-	780,210	-
Total current assets	20,698,448	31,360,889	20,593,128	25,676,308	98,328,773	40,784,972
Noncurrent assets:						
Advance to other funds	-	-	-	-	-	2,992,000
Land	437,328	1,355,790	435,568	10,101,717	12,330,403	1,016,663
Buildings and structures	55,189,706	88,843,323	-	57,159,189	201,192,218	6,082,507
Improvements other than buildings	107,838,500	63,353,911	97,592,152	17,692,034	286,476,597	1,843,172
Machinery and equipment	5,050,538	5,027,733	3,287,571	24,620,859	37,986,701	5,810,769
Accumulated depreciation	(60,948,773)	(93,266,865)	(37,883,548)	(60,670,071)	(252,769,257)	(6,362,680)
Construction in progress	39,131,491	769,552	37	69,884	39,970,964	386,482
Total noncurrent assets	146,698,790	66,083,444	63,431,780	48,973,612	325,187,626	11,768,913
Total assets	167,397,238	97,444,333	84,024,908	74,649,920	423,516,399	52,553,885
LIABILITIES						
Current liabilities:						
Vouchers payable	2,673,101	1,335,535	1,133,240	1,565,336	6,707,212	2,312,596
Claims and judgements payable	-	-	-	-	-	7,640,300
Contracts payable	1,629,222	587,454	138,237	43,556	2,398,469	-
Accrued expenses	183,634	141,220	42,099	453,463	820,416	137,135
Compensated absences	392,150	307,153	98,046	391,408	1,188,757	341,957
Revenues collected in advance	75,541	340	-	90,626	166,507	-
Deferred revenues	51,426	6,101	-	4,061,739	4,119,266	-
Due to other funds	-	-	-	1,118,873	1,118,873	1,269,828
Due to other governments	57,922	4,510	-	112,481	174,913	-
Due to general public	743	-	-	-	743	-
Advance from other funds	-	-	-	88,000	88,000	-
Security deposits	281,417	-	-	7,072	288,489	-
General obligation bonds payable	8,301,076	8,603,214	5,073,123	1,873,435	23,850,848	-
Unamortized bond premium	48,333	64,083	15,933	4,674	133,023	-
Matured bonds interest payable	194,890	180,906	87,955	41,901	505,652	-
Total current liabilities	13,889,455	11,230,516	6,588,633	9,852,564	41,561,168	11,701,816
Noncurrent liabilities:						
General obligation bonds payable	47,453,598	42,775,421	20,055,747	8,334,657	118,619,423	-
Notes payable	31,513,886	8,879,560	-	-	40,393,446	-
Post-employment liability	-	-	-	-	-	3,289,798
Closure/post closure landfill	-	780,210	-	-	780,210	-
Unamortized bond premium	480,542	673,960	241,299	53,109	1,448,910	-
Compensated absences	51,849	21,529	-	17,226	90,604	36,144
Total noncurrent liabilities	79,499,875	53,130,680	20,297,046	8,404,992	161,332,593	3,325,942
Total liabilities	93,389,330	64,361,196	26,885,679	18,257,556	202,893,761	15,027,758
NET ASSETS						
Invested in capital assets, net of related debt	62,471,355	9,622,206	40,090,678	39,647,737	151,831,976	8,776,913
Restricted for debt service	12,948	14,656	7,025	5,350	39,979	-
Unrestricted	11,523,605	23,446,275	17,041,526	16,739,277	68,750,683	28,749,214
	<u>\$ 74,007,908</u>	<u>\$ 33,083,137</u>	<u>\$ 57,139,229</u>	<u>\$ 56,392,364</u>	<u>\$ 220,622,638</u>	<u>\$ 37,526,127</u>

Total enterprise fund net assets

\$ 220,622,638

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

2,684,145

\$ 223,306,783

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

City of Cedar Rapids, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Sanitary Sewer	Other
Operating revenues:				
Charges for services	\$ 23,634,228	\$ 25,168,246	\$ 9,190,139	\$ 11,988,000
Fines and forfeits	40	-	-	150,522
Use of money and property	136,817	-	-	1,083
Rents and royalties	39,144	15,895	-	1,409,641
Miscellaneous	92,703	6,873	-	1,380,081
Total operating revenues	<u>23,902,932</u>	<u>25,191,014</u>	<u>9,190,139</u>	<u>14,929,327</u>
Operating expenses:				
Personal services	7,872,166	6,422,566	1,805,375	10,147,920
Purchased services	4,593,400	4,920,351	1,159,951	9,283,349
Supplies and materials	2,532,544	4,423,751	318,842	1,850,873
Other	303,768	86,961	212,195	1,710,512
Depreciation	4,101,482	6,385,282	2,110,788	3,796,394
Total operating expenses	<u>19,403,360</u>	<u>22,238,911</u>	<u>5,607,151</u>	<u>26,789,048</u>
Operating income (loss)	<u>4,499,572</u>	<u>2,952,103</u>	<u>3,582,988</u>	<u>(11,859,721)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	-	461	3,381,886
Investment earnings	421,899	770,503	618,239	395,481
Property tax revenue	-	-	-	3,724,950
Gain (loss) on sale of capital assets	(17,500)	1,017	-	7,734
Contributions and donations	-	-	-	-
Interest expense	(3,116,469)	(2,717,245)	(1,301,791)	(636,201)
Total nonoperating revenue (expenses)	<u>(2,712,070)</u>	<u>(1,945,725)</u>	<u>(683,091)</u>	<u>6,873,850</u>
Income (loss) before transfers and capital contributions	1,787,502	1,006,378	2,899,897	(4,985,871)
Capital contributions	<u>909,698</u>	<u>-</u>	<u>665,071</u>	<u>1,303,099</u>
Transfers:				
Transfers in	18,450	-	1,017,044	1,200,318
Transfers out	(348,194)	(105,488)	(736,642)	(1,960,702)
Change in net assets	2,367,456	900,890	3,845,370	(4,443,156)
Total net assets, beginning	<u>71,640,452</u>	<u>32,182,247</u>	<u>53,293,859</u>	<u>60,835,520</u>
Total net assets, ending	<u>\$ 74,007,908</u>	<u>\$ 33,083,137</u>	<u>\$ 57,139,229</u>	<u>\$ 56,392,364</u>

Net changes in net assets in enterprise funds

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

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

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 69,980,613	\$ 32,580,942
150,562	-
137,900	-
1,464,680	1,304,119
1,479,657	1,185
<u>73,213,412</u>	<u>33,886,246</u>
26,248,027	7,488,142
19,957,051	20,390,858
9,126,010	2,034,366
2,313,436	135,999
16,393,946	870,563
<u>74,038,470</u>	<u>30,919,928</u>
<u>(825,058)</u>	<u>2,966,318</u>
3,382,347	-
2,206,122	487,152
3,724,950	-
(8,749)	50,000
-	141,451
<u>(7,771,706)</u>	<u>(75,922)</u>
<u>1,532,964</u>	<u>602,681</u>
707,906	3,568,999
<u>2,877,868</u>	<u>4,339,994</u>
2,235,812	2,495,947
<u>(3,151,026)</u>	<u>(907,856)</u>
2,670,560	9,497,084
217,952,078	28,029,043
<u>\$ 220,622,638</u>	<u>\$ 37,526,127</u>
2,670,560	
875,844	
<u>\$ 3,546,404</u>	

**City of Cedar Rapids, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Sanitary Sewer	Other		
Cash flows from operating activities:						
Cash received from users	\$ 26,310,297	\$ 24,353,613	\$ 9,186,004	\$ 14,864,096	\$ 74,714,010	\$ 34,382,832
Cash paid to employees	(7,814,918)	(6,403,401)	(1,816,092)	(10,214,333)	(26,248,744)	(6,437,555)
Cash paid to suppliers	(9,013,341)	(8,905,344)	(847,758)	(12,509,731)	(31,276,174)	(22,403,643)
Net cash flows from operating activities	<u>9,482,038</u>	<u>9,044,868</u>	<u>6,522,154</u>	<u>(7,859,968)</u>	<u>17,189,092</u>	<u>5,541,634</u>
Cash flows from non-capital financing activities:						
Borrowing from other funds	11,621,242	5,246,466	2,142,234	15,495,627	34,505,569	8,414,650
Loans to other funds	(9,553,782)	(13,891,043)	(5,227,440)	(11,759,210)	(40,431,475)	(11,729,423)
Contributions and donations	-	-	-	-	-	141,451
Intergovernmental	-	-	461	3,381,886	3,382,347	-
Transfers in	18,450	-	1,017,044	1,200,318	2,235,812	2,495,947
Transfers out	(348,194)	(105,488)	(736,642)	(1,960,702)	(3,151,026)	(907,856)
Property taxes	-	-	-	3,677,372	3,677,372	-
Net cash flows from non-capital financing activities	<u>1,737,716</u>	<u>(8,750,065)</u>	<u>(2,804,343)</u>	<u>10,035,291</u>	<u>218,599</u>	<u>(1,585,231)</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	(19,764,776)	(11,766,327)	(4,390,647)	(2,378,708)	(38,300,458)	(4,480,657)
Proceeds from disposition of capital assets	-	1,017	-	87,721	88,738	50,000
Capital contributions	-	-	-	1,303,099	1,303,099	4,339,994
General obligation bonds issued	4,458,187	651,885	2,117,436	4,665,000	11,892,508	-
State Revolving Fund loan	14,214,993	8,879,560	-	-	23,094,553	-
Premium (discount) on bonds	161,110	23,558	76,520	(50,342)	210,846	-
Principal paid	(9,358,717)	(11,801,442)	(6,795,217)	(7,282,941)	(35,238,317)	(91,500)
Issuance costs on issue	(17,285)	(2,527)	(8,209)	-	(28,021)	-
Interest paid	(3,067,747)	(2,917,345)	(1,329,356)	(633,977)	(7,948,425)	(18,314)
Net cash flows from capital and related financing activities	<u>(13,374,235)</u>	<u>(16,931,621)</u>	<u>(10,329,473)</u>	<u>(4,290,148)</u>	<u>(44,925,477)</u>	<u>(200,477)</u>
Cash flows from investing activities:						
Interest on investments	422,306	770,503	618,239	395,483	2,206,531	426,144
Net cash flows from investing activities	<u>422,306</u>	<u>770,503</u>	<u>618,239</u>	<u>395,483</u>	<u>2,206,531</u>	<u>426,144</u>
Net increase (decrease) in cash and cash equivalents	(1,732,175)	(15,866,315)	(5,993,423)	(1,719,342)	(25,311,255)	4,182,070
Cash and cash equivalents, July 1, 2008	6,144,740	20,416,046	12,917,115	3,245,199	42,723,100	684,275
Cash and cash equivalents, June 30, 2009	<u>\$ 4,412,565</u>	<u>\$ 4,549,731</u>	<u>\$ 6,923,692</u>	<u>\$ 1,525,857</u>	<u>\$ 17,411,845</u>	<u>\$ 4,866,345</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	\$ 4,499,572	\$ 2,952,103	\$ 3,582,988	\$ (11,859,721)	\$ (825,058)	\$ 2,966,318
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	4,101,482	6,385,282	2,110,788	3,796,394	16,393,946	870,563
Change in assets and liabilities:						
(Increase) decrease in prepaid items	(9,709)	(22,208)	(8,401)	10,528	(29,790)	(11,089)
Increase (decrease) in vouchers payable	(1,565,951)	547,968	855,698	181,595	19,310	762,104
Increase (decrease) in accrued expenses	22,387	(1,162)	(21,949)	(74,880)	(75,604)	(27,557)
Increase in compensated absences	34,861	20,327	11,232	8,467	74,887	5,785
(Increase) decrease in accounts receivable	(546,892)	(700,589)	(4,135)	185,851	(1,065,765)	467,305
(Increase) (decrease) in inventories	(7,969)	(41)	(4,067)	142,880	130,803	(759,335)
(Increase) decrease in due from other governments	2,833,338	(36,229)	-	(14,646)	2,782,463	(8,554)
Increase (decrease) in due to other governments	57,922	(106,684)	-	(45,112)	(93,874)	-
Increase in due to general public	743	-	-	-	743	-
Increase (decrease) in revenues collected in advance	8,556	-	-	(185,658)	(177,102)	6,132
Increase (decrease) in security deposit	2,272	-	-	(20,246)	(17,974)	-
Increase in deferred revenue	51,426	6,101	-	14,580	72,107	-
Increase in post-employment liability	-	-	-	-	-	1,104,062
Increase in open claims payable	-	-	-	-	-	165,900
Net cash flows from operating activities	<u>\$ 9,482,038</u>	<u>\$ 9,044,868</u>	<u>\$ 6,522,154</u>	<u>\$ (7,859,968)</u>	<u>\$ 17,189,092</u>	<u>\$ 5,541,634</u>
Schedule of noncash capital and related financing activities:						
Acquisition of capital assets through contracts payable	\$ 804,900	\$ 524,525	\$ 84,484	\$ 31,968	\$ 1,445,877	\$ -
Acquisition of capital assets through private contributions	\$ 909,698	\$ -	\$ 665,071	\$ -	\$ 1,574,769	\$ -
Asset depreciation transfer	\$ (65,060)	\$ -	\$ -	\$ (15,830)	\$ (80,890)	\$ -

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

City of Cedar Rapids, Iowa
Statement of Assets and Liabilities
Agency Funds
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Accounts receivable	287
Due from other governments	705,613
Total assets	<u>\$ 705,900</u>
LIABILITIES	
Vouchers payable	2,456
Due to other governments	272,046
Security deposits	431,398
Total liabilities	<u>\$ 705,900</u>

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1: Summary of Significant Accounting Policies

Reporting Entity

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

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

1. The Eastern Iowa Airport and related parking is operated by the Cedar Rapids Airport Commission. The Commission has all the powers granted to the City except for the authority to sell the airport. The Mayor appoints the members of the Airport Commission with City Council approval. The City also approves its operating budget. The Eastern Iowa Airport does not publish its own annual financial report.
2. The Cedar Rapids/Linn County Solid Waste Agency (CRLCSWA) is the result of a 28E agreement as provided under the Code of Iowa. CRLCSWA disposes of solid wastes into the combined City/County landfills in an integrated manner for the public benefit. The City of Cedar Rapids has the authority to appoint the majority of CRLCSWA's board of directors, and is able to impose its will on CRLCSWA's operations. CRLCSWA publishes its own annual financial report, which is available at their office, 1954 County Home Road, Marion, Iowa 52302 upon request. Further reference regarding the City's on going financial interest as a result of this agreement can be found in Note 14 Closure and Postclosure Care Cost.
3. The Cedar Rapids Public Library Foundation is a nonprofit corporation organized under the laws of the State of Iowa for the purpose of providing resources to be used for the benefit of the Cedar Rapids Public Library. The Foundation publishes its own annual financial report, using the not-for-profit reporting model, which is available at their office, 500 1st Street S.E., Cedar Rapids, IA 52401.

Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due (matured).

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

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

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Income from accounts receivables and unbilled usage is recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for services (other than enterprise), miscellaneous, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment receivables are recorded at the time of their levy. The related revenue is recognized at the time it is due in the governmental funds and when levied for government-wide statements.

All other revenue items are considered to be measurable and available only when cash is received by the City.

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

General Fund

The General Fund accounts for all the financial resources of the City, except for those required to be accounted for by other funds. The revenues of the General Fund are primarily derived from general property taxes, charges for services, fines and forfeitures, licenses and permits, and certain revenues from state and federal sources. The expenditures of the General Fund primarily relate to general administration, police and fire protection, streets and public buildings operation and maintenance, and parks and recreation oriented activities.

Infrastructure Construction Fund

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

Debt Service Fund

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

Employee Benefits

The Employee benefits fund (a special revenue fund) accounts for the employment benefits provided to the City's employees in the general fund, which include FICA, health and dental insurance, retirement, workers comp, unemployment, life insurance, and long term disability.

Flood

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

Local Option Sales Tax (LOST)

The Local Option Sales Tax (LOST) fund (a special revenue fund) accounts for the revenues generated by the one-percent sales tax. The revenues will be used for the buyout, rehabilitation, and relocation of flood damage homes, as well as property tax relief.

The City reports the following major enterprise funds:

Water Fund

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

Water Pollution Control Fund

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

Sanitary Sewer Fund

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

Additionally, the City reports the following fund types:

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

Special revenue funds account for revenues derived from specific sources, which are required to be accounted for as separate funds.

The Other Construction Fund (a capital project fund) accounts for the construction or replacement of City capital assets such as parks, police, and fire facilities and equipment.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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

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

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government wide and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Assets, liabilities, and net assets or equity

Cash Management and Investments

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

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

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

For purposes of the Statement of Cash Flows, the City considers the pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits.

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Property taxes levied by the Linn County Auditor for the year ended June 30, 2009, were due by July 1, 2008, with the first half installment being delinquent after September 30, 2008, and the second half installment being delinquent after March 31, 2009. Any collections remitted to the City within sixty days subsequent to year-end are recorded as property tax revenue. The current tax receivable represents the 2009 levy certified on March 15, 2009, based on 2008 assessed valuations. As the levy is intended for use in the 2010 fiscal year, the revenue has been recorded as unearned revenue.

Inventories and prepaid items

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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

Restricted assets

Assets within the individual funds, which can be designated by the City Council for any use within the fund's purpose, are considered to be unrestricted assets. Assets, which are restricted for specific uses by bonded debt requirements, grant provisions, or other requirements are classified as restricted assets.

Capital Assets

Capital assets, which include land, buildings and structures, improvements other than buildings, which includes infrastructure, construction in progress, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2009, no interest expense was added to the cost of assets acquired in the business-type activities.

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

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

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

Compensated Absences

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

The non-vested portion of sick leave benefits, which are not included within these financial statements, at June 30, 2009, are as follows:

Governmental	\$ 13,729,772
Business-type	<u>3,237,579</u>
Subtotal	16,967,351
Component Units	<u>388,914</u>
Total	<u>\$ 17,356,265</u>

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

Long-term obligations

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

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

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Except for property taxes, which is not budgeted for in the current year, unavailable revenue is recognized for governmental activities in the government-wide statement. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt excludes unspent debt proceeds. There were unspent bond proceeds in the Sanitary Sewer fund of \$4,871,667 and \$43,148,329 in governmental activities. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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Net assets restricted through enabling legislation included \$13,209,410 for debt service, \$7,091,955 for other special revenue, \$8,467,717 for tax increment financing projects, \$2,973,699 for road construction projects, \$278,245 for Self-Supported Municipal Improvement District (SSMID) projects, and \$3,087,298 for employee benefits.

Budgetary Control, Compliance, and Appropriation Data

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

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

Fund receivables and payables at June 30, 2009, were:

	<u>Receivables</u>	<u>Payables</u>
Due to/from other funds:		
Governmental:		
General Fund	\$ -	\$ 118,457,884
Infrastructure Construction Fund	27,597,172	-
Debt Service Fund	3,619,927	-
2008 Flood Recovery Fund	-	31,170,787
Employee Benefits Fund	3,573,615	-
Local Option Sales Tax Fund	1,215,228	-
Nonmajor Funds	20,380,158	144,457
Internal Service Funds	<u>33,699,570</u>	<u>1,269,828</u>
Total Governmental	<u>90,085,670</u>	<u>151,042,956</u>
Business-type:		
Water	9,197,570	-
Water Pollution Control	21,693,637	-
Sanitary Sewer	13,259,760	-
Nonmajor Funds	<u>17,925,192</u>	<u>1,118,873</u>
Total Business-type	<u>62,076,159</u>	<u>1,118,873</u>
Total due to/from other funds	<u>\$ 152,161,829</u>	<u>\$ 152,161,829</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) the cash and investment pool.

	<u>Advances to</u>	<u>Advances from</u>
Governmental:		
General Fund	\$ 88,000	\$ -
Internal Service Funds	2,992,000	-
Nonmajor Funds	-	2,992,000
Business-type		
Nonmajor Funds	<u>-</u>	<u>88,000</u>
Total advance to/from other funds	<u>\$ 3,080,000</u>	<u>\$ 3,080,000</u>

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These balances resulted from 1) advances from Risk Management to fund a site cleanup project in the Other Construction Fund until subsequent funding is received and 2) cash flow advances from the General Fund to U.S. Cellular Center Fund until further revenue is generated.

Primary government and component unit Receivables and Payables:

	<u>Receivables</u>	<u>Payables</u>
Governmental:		
General	\$ -	\$ 31,206,695
Component Unit:		
Airport - Unrestricted	31,206,695	-
Total primary government and component unit	<u>\$ 31,206,695</u>	<u>\$ 31,206,695</u>

These balances resulted primarily from the cash and investment pool policies.

Note 3: Fund Transfer Reconciliation

Transfers in and out for the year ended June 30, 2009, were:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental:		
General Fund	\$ 30,947,573	\$ 8,953,366
Infrastructure Construction Fund	4,533,151	1,766,931
2008 Flood Recovery Fund	8,834,344	-
Debt Service Fund	4,884,884	-
Employee Benefits Fund	-	14,550,936
Local Option Sales Tax Fund	-	425,451
Nonmajor Funds	1,682,732	25,858,877
Internal Service Funds	2,495,947	907,856
Total Governmental	<u>53,378,631</u>	<u>52,463,417</u>
Business-type:		
Water Fund	18,450	348,194
Water Pollution Control Fund	-	105,488
Sanitary Sewer Fund	1,017,044	736,642
Other Business-Type Funds	1,200,318	1,960,702
Total Business-Type	<u>2,235,812</u>	<u>3,151,026</u>
Total	<u>\$ 55,614,443</u>	<u>\$ 55,614,443</u>

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

Note 4: Self-Supported Municipal Improvement District

During the year ended June 30, 1988, the City established the Downtown Cedar Rapids Self-Supported Municipal Improvement District (SSMID) pursuant to the provisions of Chapter 386, Code of Iowa (the Act). By establishing SSMID, the City may certify taxes against the property within the district each year,

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in addition to all other taxes, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2008, and continuing for 8 additional years. The levy is for the purpose of paying expenses of the District as are authorized by the Act, including, but not limited to, the administrative expenses of the District and part or all of the maintenance expenses of improvements or self-liquidating improvements, as defined in the Act, for a period of 9 years. Even though the boundaries of SSMID overlap the Tax Incremental Financing District, as amended, they are not co-terminus.

The amount of property taxes received for SSMID during the year ended June 30, 2009, between the district overlapping the Tax Incremental Financing District (TIF) and the district associated only to SSMID were as follows:

SSMID only	\$ 276,210
SSMID within TIF	<u>125,712</u>
	<u>\$ 401,922</u>

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

Note 5: Construction Commitments

The total outstanding construction commitment of the City at June 30, 2009 amounts to \$41,662,043. Of these commitments, \$8,715,272 will be funded by federal and state grants. The total outstanding construction commitment of the Airport, a component unit, at June 30, 2009 amounts to \$695,744. Of these commitments, \$490,938 will be funded by federal and state grants.

Note 6: Cash and Investments

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

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

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

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than 10% of the investment portfolio shall be invested in prime bankers' acceptances, and no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

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

As of June 30, 2009, the City had the following investments with the following maturities:

Investment Type:	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
U.S. Agencies	\$ 429,446	\$ -	\$ -	\$ -	\$ 429,446	\$ 429,446
GNMA'S	2,075,059	-	-	43,148	2,031,911	2,075,059
IPAIT	154,717,031	154,717,031	-	-	-	154,717,031
MUTUAL FUNDS	154,414	154,414	-	-	-	154,414
Total	<u>\$ 157,375,950</u>	<u>\$ 154,871,445</u>	<u>\$ -</u>	<u>\$ 41,148</u>	<u>\$ 2,461,357</u>	<u>\$ 157,375,950</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.

As of June 30, 2009 the City had the following ratings:

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

All other investments types are not rated or not required to be rated.

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2009, the City's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by

CITY OF CEDAR RAPIDS, IOWA
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the state's ability to assess for lost funds. The City's investments are not exposed to custodial credit risk as of June 30, 2009

The Cedar Rapids/Linn County Solid Waste Agency's cash and investments consist entirely of deposits, including certificate of deposit. As of June 30, 2009, the Agency's deposits were entirely insured by federal depository insurance or insured by the state through pooled collateral, state sinking funds, and by the state's ability to assess for lost funds.

The Cedar Rapids Public Library Foundation reports using the not-for-profit model, therefore, GASB Statements No. 3 and No. 40 are not applicable.

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,598,252	\$ 2,447,039	\$ (51,150)	\$ 33,994,141
Construction in progress	2,147,703	9,835,798	(418,301)	11,565,200
Total capital assets, not being depreciated	<u>33,745,955</u>	<u>12,282,837</u>	<u>(469,451)</u>	<u>45,559,341</u>
Capital assets, being depreciated:				
Buildings and structures	62,262,607	334,063	(36,148)	62,560,522
Improvements other than buildings	326,861,576	28,596,031	(177,967)	355,279,640
Machinery and equipment	38,488,357	8,432,999	(1,476,848)	45,444,508
Total capital assets being depreciated	<u>427,612,540</u>	<u>37,363,093</u>	<u>(1,690,963)</u>	<u>463,284,670</u>
Less accumulated depreciation for:				
Buildings and structures	(26,140,884)	(1,474,452)	36,148	(27,579,188)
Improvements other than buildings	(109,084,194)	(11,316,895)	-	(120,401,089)
Machinery and equipment	(26,046,378)	(2,675,958)	1,367,166	(27,355,170)
Total accumulated depreciation	<u>(161,271,456)</u>	<u>(15,467,305)</u>	<u>1,403,314</u>	<u>(175,335,447)</u>
Total capital assets, being depreciated, net	<u>266,341,084</u>	<u>21,895,788</u>	<u>(287,649)</u>	<u>287,949,223</u>
Governmental activities capital assets, net	<u>\$ 300,087,039</u>	<u>\$ 34,178,625</u>	<u>\$ (757,100)</u>	<u>\$ 333,508,564</u>

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

Governmental activities:	
Public safety	\$ 1,046,969
Public works	10,339,959
Culture and recreation	2,033,798
Community and economic development	74,267
General government	1,101,749
Internal service funds	870,563
Total depreciation expense - governmental activities	<u>\$ 15,467,305</u>

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	<u>Beginning Balance</u>	<u>Increase/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 12,303,704	\$ 26,699	\$ -	\$ 12,330,403
Construction in progress	<u>21,613,453</u>	<u>31,795,507</u>	<u>(13,437,996)</u>	<u>39,970,964</u>
Total capital assets, not being depreciated	<u>33,917,157</u>	<u>31,822,206</u>	<u>(13,437,996)</u>	<u>52,301,367</u>
Capital assets, being depreciated:				
Buildings and structures	194,793,379	6,398,839	-	201,192,218
Improvements other than buildings	271,526,449	19,814,741	(4,864,593)	286,476,597
Machinery and equipment	<u>38,135,058</u>	<u>1,587,907</u>	<u>(1,736,264)</u>	<u>37,986,701</u>
Total capital assets being depreciated	<u>504,454,886</u>	<u>27,801,487</u>	<u>(6,600,857)</u>	<u>525,655,516</u>
Less accumulated depreciation for:				
Buildings and structures	(120,314,437)	(5,251,187)	-	(125,565,624)
Improvements other than buildings	(91,032,731)	(8,939,445)	-	(99,972,176)
Machinery and equipment	<u>(26,586,158)</u>	<u>(2,203,314)</u>	<u>1,558,015</u>	<u>(27,231,457)</u>
Total accumulated depreciation	<u>(237,933,326)</u>	<u>(16,393,946)</u>	<u>1,558,015</u>	<u>(252,769,257)</u>
Total capital assets, being depreciated, net	<u>266,521,560</u>	<u>11,407,541</u>	<u>(5,042,842)</u>	<u>272,886,259</u>
Business-type activities capital assets, net	<u>\$ 300,438,717</u>	<u>\$ 43,229,747</u>	<u>\$ (18,480,838)</u>	<u>\$ 325,187,626</u>

Business-type activities:				
Water			\$ 4,101,482	
Water Pollution Control			6,385,282	
Sanitary Sewer			2,110,788	
Other Business-Type Funds			<u>3,796,394</u>	
Total depreciation expense - business-type activities			<u>\$ 16,393,946</u>	

Activity for the Airport for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit: Airport				
Capital assets, not being depreciated:				
Land	\$ 8,832,230	\$ -	\$ -	\$ 8,832,230
Construction in progress	<u>17,424,904</u>	<u>13,444,973</u>	<u>(7,174,986)</u>	<u>23,694,891</u>
Total capital assets, not being depreciated	<u>26,257,134</u>	<u>13,444,973</u>	<u>(7,174,986)</u>	<u>32,527,121</u>
Capital assets, being depreciated:				
Buildings and structures	60,997,657	4,706,436	-	65,704,093
Improvements other than buildings	67,441,607	2,050,230	-	69,491,837
Machinery and equipment	<u>4,857,247</u>	<u>1,024,793</u>	<u>(261,950)</u>	<u>5,620,090</u>
Total capital assets being depreciated	<u>133,296,511</u>	<u>7,781,459</u>	<u>(261,950)</u>	<u>140,816,020</u>
Less accumulated depreciation for:				
Buildings and structures	(23,075,769)	(1,630,267)	-	(24,706,036)
Improvements other than buildings	(30,193,202)	(3,402,994)	-	(33,596,196)
Machinery and equipment	<u>(3,011,635)</u>	<u>(459,732)</u>	<u>210,082</u>	<u>(3,261,285)</u>
Total accumulated depreciation	<u>(56,280,606)</u>	<u>(5,492,993)</u>	<u>210,082</u>	<u>(61,563,517)</u>
Total capital assets, being depreciated, net	<u>77,015,905</u>	<u>2,288,466</u>	<u>(51,868)</u>	<u>79,252,503</u>
Airport capital assets, net	<u>\$ 103,273,039</u>	<u>\$ 15,733,439</u>	<u>\$ (7,226,854)</u>	<u>\$ 111,779,624</u>

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Activity for Cedar Rapids/Linn County Solid Waste Agency for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: CRLCSWA				
Capital assets, not being depreciated:				
Land	\$ 3,657,920	\$ -	\$ -	\$ 3,657,920
Construction in progress	5,861,352	2,401,556	(5,861,352)	2,401,556
Total capital assets, not being depreciated	<u>9,519,272</u>	<u>2,401,556</u>	<u>(5,861,352)</u>	<u>6,059,476</u>
Capital assets, being depreciated:				
Buildings and structures	2,294,792	-	-	2,294,792
Improvements other than buildings	5,161,242	7,650,111	(59,821)	12,751,532
Machinery and equipment	5,583,628	1,498,014	(114,230)	6,967,412
Total capital assets being depreciated	<u>13,039,662</u>	<u>9,148,125</u>	<u>(174,051)</u>	<u>22,013,736</u>
Less accumulated depreciation for:				
Buildings and structures	(717,431)	(98,859)	-	(816,290)
Improvements other than buildings	(2,730,504)	(691,786)	38,141	(3,384,149)
Machinery and equipment	(3,900,034)	(563,950)	110,419	(4,353,565)
Total accumulated depreciation	<u>(7,347,969)</u>	<u>(1,354,595)</u>	<u>148,560</u>	<u>(8,554,004)</u>
Total capital assets, being depreciated, net	<u>5,691,693</u>	<u>7,793,530</u>	<u>(25,491)</u>	<u>13,459,732</u>
CRLCSWA capital assets, net	<u>\$ 15,210,965</u>	<u>\$ 10,195,086</u>	<u>\$ (5,886,843)</u>	<u>\$ 19,519,208</u>

Activity for Cedar Rapids Public Library Foundation for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit: Cedar Rapids Library Foundation				
Capital assets, being depreciated:				
Machinery and equipment	\$ 4,341	\$ -	\$ -	\$ 4,341
Accumulated depreciation	(3,715)	(140)	-	(3,855)
Total capital assets, being depreciated, net	<u>\$ 626</u>	<u>\$ (140)</u>	<u>\$ -</u>	<u>\$ 486</u>

Note 8: Retirement Systems

The City contributes to the Iowa Public Employees Retirement System, and the Municipal Fire and Police Retirement System of Iowa, which are administered by the State of Iowa, as well as a local retirement system. All systems are contributory and all regular full-time and part-time employees must participate in one of the systems. The local system is administered by a local board elected by the participating members and is regulated by Iowa statutes. The City acts as custodian for the assets of this local system.

Iowa Public Employees Retirement System (IPERS)

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

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Plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of annual covered payroll except for airport safety employees, in which case the percentages are 5.63% and 8.45%, respectively. Contribution requirements are established by State statute.

The City contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$3,029,817, \$2,751,893, and \$2,664,920, respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

Plan members are required to contribute 9.35% of their annual covered salary and the City is required to contribute at an actuarially determined rate; the current rate is 18.75% of annual covered payroll. Contribution requirements are established by State statute. The City contributions to MFPRSI for the years ended June 30, 2009, 2008, and 2007 were \$3,851,397, \$5,015,628, and \$5,340,880, respectively, equal to the required contributions for each year.

Note 9: Long-Term Debt

Bonded Debt

General Obligation Bonds

There was \$284,030,000 of general obligation bonds outstanding as of June 30, 2009. Unmatured general obligation bonds to be paid by governmental funds totaled \$138,605,532. General obligation bonds to be paid by enterprise revenue and therefore included as Enterprise Fund obligations total \$142,470,271. General obligation bonds to be paid by Airport, a component unit, and therefore included in the Airport Fund obligations total \$2,954,197. In the current year, \$955,000 and \$86,441 of debt were transferred from the parking and paramount theatre enterprise funds to the governmental activities. All the general obligation bonds bear interest rates ranging from 1.4% to 6.625% and mature in varying amounts ranging from \$1,130,000 to \$44,520,000 with the final payments due in the year ending June 30, 2029.

During the year ended June 30, 2009, the City issued \$31,725,000 of general obligation bonds. These bonds were used to pay the cost of radio equipment upgrade; fleet system replacements and purchases; storm sewer improvements; traffic controls; public park improvements and rehabilitation; fire department purchases and improvements; public library improvements; street trees; police department improvements; public trail improvements; Courthouse Square improvements; information technology; General fund capital equipment purchases and flood recovery projects; undertaking and carrying out of the urban renewal plan for the Central Business District Urban Renewal Area and Village Urban Renewal Area. The average life of the issue is 8.94 years for the Series A and 4.755 for Series B. These bonds bear interest at 1.8% to 5.95% and mature in varying amounts ranging from \$870,000 to \$3,565,000 with the final payment due in the year ending June 30, 2029.

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On June 29, 2009, the City issued \$14,780,000 refunding general obligation bonds. The proceeds of the bonds were used to refund, in advance of their maturity, the following bonds (collectively, the “Refunded Bonds”):

Original Issue	Refunded Maturities	Principal Amount to be Refunded
General Obligation Bonds, Series 1996B, dated June 1, 1996	2010	\$ 2,145,000
General Obligation Bonds, Series 1997B, dated June 1, 1997	2010-2012	1,560,000
General Obligation Bonds, Series 1998A, dated December 1, 1998	2010-2012	1,585,000
General Obligation Bonds, Series 1998B, dated December 1, 1998	2010-2014	5,110,000
General Obligation Bonds, Series 1999A, dated June 1, 1999	2010-2019	4,585,000
Total General Obligation Bonds Refunded		<u>\$ 14,985,000</u>

The refunding was conducted to achieve interest savings. The proceeds of the bonds were used to pay the principal of the Refunded Bonds at a price of par plus accrued interest. These bonds are considered defeased for these financial statements. These bonds bear interest at 1.4% to 4.6% and mature in varying amounts ranging from \$960,000 to \$4,630,000. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$365,000. The net present value benefit of this refunding, the economic gain, is \$1,265,163.

Notes Payable

During FY2008, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$39.39 million dollars. During the year ended June 30, 2009, the City received \$14,214,993. Total outstanding as of June 30, 2009 was \$31,513,886. This line of credit was taken out to finance the ultra-violet disinfection system improvements by the Water department. The interest rate for this line of credit is 3.25%. Payments will not begin until the project is completed in FY 2010, and payments will be annually with the last payment in fiscal year 2029. The City has pledged future water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from water customer net revenues. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total estimated interest and principal remaining to be paid is \$38,357,148. Interest paid for the current year and total customer net revenues were \$595,920 and \$8,601,054, respectively.

During the year, the City entered into an agreement with the Iowa State Revolving Fund for a line of credit up to \$10.9 million dollars. As of June 30, 2009, the City has received \$8,879,560. This line of credit was taken out to finance the construction of certain wastewater treatment facilities. The interest rate for this line of credit is 3.25%. Payments will not begin until the project is completed in FY 2011, and payments will be annually with the last payment in fiscal year 2028. The City has pledged future waste water customer revenues, net of specified operating expenses, to repay the note payable. The note payable is payable solely from waste water customer net revenues. Annual principal and interest payments on the note payable are expected to require less than 24% of net revenues. Total interest and principal remaining

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
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to be paid is \$11,074,149. Interest paid for the current year and total customer net revenues were \$78,673 and \$9,337,385, respectively.

Changes in long-term liabilities

Long-term debt activity for the year ended June 30, 2009, was as follows:

	Balance June 30, 2008	New Issues	Paid	Balance June 30, 2009
Primary government:				
Governmental:				
General obligation	\$ 124,047,916	\$ 35,653,933	\$ 21,096,317	\$ 138,605,532
Note payable	650,000	-	650,000	-
Business-type activities				
Water pollution control	62,528,192	9,531,445	11,801,442	60,258,195
Sanitary Sewer	29,806,652	2,117,436	6,795,217	25,128,871
Water	77,954,096	18,673,180	9,358,717	87,268,559
Other business-type funds	12,826,033	4,665,000	7,282,941	10,208,092
Total primary government	<u>307,812,889</u>	<u>70,640,994</u>	<u>56,984,634</u>	<u>321,469,249</u>
Component unit:				
General obligation abated by Airport	4,571,004	-	1,616,807	2,954,197
Total Long-Term Debt	<u>\$ 312,383,893</u>	<u>\$ 70,640,994</u>	<u>\$ 58,601,441</u>	<u>\$ 324,423,446</u>

	Due within one year
Primary government:	
Governmental	
General obligation	\$ 20,175,021
Notes payable	-
Business-type activities:	
Water pollution control	8,603,214
Sanitary Sewer	5,073,123
Water	8,301,076
Other business-type funds	1,873,435
Total primary government	<u>44,025,869</u>
Component unit:	
General obligation abated by Airport	494,132
Total long-term debt current	<u>\$ 44,520,001</u>

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

At June 30, 2009, the general obligation debt issued by the City did not exceed its legal debt margin compiled as follows:

Total Estimated actual valuation - real property	<u>\$ 8,497,474,101</u>
Debt limit - 5% of total valuation	<u>\$ 424,873,705</u>
Debt applicable to debt limit:	
General obligation bonded debt outstanding	\$ 264,425,000
Note payable	-
Legal Debt Margin	<u>\$ 160,448,705</u>

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

Year Ending	Governmental		Business-type activities		General Obligation	
	General Obligation		General Obligation		Totals	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 20,175,021	\$ 5,666,511	\$ 23,850,848	\$ 5,822,577	\$ 46,025,869	\$ 11,489,088
2011	11,587,158	4,982,400	11,706,710	4,881,581	23,293,868	9,863,981
2012	11,539,606	4,584,224	10,627,710	4,449,484	22,167,316	9,033,708
2013	11,220,191	4,170,621	11,841,709	4,054,057	23,061,900	8,224,678
2014	10,800,366	3,746,814	10,136,584	3,592,297	20,936,950	7,339,111
2015-2019	43,204,500	12,743,823	45,695,400	11,939,239	88,899,900	24,683,062
2020-2024	22,838,690	4,972,450	23,771,310	3,874,317	46,610,000	8,846,767
2025-2029	7,240,000	1,104,005	4,840,000	347,000	12,080,000	1,451,005
	<u>\$ 138,605,532</u>	<u>\$ 41,970,848</u>	<u>\$ 142,470,271</u>	<u>\$ 38,960,552</u>	<u>\$ 281,075,803</u>	<u>\$ 80,931,400</u>

A summary of the component unit bond principal and interest maturities is as follows:

Year Ending	General Obligation	
	Abated By	
June 30:	Principal	Interest
2010	\$ 494,132	\$ 130,986
2011	496,132	111,435
2012	492,683	91,408
2013	148,100	71,278
2014	148,050	64,958
2015-2019	650,100	228,016
2020-2024	525,000	68,822
2025-2029	-	-
	<u>\$ 2,954,197</u>	<u>\$ 766,903</u>

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

Year Ending	Note Payable	
	Principal	Interest
2010	-	1,211,803
2011	1,172,870	1,211,803
2012	2,782,830	1,158,496
2013	3,292,694	1,068,802
2014	3,493,219	968,540
2015-2019	20,928,392	3,111,550
2020-2022	8,723,441	306,857
	<u>\$ 40,393,446</u>	<u>\$ 9,037,851</u>

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

Other long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Claims and Judgments	\$ 7,474,400	\$ 683,000	\$ 517,100	\$ 7,640,300	\$ 7,640,300
Compensated absences	5,193,273	335,711	57,855	5,471,128	5,022,365
Governmental activity					
Long-term liabilities	<u>\$ 12,667,673</u>	<u>\$ 683,000</u>	<u>\$ 574,955</u>	<u>\$ 13,111,428</u>	<u>\$ 12,662,665</u>
Business-type activities:					
Compensated absences	\$ 1,204,473	\$ 104,736	\$ 29,848	\$ 1,279,361	\$ 1,188,757
Closure/post closure landfill	780,210	-	-	780,210	-
Business-type activity					
Long-term liabilities	<u>\$ 1,984,683</u>	<u>\$ 794</u>	<u>\$ 11,723</u>	<u>\$ 2,059,571</u>	<u>\$ 1,188,757</u>
Component Units:					
Airport					
Compensated absences	<u>\$ 224,558</u>	<u>\$ -</u>	<u>\$ 20,098</u>	<u>\$ 204,460</u>	<u>\$ 203,517</u>
CRLCSWA:					
Compensated absences	\$ 107,736	\$ 174,964	\$ 169,722	\$ 112,978	\$ 112,978
Closure/post closure landfill	14,206,197	2,278,588	465,018	16,019,767	1,118,293
Long-term liabilities	<u>\$ 14,313,933</u>	<u>\$ 2,453,552</u>	<u>\$ 634,740</u>	<u>\$ 16,132,745</u>	<u>\$ 1,231,271</u>

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. In the past, approximately 98.9% has been paid by the General Fund and the remainder by other governmental and internal service funds. The claims and judgement liability will generally be liquidated by the City's Risk Management Fund (See Note 12, also). The Risk Management Fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by the individual funds. Currently, the General Fund bears approximately 65% of the claims and judgement costs; no other individual fund is charged more than 9% of the total amount.

Industrial Revenue Bonds

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

As of June 30, 2009, there were 74 series of Industrial Revenue Bonds outstanding issued prior to July 1, 1995. The aggregate principal amount payable could not be determined, however; their original issue amounts totaled \$101,999,500.

The aggregate principal balance as of June 30, 2009 due on bonds issued after July 1, 1995, is \$86,960,000.

CITY OF CEDAR RAPIDS, IOWA
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Note 10: Deficit Fund Equity

At June 30, 2009, individual fund with deficit fund balances was as follows:

Flood	\$18,863,183
Special Revenue:	
Community Development Block Grants	\$ 48,206

The Flood fund is funded by federal and state revenues that have not been received but expenditures were incurred. Non-exchange revenues for the Community Development Block Grants program are subject to deferral, thus causing a deficit fund balance for the year ended June 30, 2009. It is felt that these are temporary deficits and will be rectified in the next fiscal year.

Note 11: Deferred Compensation Plans

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

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

Note 12: Risk Management

The City's risk management program strives to protect the City's assets in the most cost effective and responsible ways possible using a combination of the four recognized methods of treating risk, which are: elimination, reduction, transfer, and retention. Safety and loss prevention programs promoted by the Employee Safety and Health Services Division of Human Resources reduce the City's exposure to risks. Those risks that cannot be eliminated or reduced are either transferred or retained.

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

There has been no significant change in insurance coverages purchased in fiscal year 2009 compared to the prior year. For those exposures covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal years.

Torts and errors:

During fiscal year 2009, the City purchased liability insurance to cover its airport, underground fuel tanks, five vehicles, lead paint hazard control program and liquor liability. The City self-insures without excess insurance, the rest of its general liability, errors and employment practices liability, police liability, auto liability, bus liability, and owned aircraft exposures which are accounted for and financed under a separate subdivision of the Risk Management Fund. The City self-administers claims and utilizes independent appraisers to write vehicle damage repair estimates and adjusters to negotiate bodily injury claims. All City Departments and Enterprise Funds are charged a liability premium according to their loss exposure and past losses. The total premium charged for fiscal year 2009 was determined by an actuary at an 80% confidence level. A claims liability of \$2,305,500 as of June 30, 2009, was calculated by an independent actuary at a 95% confidence level and includes claims reported but not settled and those incurred but not reported. The claims liabilities shown below are in accordance with the requirements of GASB Statement 10.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Changes in the Tort Liability Fund's claims liability amount since July 1, 1991 are as follows:

	Beginning Fiscal Year	Claim Expenses	Claims Paid	Ending Fiscal Year
	<u>Liability</u>	<u>Expenses</u>	<u>Claims Paid</u>	<u>Liability</u>
7/91 - 6/92	\$625,843	\$441,403	(\$161,765)	\$905,481
7/92 - 6/93	\$905,481	\$236,349	(\$244,080)	\$897,750
7/93 - 6/94	\$897,750	\$830,630	(\$177,804)	\$1,550,576
7/94 - 6/95	\$1,550,576	(\$92,496)	(\$139,916)	\$1,318,164
7/95 - 6/96	\$1,318,164	\$2,340,616	(\$209,293)	\$3,449,487
7/96 - 6/97	\$3,449,487	\$609,019	(\$274,034)	\$3,784,472
7/97 - 6/98	\$3,784,472	\$47,916	(\$1,216,679)	\$2,615,709
7/98 - 6/99	\$2,615,709	(\$945,872)	(\$324,767)	\$1,345,070
7/99 - 6/00	\$1,345,070	\$2,010,967	(\$1,956,037)	\$1,400,000
7/00 - 6/01	\$1,400,000	\$2,294,149	(\$564,149)	\$3,130,000
7/01 - 6/02	\$3,130,000	(\$798,744)	(\$621,256)	\$1,710,000
7/02 - 6/03	\$1,710,000	\$290,252	(\$672,252)	\$1,328,000
7/03 - 6/04	\$1,328,000	\$3,381,049	(\$1,985,049)	\$2,724,000
7/04 - 6/05	\$2,724,000	\$1,155,306	(\$1,109,306)	\$2,770,000
7/05 - 6/06	\$2,770,000	\$716,155	(\$2,450,355)	\$1,035,800
7/06 - 6/07	\$1,035,800	\$2,099,743	(\$809,643)	\$2,325,900
7/07 - 6/08	\$2,325,900	\$1,450,021	(\$953,321)	\$2,822,600
7/08 - 6/09	\$2,822,600	\$40,422	(\$557,522)	\$2,305,500

Theft of, damage to, or destruction of assets:

The City purchases property insurance with a \$100,000 per occurrence and \$300,000 aggregate deductible. City Departments and Enterprise Funds are charged a property insurance premium based on a percentage of the projected cost of full coverage. The difference between the premium charged departments and the premium paid to the insurer is used to pay losses that fall between the \$2,000 departmental deductible and the \$100,000 policy deductible. The City's infrastructure assets are not insured.

Job related injuries to employees:

Benefits due City employees under the Iowa Workers' Compensation Laws are accounted for and financed under a separate subdivision of the Risk Management Fund. Claims administration is performed by City staff. The City purchased excess stop loss insurance since it began retaining this risk in fiscal year 1987 thru fiscal year 2002. Effective July 1, 2002 the City discontinued purchasing stop loss insurance. All City Departments and Enterprise funds are charged a premium based on their share of past losses. The June 30, 2009 claims liability of \$4,352,500 was calculated at a 95% confidence level by an independent actuary.

CITY OF CEDAR RAPIDS, IOWA
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Changes in the Workers' Compensation Fund's claims liability amount since July 1, 1991 are as follows:

	Beginning Fiscal Year	Claim	Claims Paid	Ending Fiscal Year
	<u>Liability</u>	<u>Expenses</u>	<u>Claims Paid</u>	<u>Liability</u>
7/91 – 6/92	\$775,089	\$463,735	(\$262,637)	\$976,187
7/92 – 6/93	\$976,187	\$419,090	(\$629,060)	\$766,217
7/93 – 6/94	\$766,217	\$1,510,326	(\$568,421)	\$1,708,122
7/94 – 6/95	\$1,708,122	\$735,825	(\$574,389)	\$1,869,558
7/95 – 6/96	\$1,869,558	\$918,252	(\$669,014)	\$2,118,796
7/96 – 6/97	\$2,118,796	\$465,671	(\$605,530)	\$1,978,937
7/97 – 6/98	\$1,978,937	\$57,267	(\$443,934)	\$1,592,270
7/98 – 6/99	\$1,592,270	\$933,605	(\$569,150)	\$1,956,725
7/99 – 6/00	\$1,956,725	\$238,860	(\$775,585)	\$1,420,000
7/00 – 6/01	\$1,420,000	\$843,216	(\$783,216)	\$1,480,000
7/01 – 6/02	\$1,480,000	\$1,352,243	(\$932,243)	\$1,900,000
7/02 – 6/03	\$1,900,000	\$2,291,308	(\$1,185,308)	\$3,006,000
7/03 – 6/04	\$3,006,000	\$1,108,627	(\$1,137,627)	\$2,977,000
7/04 – 6/05	\$2,977,000	\$1,008,467	(\$1,131,467)	\$2,854,000
7/05 – 6/06	\$2,854,000	\$1,091,442	(\$1,010,542)	\$2,934,900
7/06 – 6/07	\$2,934,900	\$1,598,147	(\$775,147)	\$3,757,900
7/07 – 6/08	\$3,757,900	\$1,803,554	(\$1,743,654)	\$3,817,800
7/08 – 6/09	\$3,817,800	\$2,229,229	(\$1,694,529)	\$4,352,500

Health care benefits for employees, retirees, and dependents:

The City has been accounting for and financing health care benefits under a separate subdivision of the Risk Management Fund since January 1, 1992. Claims administration is provided by a third party administrator. Individual and aggregate stop loss insurance was purchased for the period July 1, 2008 thru June 30, 2009. All City Departments and Enterprise Funds are charged a premium based on the number of single and family plans in place each month. Retirees and COBRA participants pay 102% of the monthly plan premium. The total premium charged is the amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid medical bills as of June 30, 2009 to be \$941,500. Changes in the Health Fund's claims liability amount since January 1, 1992 are as follows:

	Beginning Fiscal Year	Claim	Claims Paid	Ending Fiscal Year
	<u>Liability</u>	<u>Expenses</u>	<u>Claims Paid</u>	<u>Liability</u>
1/92 – 6/92	\$0	\$2,229,374	(\$1,869,088)	\$360,286
7/92 – 6/93	\$360,286	\$5,157,419	(\$4,564,705)	\$953,000
7/93 – 6/94	\$953,000	\$5,599,388	(\$5,162,388)	\$1,390,000
7/94 – 6/95	\$1,390,000	\$4,549,217	(\$4,659,217)	\$1,280,000
7/95 – 6/96	\$1,280,000	\$4,509,449	(\$4,839,449)	\$950,000
7/96 – 6/97	\$950,000	\$5,236,036	(\$5,611,036)	\$575,000
7/97 – 6/98	\$575,000	\$5,421,607	(\$5,366,607)	\$630,000
7/98 – 6/99	\$630,000	\$6,289,703	(\$6,149,703)	\$770,000
7/99 – 6/00	\$770,000	\$7,104,771	(\$7,034,771)	\$840,000
7/00 – 6/01	\$840,000	\$7,946,000	(\$7,896,000)	\$890,000
7/01 – 6/02	\$890,000	\$8,203,086	(\$8,288,086)	\$805,000
7/02 – 6/03	\$805,000	\$8,573,153	(\$8,638,153)	\$740,000
7/03 – 6/04	\$740,000	\$10,568,789	(\$10,463,789)	\$845,000
7/04 – 6/05	\$845,000	\$11,156,688	(\$11,141,688)	\$860,000
7/05 – 6/06	\$860,000	\$12,713,370	(\$12,452,370)	\$1,121,000
7/06 – 6/07	\$1,121,000	\$14,939,875	(\$15,064,875)	\$996,000
7/07 – 6/08	\$996,000	\$15,220,863	(\$15,416,863)	\$800,000
7/08 – 6/09	\$800,000	\$15,114,077	(\$14,972,577)	\$941,500

CITY OF CEDAR RAPIDS, IOWA
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Dental Care benefits for employees and dependents:

Effective April 1, 1993, the City began to account for and finance dental care benefits under a separate subdivision of the Risk Management Fund. Claims administration is provided by a third party administrator. All City Departments and Enterprise Funds are charged a premium based on the number of plans in place each month. Employees pay the extra cost to purchase family plan coverage. COBRA participants pay 102% of the single or family plan monthly premium. The total premium charged is the estimated amount needed to pay expected claim and administrative costs. An independent actuary examined the claims payment records and determined the claims liability for incurred but unpaid dental bills as of June 30, 2000 to be \$40,800. Changes in the Dental Fund's claims liability amount since April 1, 1993 are as follows:

Fiscal Year	Beginning <u>Liability</u>	Claim <u>Expenses</u>	Claims Paid	Ending <u>Liability</u>
4/93 – 6/93	\$0	\$98,776	(\$75,801)	\$22,975
7/93 – 6/94	\$22,975	\$394,188	(\$370,663)	\$46,500
7/94 – 6/95	\$46,500	\$398,553	(\$397,053)	\$48,000
7/95 – 6/96	\$48,000	\$456,220	(\$453,220)	\$51,000
7/96 – 6/97	\$51,000	\$482,906	(\$488,906)	\$45,000
7/97 – 6/98	\$45,000	\$569,900	(\$564,900)	\$50,000
7/98 – 6/99	\$50,000	\$551,341	(\$566,541)	\$34,800
7/99 – 6/00	\$34,800	\$652,097	(\$639,897)	\$47,000
7/00 – 6/01	\$47,000	\$626,600	(\$629,600)	\$44,000
7/01 – 6/02	\$44,000	\$722,902	(\$722,902)	\$44,000
7/02 – 6/03	\$44,000	\$737,813	(\$740,813)	\$41,000
7/03 – 6/04	\$41,000	\$791,097	(\$788,097)	\$44,000
7/04 – 6/05	\$44,000	\$770,899	(\$780,899)	\$34,000
7/05 – 6/06	\$34,000	\$782,716	(\$780,816)	\$35,900
7/06 – 6/07	\$35,900	\$792,842	(\$789,742)	\$39,000
7/07 – 6/08	\$39,000	\$762,930	(\$767,930)	\$34,000
7/08 – 6/09	\$34,000	\$824,870	(\$818,070)	\$40,800

Note 13: Contingent Liabilities

The City is involved in a lawsuit as to whether the collection of certain franchise fees in excess of regulatory costs by the City in conjunction with its cable franchise constitutes an illegal tax under Iowa law. The probability of outcome of this case is not determinable at this time; therefore no accrual has been made to the financial statements.

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

Note 14: Closure and Postclosure Care Cost

State and federal laws and regulations require a final cover be placed on a landfill site when an entity stops accepting waste and requires an entity to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the

CITY OF CEDAR RAPIDS, IOWA
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date the landfill stops accepting waste, the liabilities of closure and postclosure care costs are to be expensed in each period based upon landfill capacity used as of each statement date.

As of July 1, 1994, the City entered into an agreement with Linn County to form the Cedar Rapids/Linn County Solid Waste Agency. The City and Linn County's liability for closure and postclosure care costs as of July 1, 1994, were fixed as part of the agreement based on estimated care costs and the percentage of landfill capacity utilized for each of the two respective landfill sites. The City's liability for closure and postclosure costs as of July 1, 1994, was \$6,553,050. As part of the agreement, the City transferred its landfill site and certain other assets with a fair value of \$3,202,554 and an equal amount of closure and postclosure care liabilities to the agency. These liabilities as well as those transferred by Linn County, in connection with the transfer of its landfill site, are recognized as liabilities by the component unit. The remaining amount of the City's closure and postclosure care costs were fully recognized by the primary government as of June 30, 2009.

Cedar Rapids/Linn County Solid Waste Agency is liable for all closure and postclosure care costs at the two landfill sites except for the liabilities retained by the City and Linn County. Cedar Rapids/Linn County Solid Waste Agency's liability as of June 30, 2009, is summarized below.

These amounts are based on what it would cost to perform all closure and postclosure care costs as of June 30, 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

	Former City Landfill	Former County Landfill	Total
Total care costs	\$ 10,229,170	\$ 7,191,501	\$ 17,420,671
Care costs remaining to be recognized attributable to unutilized capacity	-	(1,400,904)	(1,400,904)
Care costs recognized attributable to utilized capacity	\$ 10,229,170	\$ 5,790,597	\$ 16,019,767
Capacity utilized	100.00%	80.52%	
Estimated remaining life	0 years	2.7 years	

The City operates an ash sanitary landfill consisting of two lagoons at the City's Water Pollution Control facility. The purpose of the landfill is to hold the sandy material leftover from the incineration of solids created during treatment or settled out of the wastewater. Each lagoon will hold up to two to three years of waste. Once filled, the lagoon is permitted to rest for a year or two and then the ash is excavated and used as daily cover at the Cedar Rapids/Linn County Solid Waste Agency landfill. Once the lagoon is excavated, it will be ready to receive more ash. The estimated total current costs of the landfill closure and post-closure care costs as of June 30, 2009, was estimated by a professional engineer and is \$780,210. This liability is accrued in the Water Pollution Control fund. The City is required by federal and state laws and regulations to provide some form of financial assurance to finance closure and post-closure care. The City will meet its financial assurance obligations through existing cash reserves.

Note 15: Operating Leases

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

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

The Airport also leases land and building space under various long-term leases, which expire between October 2009 and January 2050.

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

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 3,183,929
2011	2,806,673
2012	2,779,974
2013	2,253,021
2014	1,252,464
2015-2019	3,684,260
2020-2024	1,327,080
2025-2029	1,327,080
2030-2034	356,930
2035-2039	5,350
2040-2044	4,913
2045-2049	977
2050-2054	<u>97</u>
Total lease payments	<u><u>\$ 18,982,748</u></u>

Note 16: Subsequent events – Bond issue

On August 10, 2009, the City issued \$16,595,000 revenue bonds to fund various water, waste water, and sewer construction projects. The bonds are due in serial installments of \$585,000 to \$935,000 through June 1, 2029 and bear interest at 1.40% to 6.25%.

Note 17: Other Post Employment Benefits (OPEB)

Plan Description and Funding Policy

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

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

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the City contributed \$0. Retiree and COBRA participants receiving benefits contributed \$715,869 through their required contribution of \$562.02 per month for single health coverage, \$1,335.18 for family health coverage, \$23.46 per month for single dental coverage, and \$70.38 per month for family dental coverage.

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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

Annual required contribution	\$ 1,051,488
Interest on net OPEB obligation	52,574
Adjustment to annual required contribution	715,869
Annual OPEB cost (expense)	\$ 1,819,931
Contributions made	(715,869)
Increase in net OPEB obligation	\$ 1,104,062
Net OPEB obligation – July 1, 2009	2,185,736
Net OPEB obligation – June 30, 2009	\$ 3,289,798

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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/07	\$1,470,970	46.4%	\$1,081,674
6/30/08	\$1,914,894	42.3%	\$2,185,736
6/30/09	\$1,819,931	39.3%	\$3,289,798

Funded Status and Funding Progress

Post Employment Benefit Obligations under GASB 45 calculated as of July 1, 2008, the most recent actuarial valuation date:

Actuarial Accrued Liability	Total	Members
Actives not yet eligible to receive benefits	\$ 4,345,197	1,136
Actives eligible to receive benefits	2,531,704	64
Retirees	4,940,195	64
Total Actuarial Accrued Liability (AAL)	11,817,096	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	11,817,096	

The covered payroll (annual payroll of active employees covered by the plan) was \$61,789,964 and the ratio of the UAAL to the covered payroll was 19.1%.

Actuarial Methods and Assumptions

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

The actuarial calculations were performed in accordance with the Projected Unit Credit Actuarial Cost Method as allowed under GASB 45. The excess of the AAL over the actuarial value of plan assets is the

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over a maximum 30 years in level dollar amounts on an open period amortization basis. The sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability is the Annual Required Contribution, which with interest at the valuation rate, determines the Annual OPEB Cost.

Demographic Assumptions

Since benefits end at age 65, mortality is not a significant decrement. RP2000 Mortality Table with projection to 2010 was used. Retirement rates are based on an analysis of census information and retirements provided by the City. Disability rates are modified from the 1987 Commissioner’s Group Disability Table with 12-month elimination period, male and female. The City assumes no recovery from disability. 80% of current actives who receive benefits in the future will be Retirees married but only 40% of their spouses will participate due to the “family rate” surcharge. 25% of future retirees eligible to participate are expected to choose benefits due to cost based on City experience.

Economic Cost Assumptions

The rate at which projected cash flows are to be discounted should reflect rates of return on high-quality fixed-income investments currently available and expected to be available during the period in which the benefits are expected to be paid. Fiscal 2009 per capita health care costs for retirees were determined based on an analysis of the retiree’s claims experience provided by the City over the prior five fiscal years. Per capita costs are adjusted for age, and illustrative costs are shown below:

Age	Monthly Per Capita Costs
57	\$ 1,583
62	1,952

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

Retiree required monthly contributions are equal to the COBRA rates. The rate of contribution for FY2009 is shown below and is assumed to increase by the HCCT shown below.

Category	Required Monthly Contributions
Single Health	\$ 562.02
Family Health	1,335.18

Health care cost trend rates are used to anticipate increases in medical benefit costs expected to be experienced by the retiree health plan in each future year. The trend rates used are based on a long term general inflation assumption of 3.5%, and real economic growth of 1.5%.

Fiscal Year Beginning Change Over Prior	Medical Trend
2010	8.50%
2011	8.00%
2012	7.50%
2013	7.00%
2014	6.50%
2015	6.00%
2016	5.50%
2017+	5.00%

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Benefits are projected based on benefit levels and cost-sharing arrangements as of July 1, 2008 and do not explicitly reflect the potential effects of legal or contractual funding limitations. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 18: New Pronouncements

The City implemented the following Governmental Accounting Standard Board (GASB) Statements during the year:

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the City to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. This Statement had no effect to the City.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement established consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. This Statement had no effect to the City.

As of June 30, 2009, the GASB has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending June 30, 2010. This Statement provides guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. This standard provides that intangible assets be classified as capital assets. Relevant guidance for capital assets should be applied to these intangible assets.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending June 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is

CITY OF CEDAR RAPIDS, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

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

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

City of Cedar Rapids, Iowa
Required Supplementary Information
Budgetary Comparison Schedule of Receipts,
Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds,
and Discretely Presented Component Units
Year ended June 30, 2009

	Governmental Fund Types Actual Budgetary Basis	Proprietary Fund Types Actual Budgetary Basis	Discretely Presented Component Units Actual Budgetary Basis
Revenues:			
Property taxes	\$ 71,675,370	\$ 3,724,950	\$ -
TIF revenues	10,628,944	-	-
Other taxes	8,655,240	-	-
Licenses and permits	2,222,570	100	1,711
Use of money and property	3,002,815	5,548,830	11,502,599
Intergovernmental	116,555,476	3,586,293	8,457,018
Charges for services	12,610,138	98,430,674	13,412,942
Special assessments	225,104	-	13,715
Miscellaneous	5,011,720	7,835,149	1,334,314
Total revenues	<u>230,587,377</u>	<u>119,125,996</u>	<u>34,722,299</u>
Expenditures:			
Current:			
Public safety	43,704,967	-	-
Public works	17,287,309	-	-
Culture and recreation	11,646,151	-	-
Community and economic development	17,590,721	-	-
General government	13,134,755	-	-
Debt service	26,372,446	-	-
Capital projects	158,688,285	-	-
Business-type	-	132,534,820	30,349,963
Total expenditures	<u>288,424,634</u>	<u>132,534,820</u>	<u>30,349,963</u>
Excess (deficiency) of revenues over (under) expenditures	(57,837,257)	(13,408,824)	4,372,336
Other financing sources, net	34,775,873	527,337	(1,800,077)
Net change in fund balances, net assets	(23,061,384)	(12,881,487)	2,572,259
Fund balances, budgetary basis net assets - July 1, 2008	136,184,573	290,345,128	132,388,716
Fund balances, budgetary basis net assets - June 30, 2009	<u>\$ 113,123,189</u>	<u>\$ 277,463,641</u>	<u>\$ 134,960,975</u>
Adjustments not budgeted:			
Other accrued liabilities	451,840	105,578	-
Sale of capital assets	-	(91,170)	51,869
Bond proceeds	-	(27,748,273)	-
Accrued bond interest	(4,602,679)	(19,297,486)	(1,624,312)
Capital outlay variance from depreciation	-	27,716,475	34,356,635
Fund balances, net assets - June 30, 2009 GAAP basis	<u>\$ 108,972,350</u>	<u>\$ 258,148,765</u>	<u>\$ 167,745,167</u>

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

Net	Budgeted Amounts		Final to Actual Variance Positive (Negative)
	Original	Final	
\$ 75,400,320	\$ 70,512,699	\$ 70,512,699	\$ 4,887,621
10,628,944	10,493,902	10,493,902	135,042
8,655,240	8,345,736	12,484,487	(3,829,247)
2,224,381	2,462,675	2,118,525	105,856
20,054,244	21,070,527	18,003,582	2,050,662
128,598,787	42,644,361	252,664,654	(124,065,867)
124,453,754	91,468,121	102,855,904	21,597,850
238,819	422,900	422,455	(183,636)
14,181,183	38,289,027	31,813,828	(17,632,645)
<u>384,435,672</u>	<u>285,709,948</u>	<u>501,370,036</u>	<u>(116,934,364)</u>
43,704,967	43,768,726	46,641,155	2,936,188
17,287,309	18,451,791	19,226,879	1,939,570
11,646,151	12,754,063	13,127,169	1,481,018
17,590,721	18,308,983	19,920,574	2,329,853
13,134,755	12,018,285	18,917,851	5,783,096
26,372,446	15,423,163	26,388,640	16,194
158,688,285	56,868,413	281,251,571	122,563,286
162,884,783	201,659,318	236,717,893	73,833,110
<u>451,309,417</u>	<u>379,252,742</u>	<u>662,191,732</u>	<u>210,882,315</u>
(66,873,745)	(93,542,794)	(160,821,696)	93,947,951
33,503,133	63,953,828	76,052,135	(42,549,002)
(33,370,612)	(29,588,966)	(84,769,561)	51,398,949
558,918,417	516,285,380	516,285,380	42,633,037
<u>\$ 525,547,805</u>	<u>\$ 486,696,414</u>	<u>\$ 431,515,819</u>	<u>\$ 94,031,986</u>

CITY OF CEDAR RAPIDS, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2009

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and permanent funds. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increase budget disbursements by \$282,938,990. This budget amendment is reflected in the final budgeted amounts.

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

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

Actuarial Valuation Date	Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	6/30/2007	\$ -	\$ 7,794,002	\$ 7,794,002	0.00%	\$ 59,572,345	13.08%
7/1/2008	6/30/2008	\$ -	\$11,817,096	\$11,817,096	0.00%	\$ 61,789,964	19.10%
7/1/2008	6/30/2009	\$ -	\$11,817,096	\$11,817,096	0.00%	\$ 61,789,964	19.10%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of July 1, 2008. Additional information follows:

- a. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
- b. There are no plan assets.
- c. Economic assumptions are as follows: healthcare cost trend rates of 5.0-8.5%; discount rate of 6.0%
- d. The amortization method is open period, level dollar.

**City of Cedar Rapids, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Special Revenue Funds					
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:						
Taxes	-	-	-	11,382,428	-	-
Accounts and unbilled usage, net	-	-	-	-	-	-
\$221,242 of allowance for doubtful accounts	3,936	5,059	-	-	-	60,359
Interest	-	-	-	-	-	-
Due from other funds	-	-	1,684,411	5,778,137	1,238,994	1,286,560
Due from other governments	109,938	164,025	626,760	-	1,734,705	-
Notes receivable	-	-	-	2,900,000	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	327,594
Total assets	<u>113,874</u>	<u>169,084</u>	<u>2,311,171</u>	<u>20,060,565</u>	<u>2,973,699</u>	<u>1,674,513</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Vouchers payable	57,414	6,882	40,313	412,612	-	18,525
Contracts payable	-	-	-	-	-	-
Accrued expenditures	11,899	1,642	-	-	-	15,207
Revenues collected in advance	-	-	-	-	-	-
Deferred revenues	26,416	76,818	626,760	11,179,936	-	-
Advance from other funds	-	-	-	-	-	-
Due to other funds	66,351	78,106	-	-	-	-
Due to general public	-	-	-	-	-	324,600
Due to other governments	-	-	-	-	-	192
Security deposits	-	-	-	300	-	-
Total liabilities	<u>162,080</u>	<u>163,448</u>	<u>667,073</u>	<u>11,592,848</u>	<u>-</u>	<u>358,524</u>
Fund balances (deficits):						
Reserved for:						
Notes receivable	-	-	-	2,500,000	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	327,594
Encumbrances	792,343	632,676	-	-	-	10,718
Employee retirement	-	394,292	-	-	-	-
Unreserved, reported in:						
Capital projects funds	-	-	-	-	-	-
Special revenue funds	(840,549)	(1,021,332)	1,644,098	5,967,717	2,973,699	977,677
Total fund balances (deficits)	<u>(48,206)</u>	<u>5,636</u>	<u>1,644,098</u>	<u>8,467,717</u>	<u>2,973,699</u>	<u>1,315,989</u>
Total liabilities and fund balances	<u>\$ 113,874</u>	<u>\$ 169,084</u>	<u>\$ 2,311,171</u>	<u>\$ 20,060,565</u>	<u>\$ 2,973,699</u>	<u>\$ 1,674,513</u>

SSMID	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Total Nonmajor Governmental Funds
					Other Construction	
\$ -	\$ 246,621	\$ 853,039	\$ 392,369	\$ 1,492,029	\$ 10,902,306	\$ 12,394,335
293,823	2,152,052	1,761,587	205,758	15,795,648	-	15,795,648
-	-	-	92,993	162,347	877,285	1,039,632
-	1,362	4,862	200	6,424	-	6,424
275,317	210,399	356,194	6,822,821	17,652,833	2,727,325	20,380,158
-	-	-	657,059	3,292,487	63,468	3,355,955
-	-	-	25,000	2,925,000	-	2,925,000
-	-	-	3,605	3,605	26,407	30,012
-	-	-	-	327,594	51,646	379,240
569,140	2,610,434	2,975,682	8,199,805	41,657,967	14,648,437	56,306,404
-	5,095	1,840	328,790	871,471	1,570,387	2,441,858
-	-	-	-	-	23,814	23,814
-	474,722	-	7,859	511,329	-	511,329
-	-	-	158,128	158,128	-	158,128
290,895	2,130,617	1,729,421	608,456	16,669,319	860,284	17,529,603
-	-	-	-	-	2,992,000	2,992,000
-	-	-	-	144,457	-	144,457
-	-	-	4,617	329,217	-	329,217
-	-	-	-	192	-	192
-	-	-	-	300	200	500
290,895	2,610,434	1,731,261	1,107,850	18,684,413	5,446,685	24,131,098
-	-	-	-	2,500,000	-	2,500,000
-	-	-	3,605	3,605	26,407	30,012
-	-	-	-	327,594	51,646	379,240
-	-	-	234,868	1,670,605	2,102,609	3,773,214
-	-	1,244,421	-	1,638,713	-	1,638,713
-	-	-	-	-	7,021,090	7,021,090
278,245	-	-	6,853,482	16,833,037	-	16,833,037
278,245	-	1,244,421	7,091,955	22,973,554	9,201,752	32,175,306
\$ 569,140	\$ 2,610,434	\$ 2,975,682	\$ 8,199,805	\$ 41,657,967	\$ 14,648,437	\$ 56,306,404

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds					
	Community Development Block Grants	H.O.M.E.	Hotel-Motel Tax	Tax Incremental Financing	Road Use Tax	Leased Housing
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ 10,628,944	\$ -	\$ -
Hotel-Motel taxes	-	-	2,977,830	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,205,616	576,664	-	-	10,172,024	5,297,084
Charges for services	32,711	15,960	-	-	-	8,175
Fines and forfeits	-	-	-	-	-	-
Use of money and property	-	-	63,944	107,723	16,420	18,869
Rents and royalties	-	-	-	-	-	-
Miscellaneous	16,600	74,597	-	-	-	58
Total revenues	<u>1,254,927</u>	<u>667,221</u>	<u>3,041,774</u>	<u>10,736,667</u>	<u>10,188,444</u>	<u>5,324,186</u>
Expenditures:						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	1,304,636	660,897	2,099,819	3,909,093	-	5,098,949
General government	-	-	-	-	627	-
Debt service:						
Principal	-	-	-	650,000	-	-
Bond issuance costs	-	-	-	-	-	-
Interest expense	-	-	-	19,284	-	-
Capital outlay	-	-	-	110,397	-	-
Total expenditures	<u>1,304,636</u>	<u>660,897</u>	<u>2,099,819</u>	<u>4,688,774</u>	<u>627</u>	<u>5,098,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,709)</u>	<u>6,324</u>	<u>941,955</u>	<u>6,047,893</u>	<u>10,187,817</u>	<u>225,237</u>
Other Financing Sources (Uses):						
Long-term debt issued	-	-	-	-	-	-
Discount on debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	215,000	-
Transfers (out)	-	-	(546,124)	(9,218,510)	(10,190,344)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(546,124)</u>	<u>(9,218,510)</u>	<u>(9,975,344)</u>	<u>-</u>
Net change in fund balances	<u>(49,709)</u>	<u>6,324</u>	<u>395,831</u>	<u>(3,170,617)</u>	<u>212,473</u>	<u>225,237</u>
Fund balances (deficits) - July 1, 2007	1,503	(688)	1,248,267	11,638,334	2,761,226	1,090,752
Fund balances (deficits) - June 30, 2008	<u>\$ (48,206)</u>	<u>\$ 5,636</u>	<u>\$ 1,644,098</u>	<u>\$ 8,467,717</u>	<u>\$ 2,973,699</u>	<u>\$ 1,315,989</u>

SSMID	Fire Retirement	Police Retirement	Other	Total	Capital Projects	Total Nonmajor Governmental Funds
					Other Construction	
\$ 276,210	\$ 1,997,122	\$ 2,080,617	\$ 197,667	\$ 15,180,560	\$ -	\$ 15,180,560
-	-	-	-	2,977,830	-	2,977,830
-	-	-	16,350	16,350	-	16,350
-	-	-	2,589,953	19,841,341	590,587	20,431,928
-	-	-	63,761	120,607	8,819	129,426
-	-	-	6,170	6,170	-	6,170
6,598	13,645	86,311	77,975	391,485	157,211	548,696
-	-	-	296,588	296,588	-	296,588
-	-	-	349,376	440,631	412,968	853,599
<u>282,808</u>	<u>2,010,767</u>	<u>2,166,928</u>	<u>3,597,840</u>	<u>39,271,562</u>	<u>1,169,585</u>	<u>40,441,147</u>
-	92,330	267,654	329,833	689,817	146,559	836,376
-	-	-	-	-	2,292	2,292
-	-	-	906,391	906,391	199,286	1,105,677
422,884	-	-	741,652	14,237,930	3,606,913	17,844,843
-	-	-	1,154,802	1,155,429	730,666	1,886,095
-	-	-	-	650,000	-	650,000
-	-	-	-	-	29,403	29,403
-	-	-	-	19,284	-	19,284
-	-	-	35,645	146,042	1,504,037	1,650,079
<u>422,884</u>	<u>92,330</u>	<u>267,654</u>	<u>3,168,323</u>	<u>17,804,893</u>	<u>6,219,156</u>	<u>24,024,049</u>
<u>(140,076)</u>	<u>1,918,437</u>	<u>1,899,274</u>	<u>429,517</u>	<u>21,466,669</u>	<u>(5,049,571)</u>	<u>16,417,098</u>
-	-	-	-	-	7,185,734	7,185,734
-	-	-	-	-	(29,375)	(29,375)
-	-	-	130,463	130,463	-	130,463
125,712	210,399	-	389,134	940,245	742,487	1,682,732
(111,978)	(1,682,320)	(2,696,064)	(1,393,071)	(25,838,411)	(20,466)	(25,858,877)
<u>13,734</u>	<u>(1,471,921)</u>	<u>(2,696,064)</u>	<u>(873,474)</u>	<u>(24,767,703)</u>	<u>7,878,380</u>	<u>(16,889,323)</u>
(126,342)	446,516	(796,790)	(443,957)	(3,301,034)	2,828,809	(472,225)
404,587	(446,516)	2,041,211	7,535,912	26,274,588	6,372,943	32,647,531
<u>\$ 278,245</u>	<u>\$ -</u>	<u>\$ 1,244,421</u>	<u>\$ 7,091,955</u>	<u>\$ 22,973,554</u>	<u>\$ 9,201,752</u>	<u>\$ 32,175,306</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2009

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
ASSETS				
Current assets:				
Cash and investments	\$ 12,105	\$ 3,009	\$ -	\$ 19,885
Receivables:				
Taxes	4,033,850	-	-	-
Accounts and unbilled usage, net				
\$7,074 of allowance for doubtful accounts	114,340	135,741	1,004,472	41,796
Interest	-	5	-	-
Due from other funds	1,279,402	2,035,238	13,132,081	-
Due from other governments	77,328	-	2,690	1,712
Inventories	-	19	13,179	150,886
Prepaid items	750	-	8,188	23,190
Deferred charges	-	-	-	11,312
Restricted assets:				
Cash and investments	-	-	-	552,012
Total current assets	<u>5,517,775</u>	<u>2,174,012</u>	<u>14,160,610</u>	<u>800,793</u>
Noncurrent assets:				
Land	2,445,367	5,910,123	27,229	602,967
Buildings and structures	8,824,993	22,204,709	214,837	1,175,128
Improvements other than buildings	7,084,931	4,303,997	-	5,310,674
Machinery and equipment	12,895,437	605,777	6,177,467	1,462,768
Accumulated depreciation	(22,303,985)	(16,868,194)	(4,221,513)	(3,443,723)
Construction in progress	-	-	19,884	-
Total noncurrent assets	<u>8,946,743</u>	<u>16,156,412</u>	<u>2,217,904</u>	<u>5,107,814</u>
Total assets	<u>14,464,518</u>	<u>18,330,424</u>	<u>16,378,514</u>	<u>5,908,607</u>
LIABILITIES				
Current liabilities:				
Vouchers payable	763,813	171,901	208,844	163,486
Contracts payable	-	37,296	-	-
Accrued expenses	75,144	16,102	74,440	50,084
Compensated absences	142,315	32,596	128,239	88,258
Revenues collected in advance	14,290	147	-	(3,460)
Deferred revenues	3,986,393	-	-	-
Due to other funds	-	-	-	280,565
Due to other governments	-	-	-	26,284
Security deposits	1,000	-	-	-
Advance from other funds	-	-	-	-
General obligation bonds payable	-	-	-	802,134
Unamortized bond premium	-	-	-	3,550
Matured bonds interest payable	-	-	-	10,991
Total current liabilities	<u>4,982,955</u>	<u>258,042</u>	<u>411,523</u>	<u>1,421,892</u>
Noncurrent liabilities:				
General obligation bonds payable	-	-	-	2,721,910
Unamortized bond premium	-	-	-	39,904
Compensated absences	16,432	-	794	-
Total noncurrent liabilities	<u>16,432</u>	<u>-</u>	<u>794</u>	<u>2,761,814</u>
Total liabilities	<u>4,999,387</u>	<u>258,042</u>	<u>412,317</u>	<u>4,183,706</u>
NET ASSETS				
Invested in capital assets, net of related debt	8,946,743	16,156,412	2,217,904	2,090,316
Restricted for debt service	-	-	-	2,012
Unrestricted (deficit)	518,388	1,915,970	13,748,293	(367,427)
	<u>\$ 9,465,131</u>	<u>\$ 18,072,382</u>	<u>\$ 15,966,197</u>	<u>\$ 1,724,901</u>

U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
\$ 392,533	\$ -	\$ 152,975	\$ 580,507
-	-	-	4,033,850
262,233	-	153,729	1,712,311
-	-	-	5
1,478,471	-	-	17,925,192
-	84,645	-	166,375
-	-	-	164,084
29,429	-	17,129	78,686
-	8,294	50,342	69,948
-	393,338	-	945,350
<u>2,162,666</u>	<u>486,277</u>	<u>374,175</u>	<u>25,676,308</u>
807,500	308,531	-	10,101,717
10,118,154	4,921,813	9,699,555	57,159,189
709,948	29,950	252,534	17,692,034
1,279,900	275,897	1,923,613	24,620,859
(8,340,085)	(1,925,407)	(3,567,164)	(60,670,071)
50,000	-	-	69,884
<u>4,625,417</u>	<u>3,610,784</u>	<u>8,308,538</u>	<u>48,973,612</u>
<u>6,788,083</u>	<u>4,097,061</u>	<u>8,682,713</u>	<u>74,649,920</u>
198,888	(271)	58,675	1,565,336
4,760	-	1,500	43,556
222,960	-	14,733	453,463
-	-	-	391,408
79,649	-	-	90,626
33,370	-	41,976	4,061,739
-	611,103	227,205	1,118,873
84,833	-	1,364	112,481
6,072	-	-	7,072
88,000	-	-	88,000
35,000	631,301	405,000	1,873,435
-	1,124	-	4,674
791	5,266	24,853	41,901
<u>754,323</u>	<u>1,248,523</u>	<u>775,306</u>	<u>9,852,564</u>
225,000	1,127,747	4,260,000	8,334,657
-	13,205	-	53,109
-	-	-	17,226
<u>225,000</u>	<u>1,140,952</u>	<u>4,260,000</u>	<u>8,404,992</u>
<u>979,323</u>	<u>2,389,475</u>	<u>5,035,306</u>	<u>18,257,556</u>
4,365,417	2,227,407	3,643,538	39,647,737
-	3,338	-	5,350
1,443,343	(523,159)	3,869	16,739,277
<u>\$ 5,808,760</u>	<u>\$ 1,707,586</u>	<u>\$ 3,647,407</u>	<u>\$ 56,392,364</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2009

	Business-type Activities - Other Enterprise Funds			
	Transit System	Parking System	Solid Waste Management	Golf
Operating revenues:				
Charges for services	\$ 469,837	\$ 1,802,377	\$ 6,832,953	\$ 1,804,944
Fines and forfeits	-	150,522	-	-
Use of money and property	-	1,083	-	-
Rents and royalties	31,849	-	-	525,744
Miscellaneous	40,935	-	-	205,817
Total operating revenues	<u>542,621</u>	<u>1,953,982</u>	<u>6,832,953</u>	<u>2,536,505</u>
Operating expenses:				
Personal services	3,397,356	769,333	3,492,894	1,277,533
Purchased services	2,693,600	1,321,337	2,838,485	750,238
Supplies and materials	473,539	31,583	664,137	563,860
Other	910,314	726,450	27,263	14,257
Depreciation	1,132,590	919,832	637,669	285,603
Total operating expenses	<u>8,607,399</u>	<u>3,768,535</u>	<u>7,660,448</u>	<u>2,891,491</u>
Operating income (loss)	<u>(8,064,778)</u>	<u>(1,814,553)</u>	<u>(827,495)</u>	<u>(354,986)</u>
Nonoperating revenues (expenses):				
Intergovernmental	3,380,960	-	926	-
Investment income	5,858	83,729	219,932	46,390
Property tax revenue	3,724,950	-	-	-
Gain (loss) on sale of capital assets	(19,455)	(4,874)	23,641	9,287
Interest expense	-	-	-	(186,816)
Total nonoperating revenue (expenses)	<u>7,092,313</u>	<u>78,855</u>	<u>244,499</u>	<u>(131,139)</u>
Income (loss) before transfers and capital contributions	<u>(972,465)</u>	<u>(1,735,698)</u>	<u>(582,996)</u>	<u>(486,125)</u>
Capital contributions	<u>203,946</u>	<u>1,099,153</u>	<u>-</u>	<u>-</u>
Transfers in	-	-	-	3,503
Transfers out	(8,447)	(847,442)	(970,196)	(134,617)
Change in net assets	<u>(776,966)</u>	<u>(1,483,987)</u>	<u>(1,553,192)</u>	<u>(617,239)</u>
Total net assets, beginning	<u>10,242,097</u>	<u>19,556,369</u>	<u>17,519,389</u>	<u>2,342,140</u>
Total net assets, ending	<u>\$ 9,465,131</u>	<u>\$ 18,072,382</u>	<u>\$ 15,966,197</u>	<u>\$ 1,724,901</u>

U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
\$ 471,876	\$ 2,386	\$ 603,627	\$ 11,988,000
-	-	-	150,522
-	-	-	1,083
509,225	-	342,823	1,409,641
1,124,859	-	8,470	1,380,081
<u>2,105,960</u>	<u>2,386</u>	<u>954,920</u>	<u>14,929,327</u>
718,769	170,754	321,281	10,147,920
1,039,984	55,200	584,505	9,283,349
33,630	165	83,959	1,850,873
21,281	8,766	2,181	1,710,512
250,859	139,586	430,255	3,796,394
<u>2,064,523</u>	<u>374,471</u>	<u>1,422,181</u>	<u>26,789,048</u>
<u>41,437</u>	<u>(372,085)</u>	<u>(467,261)</u>	<u>(11,859,721)</u>
-	-	-	3,381,886
17,479	22,093	-	395,481
-	-	-	3,724,950
(865)	-	-	7,734
<u>(10,530)</u>	<u>(95,144)</u>	<u>(343,711)</u>	<u>(636,201)</u>
<u>6,084</u>	<u>(73,051)</u>	<u>(343,711)</u>	<u>6,873,850</u>
47,521	(445,136)	(810,972)	(4,985,871)
-	-	-	1,303,099
98,125	413,139	685,551	1,200,318
-	-	-	(1,960,702)
145,646	(31,997)	(125,421)	(4,443,156)
5,663,114	1,739,583	3,772,828	60,835,520
<u>\$ 5,808,760</u>	<u>\$ 1,707,586</u>	<u>\$ 3,647,407</u>	<u>\$ 56,392,364</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2009

	Business-type Activities -			
	Transit System	Parking System	Solid Waste Management	Golf
Cash flows from operating activities:				
Cash received from users	\$ 459,294	\$ 1,977,784	\$ 6,927,951	\$ 2,526,100
Cash paid to employees	(3,377,602)	(795,060)	(3,514,346)	(1,265,300)
Cash paid to suppliers	(3,341,478)	(1,960,160)	(3,996,641)	(1,333,939)
Net cash flows from operating activities	<u>(6,259,786)</u>	<u>(777,436)</u>	<u>(583,036)</u>	<u>(73,139)</u>
Cash flows from non-capital financing activities:				
Borrowing from other funds	2,597,483	1,565,058	3,239,853	1,050,878
Loans to other funds	(2,811,374)	(228,388)	(1,787,983)	(477,244)
Intergovernmental	3,380,960	-	926	-
Transfers in	-	-	-	3,503
Transfers out	(8,447)	(847,442)	(970,196)	(134,617)
Property taxes	3,677,372	-	-	-
Net cash flows from non-capital financing activities	<u>6,835,994</u>	<u>489,228</u>	<u>482,600</u>	<u>442,520</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(818,700)	(708,635)	(147,886)	(22,015)
Proceeds from disposition of capital assets	38,139	-	28,390	21,192
Capital contributions	203,946	1,099,153	-	-
General obligation bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Principal paid	-	(955,000)	-	(800,833)
Interest paid	-	64	-	(178,967)
Net cash flows from capital and related financing activities	<u>(576,615)</u>	<u>(564,418)</u>	<u>(119,496)</u>	<u>(980,623)</u>
Cash flows from investing activities:				
Interest on investments	5,858	83,731	219,932	46,390
Net cash flows from investing activities	<u>5,858</u>	<u>83,731</u>	<u>219,932</u>	<u>46,390</u>
Net decrease in cash and cash equivalents	5,451	(768,895)	-	(564,852)
Cash and cash equivalents, July 1, 2008	6,654	771,904	-	1,136,749
Cash and cash equivalents, June 30, 2009	<u>\$ 12,105</u>	<u>\$ 3,009</u>	<u>\$ -</u>	<u>\$ 571,897</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (8,064,778)	\$ (1,814,553)	\$ (827,495)	\$ (354,986)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	1,132,590	919,832	637,669	285,603
Change in assets and liabilities:				
(Increase) decrease in prepaid items	22,066	-	(1,968)	(14,507)
Increase (decrease) in vouchers payable	586,741	119,210	(461,014)	(10,563)
(Increase) decrease in accrued expenses	9,539	(3,131)	(31,885)	1,818
Increase (decrease) in compensated absences	10,215	(22,596)	10,433	10,415
(Increase) decrease in accounts receivable	(11,654)	28,368	94,998	(9,552)
(Increase) decrease in inventories	127,168	-	(3,774)	19,486
(Increase) decrease in due from other governments	(25,574)	9,791	-	1,137
Increase (decrease) due to other governments	(46,099)	-	-	70
(Decrease) in revenues collected in advance	-	(14,357)	-	(2,060)
(Decrease) in security deposit	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-
Net cash flows from operating activities	<u>\$ (6,259,786)</u>	<u>\$ (777,436)</u>	<u>\$ (583,036)</u>	<u>\$ (73,139)</u>
Schedule of noncash capital and related financing activities:				
Acquisition of capital assets through contracts payable	<u>\$ (1,115)</u>	<u>\$ 37,296</u>	<u>\$ -</u>	<u>\$ -</u>
Asset depreciation transfer	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,830)</u>

Other Enterprise Funds

U.S. Cellular Center	Paramount Theatre	Ice Arena	Total
\$ 1,912,967	\$ 2,386	\$ 1,057,614	\$ 14,864,096
(770,499)	(170,754)	(320,772)	(10,214,333)
(1,015,072)	(64,102)	(798,339)	(12,509,731)
<u>127,396</u>	<u>(232,470)</u>	<u>(61,497)</u>	<u>(7,859,968)</u>
1,953,814	237,987	4,850,554	15,495,627
(1,916,675)	(139,381)	(4,398,165)	(11,759,210)
-	-	-	3,381,886
98,125	413,139	685,551	1,200,318
-	-	-	(1,960,702)
-	-	-	3,677,372
<u>135,264</u>	<u>511,745</u>	<u>1,137,940</u>	<u>10,035,291</u>
(340,918)	-	(340,554)	(2,378,708)
-	-	-	87,721
-	-	-	1,303,099
-	-	4,665,000	4,665,000
-	-	(50,342)	(50,342)
(35,000)	(582,108)	(4,910,000)	(7,282,941)
(10,624)	(99,046)	(345,404)	(633,977)
<u>(386,542)</u>	<u>(681,154)</u>	<u>(981,300)</u>	<u>(4,290,148)</u>
17,479	22,093	-	395,483
17,479	22,093	-	395,483
(106,403)	(379,786)	95,143	(1,719,342)
498,936	773,124	57,832	3,245,199
<u>\$ 392,533</u>	<u>\$ 393,338</u>	<u>\$ 152,975</u>	<u>\$ 1,525,857</u>
\$ 41,437	\$ (372,085)	\$ (467,261)	\$(11,859,721)
250,859	139,586	430,255	3,796,394
14,058	-	(9,121)	10,528
65,765	29	(118,573)	181,595
(51,730)	-	509	(74,880)
-	-	-	8,467
1,072	-	82,619	185,851
-	-	-	142,880
-	-	-	(14,646)
188	-	729	(45,112)
(169,241)	-	-	(185,658)
(20,246)	-	-	(20,246)
(4,766)	-	19,346	14,580
<u>\$ 127,396</u>	<u>\$ (232,470)</u>	<u>\$ (61,497)</u>	<u>\$ (7,859,968)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,213)</u>	<u>\$ 31,968</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,830)</u>

City of Cedar Rapids, Iowa
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
ASSETS					
Current assets:					
Cash and investments	\$ -	\$ 2,307,682	\$ 2,017,416	\$ 541,247	\$ 4,866,345
Receivables:					
Accounts and unbilled usage, net	166,489	339,057	71	34,734	540,351
Interest	-	-	-	2,771	2,771
Due from other funds	1,431,018	-	1,387,201	30,881,351	33,699,570
Due from other governments	16,010	35,459	-	-	51,469
Inventories	331,210	808,216	-	-	1,139,426
Prepaid items	-	4,758	-	480,282	485,040
Total current assets	<u>1,944,727</u>	<u>3,495,172</u>	<u>3,404,688</u>	<u>31,940,385</u>	<u>40,784,972</u>
Noncurrent assets:					
Advance to other funds	-	-	-	2,992,000	2,992,000
Land	1,016,663	-	-	-	1,016,663
Buildings and structures	6,082,507	-	-	-	6,082,507
Improvements other than buildings	1,843,172	-	-	-	1,843,172
Machinery and equipment	160,332	4,893,480	756,957	-	5,810,769
Accumulated depreciation	(5,296,767)	(486,900)	(579,013)	-	(6,362,680)
Construction in progress	5,965	321,110	59,407	-	386,482
Total noncurrent assets	<u>3,811,872</u>	<u>4,727,690</u>	<u>237,351</u>	<u>2,992,000</u>	<u>11,768,913</u>
Total assets	<u>5,756,599</u>	<u>8,222,862</u>	<u>3,642,039</u>	<u>34,932,385</u>	<u>52,553,885</u>
LIABILITIES					
Current liabilities:					
Vouchers payable	99,654	1,319,322	33,336	860,284	2,312,596
Claims and judgments payable	-	-	-	7,640,300	7,640,300
Accrued expenses	38,379	64,635	34,121	-	137,135
Compensated absences	96,662	174,494	70,801	-	341,957
Due to other funds	-	1,269,828	-	-	1,269,828
Total current liabilities	<u>234,695</u>	<u>2,828,279</u>	<u>138,258</u>	<u>8,500,584</u>	<u>11,701,816</u>
Noncurrent liabilities:					
Compensated absences	-	36,144	-	-	36,144
Post-employment liability	-	-	-	3,289,798	3,289,798
Total noncurrent liabilities	<u>-</u>	<u>36,144</u>	<u>-</u>	<u>3,289,798</u>	<u>3,325,942</u>
Total liabilities	<u>234,695</u>	<u>2,864,423</u>	<u>138,258</u>	<u>11,790,382</u>	<u>15,027,758</u>
NET ASSETS					
Invested in capital assets, net of related debt	3,811,872	4,727,690	237,351	-	8,776,913
Unrestricted	1,710,032	630,749	3,266,430	23,142,003	28,749,214
	<u>\$ 5,521,904</u>	<u>\$ 5,358,439</u>	<u>\$ 3,503,781</u>	<u>\$ 23,142,003</u>	<u>\$ 37,526,127</u>

City of Cedar Rapids, Iowa
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Operating revenues:					
Charges for services	\$ 1,857,710	\$ 6,585,136	\$ 2,357,643	\$ 21,780,453	\$ 32,580,942
Rents and royalties	1,304,119	-	-	-	1,304,119
Miscellaneous	1,185	-	-	-	1,185
Total operating revenues	<u>3,163,014</u>	<u>6,585,136</u>	<u>2,357,643</u>	<u>21,780,453</u>	<u>33,886,246</u>
Operating expenses:					
Personal services	1,810,041	3,167,118	1,440,569	1,070,414	7,488,142
Purchased services	538,502	1,134,849	406,704	18,310,803	20,390,858
Supplies and materials	286,134	1,476,641	267,803	3,788	2,034,366
Other	2,150	21,055	9,325	103,469	135,999
Depreciation	322,211	473,755	74,597	-	870,563
Total operating expenses	<u>2,959,038</u>	<u>6,273,418</u>	<u>2,198,998</u>	<u>19,488,474</u>	<u>30,919,928</u>
Operating income (loss)	<u>203,976</u>	<u>311,718</u>	<u>158,645</u>	<u>2,291,979</u>	<u>2,966,318</u>
Nonoperating revenues (expenses):					
Investment earnings	11,068	-	18,557	457,527	487,152
Gain on sale of capital assets	-	50,000	-	-	50,000
Contributions & Donations	-	144,951	(3,500)	-	141,451
Interest expense	-	(60,962)	(14,561)	(399)	(75,922)
Total nonoperating revenue (expenses)	<u>11,068</u>	<u>133,989</u>	<u>496</u>	<u>457,128</u>	<u>602,681</u>
Income before transfers & capital contributions	<u>215,044</u>	<u>445,707</u>	<u>159,141</u>	<u>2,749,107</u>	<u>3,568,999</u>
Capital contributions	-	2,316,539	2,023,455	-	4,339,994
Transfers in	-	2,438,293	-	57,654	2,495,947
Transfers out	(76,267)	(116,215)	(2,232)	(713,142)	(907,856)
Change in net assets	138,777	5,084,324	2,180,364	2,093,619	9,497,084
Total net assets, beginning	5,383,127	274,115	1,323,417	21,048,384	28,029,043
Total net assets, ending	<u>\$ 5,521,904</u>	<u>\$ 5,358,439</u>	<u>\$ 3,503,781</u>	<u>\$ 23,142,003</u>	<u>\$ 37,526,127</u>

City of Cedar Rapids, Iowa
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

	Facilities Maintenance	Fleet Services	Joint Communications	Risk Management	Total
Cash flows from operating activities:					
Cash received from users	\$ 3,990,261	\$ 6,240,209	\$ 2,357,643	\$ 21,794,719	\$ 34,382,832
Cash paid to employees	(1,790,112)	(3,213,399)	(1,434,044)	-	(6,437,555)
Cash paid to suppliers	(770,966)	(3,100,800)	(685,464)	(17,846,413)	(22,403,643)
Net cash flows from operating activities	<u>1,429,183</u>	<u>(73,990)</u>	<u>238,135</u>	<u>3,948,306</u>	<u>5,541,634</u>
Cash flows from non-capital financing activities:					
Borrowing from other funds	323,527	7,781,151	207,538	102,434	8,414,650
Loans to other funds	(1,681,546)	(5,697,825)	(449,976)	(3,900,076)	(11,729,423)
Contributions and donations	-	144,951	(3,500)	-	141,451
Transfers in	-	2,438,293	-	57,654	2,495,947
Transfers out	(76,267)	(116,215)	(2,232)	(713,142)	(907,856)
Net cash flows from non-capital financing activities	<u>(1,434,286)</u>	<u>4,550,355</u>	<u>(248,170)</u>	<u>(4,453,130)</u>	<u>(1,585,231)</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(5,965)	(4,474,692)	-	-	(4,480,657)
Proceeds from disposition of capital assets	-	50,000	-	-	50,000
Capital contributions	-	2,316,539	2,023,455	-	4,339,994
Principal paid	-	-	-	(91,500)	(91,500)
Interest paid	-	-	(14,561)	(3,753)	(18,314)
Net cash flows from capital and related financing activities	<u>(5,965)</u>	<u>(2,108,153)</u>	<u>2,008,894</u>	<u>(95,253)</u>	<u>(200,477)</u>
Cash flows from investing activities:					
Interest on investments	11,068	(60,962)	18,557	457,481	426,144
Net cash flows from investing activities	<u>11,068</u>	<u>(60,962)</u>	<u>18,557</u>	<u>457,481</u>	<u>426,144</u>
Net decrease in cash and cash equivalents					
Cash and cash equivalents, July 1, 2008	-	432	-	683,843	684,275
Cash and cash equivalents, June 30, 2009	<u>\$ -</u>	<u>\$ 2,307,682</u>	<u>\$ 2,017,416</u>	<u>\$ 541,247</u>	<u>\$ 4,866,345</u>
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 203,976	\$ 311,718	\$ 158,645	\$ 2,291,979	\$ 2,966,318
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	322,211	473,755	74,597	-	870,563
Change in assets and liabilities:					
(Increase) decrease in prepaid items	(620)	(4,648)	8,192	(14,013)	(11,089)
Increase (decrease) in vouchers payable	56,440	295,728	(9,824)	419,760	762,104
(Decrease) in accrued expenses	(15)	(20,982)	(4,615)	(1,945)	(27,557)
Increase (decrease) in compensated absences	19,944	(25,299)	11,140	-	5,785
(Increase) decrease in accounts receivable	821,829	(330,955)	-	(23,569)	467,305
(Increase) in inventories	-	(759,335)	-	-	(759,335)
(Increase) decrease in due from other governments	5,418	(13,972)	-	-	(8,554)
Increase in revenues collected in advance	-	-	-	6,132	6,132
Increase post-employment liability	-	-	-	1,104,062	1,104,062
Increase in open claims payable	-	-	-	165,900	165,900
Net cash flows from operating activities	<u>\$ 1,429,183</u>	<u>\$ (73,990)</u>	<u>\$ 238,135</u>	<u>\$ 3,948,306</u>	<u>\$ 5,541,634</u>

City of Cedar Rapids, Iowa
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2009

	Developers Security Deposit	Contractors Permit Deposit	Regional Planning	Area Ambulance	Total
ASSETS					
Receivables:					
Accounts receivable	\$ -	\$ 287	\$ -	\$ -	\$ 287
Due from other governments	408,223	23,024	265,047	9,319	705,613
Total Assets	<u>\$ 408,223</u>	<u>\$ 23,311</u>	<u>\$ 265,047</u>	<u>\$ 9,319</u>	<u>\$ 705,900</u>
LIABILITIES					
Vouchers payable	\$ -	\$ 136	\$ 2,320	\$ -	\$ 2,456
Due to other governments	-	-	262,727	9,319	272,046
Security deposits	408,223	23,175	-	-	431,398
Total liabilities	<u>\$ 408,223</u>	<u>\$ 23,311</u>	<u>\$ 265,047</u>	<u>\$ 9,319</u>	<u>\$ 705,900</u>

CITY OF CEDAR RAPIDS, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Developers Security Deposit				
Assets:				
Due from other governments	\$ 353,434	\$ 87,810	\$ 33,021	\$ 408,223
Liabilities:				
Security deposits	\$ 353,434	\$ 87,810	\$ 33,021	\$ 408,223
Contractors Permit Deposit				
Assets:				
Accounts receivable	\$ -	\$ 287	\$ -	\$ 287
Due from other governments	41,155	134,823	152,954	23,024
Total assets	<u>\$ 41,155</u>	<u>\$ 135,110</u>	<u>\$ 152,954</u>	<u>\$ 23,311</u>
Liabilities:				
Vouchers payable	\$ 61	\$ 1,077	\$ 1,002	\$ 136
Security deposits	41,094	134,573	152,492	23,175
Total liabilities	<u>\$ 41,155</u>	<u>\$ 135,650</u>	<u>\$ 153,494</u>	<u>\$ 23,311</u>
Regional Planning				
Assets:				
Due from other governments	\$ 230,928	\$ 234,892	\$ 200,773	\$ 265,047
Total assets	<u>\$ 230,928</u>	<u>\$ 234,892</u>	<u>\$ 200,773</u>	<u>\$ 265,047</u>
Liabilities:				
Vouchers payable	\$ 13,004	\$ 116,430	\$ 127,114	\$ 2,320
Due to other governments	217,924	44,803	-	262,727
Total liabilities	<u>\$ 230,928</u>	<u>\$ 161,233</u>	<u>\$ 127,114</u>	<u>\$ 265,047</u>
Area Ambulance				
Assets:				
Due from other governments	\$ 58,709	\$ 360	\$ 49,750	\$ 9,319
Liabilities:				
Due to other governments	58,709	360	49,750	9,319
Total liabilities	<u>\$ 58,709</u>	<u>\$ 360</u>	<u>\$ 49,750</u>	<u>\$ 9,319</u>
Total				
Assets:				
Accounts receivable	\$ -	\$ 287	\$ -	\$ 287
Due from other governments	684,226	457,885	436,498	705,613
Total assets	<u>\$ 684,226</u>	<u>\$ 458,172</u>	<u>\$ 436,498</u>	<u>\$ 705,900</u>
Liabilities:				
Vouchers payable	\$ 13,065	\$ 117,507	\$ 128,116	\$ 2,456
Due to other governments	276,633	45,163	49,750	272,046
Security deposits	394,528	222,383	185,513	431,398
Total liabilities	<u>\$ 684,226</u>	<u>\$ 385,053</u>	<u>\$ 363,379</u>	<u>\$ 705,900</u>

City of Cedar Rapids, Iowa
Statements of Revenues, Expenses, and Changes in Fund Net Assets
Discretely Presented Component Units
For the Year Ended June 30, 2009

	<u>Airport</u>	<u>Cedar Rapids/ Linn County Solid Waste Agency</u>	<u>Cedar Rapids Public Library Foundation</u>
Operating revenues:			
Charges for services	\$ 3,258,189	\$ 10,154,753	\$ -
Licenses and permits	1,711	-	-
Use of money and property	16,191	71,519	205,040
Rents and royalties	10,283,083	27,641	-
Miscellaneous	36,847	1,311,183	-
Total operating revenues	<u>13,596,021</u>	<u>11,565,096</u>	<u>205,040</u>
Operating expenses:			
Personal services	3,106,787	2,406,563	-
Purchased services	2,671,496	2,501,421	181,486
Supplies and materials	618,357	1,217,604	104,336
Other	72,502	2,349,193	-
Depreciation	5,492,992	1,354,595	140
Total operating expenses	<u>11,962,134</u>	<u>9,829,376</u>	<u>285,962</u>
Operating income (loss)	<u>1,633,887</u>	<u>1,735,720</u>	<u>(80,922)</u>
Nonoperating revenues (expenses):			
Intergovernmental	62,509	1,360,744	-
Investment income (loss)	527,928	576,237	-
Loss on sale of assets	(12,036)	(1,159)	-
Interest expense	(214,439)	-	-
Total nonoperating revenue (expenses)	<u>363,962</u>	<u>1,935,822</u>	<u>-</u>
Capital contributions	<u>7,033,765</u>	<u>-</u>	<u>-</u>
Change in net assets	9,031,614	3,671,542	(80,922)
Total net assets, beginning	130,855,761	24,186,250	3,505,722
Total net assets, ending	<u>\$ 139,887,375</u>	<u>\$ 27,857,792</u>	<u>\$ 3,424,800</u>

City of Cedar Rapids, Iowa
Statements of Cash Flows
Discretely Presented Component Units
For the Year Ended June 30, 2009

	Airport	Cedar Rapids/ Linn County Solid Waste Agency	Cedar Rapids Public Library Foundation
Cash flows from operating activities:			
Cash received from users	\$ 13,920,629	\$ 10,657,017	\$ 104,040
Cash paid to employees	(3,124,670)	(2,424,730)	-
Cash paid to suppliers	(5,961,600)	(4,866,232)	(294,897)
Net cash flows from operating activities	<u>4,834,359</u>	<u>3,366,055</u>	<u>(190,857)</u>
Cash flows from non-capital financing activities:			
Borrowing from other funds	5,579,233	-	-
Loans to other funds	(3,298,279)	-	-
Intergovernmentals	62,509	1,360,744	-
Permanently restricted contributions	-	-	-
Net cash flows from non-capital financing activities	<u>2,343,463</u>	<u>1,360,744</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(14,134,047)	(5,688,329)	-
Capital contributions	7,033,765	-	-
Proceeds from disposition of capital assets	39,833	24,332	-
Principal paid	(1,616,807)	-	-
Interest paid	(221,945)	-	-
Net cash flows from capital and related financing activities	<u>(8,899,201)</u>	<u>(5,663,997)</u>	<u>-</u>
Cash flows from investing activities:			
Interest on investments	527,928	547,473	-
Realized gain (loss) on investments	-	94,770	-
Proceeds from sale and maturities of investment securities	-	-	150,000
Purchase of investment securities, net unrealized gain/loss	-	-	(207,313)
Net cash flows from investing activities	<u>527,928</u>	<u>642,243</u>	<u>(57,313)</u>
Net (increase) decrease in cash and cash equivalents	(1,193,451)	(294,955)	(248,170)
Cash and cash equivalents, July 1, 2008	1,206,121	22,235,537	258,354
Cash and cash equivalents, June 30, 2009	<u>\$ 12,670</u>	<u>\$ 21,940,582</u>	<u>\$ 10,184</u>
Reconciliation of operating income to net cash flows from operating activities			
Operating income	\$ 1,633,887	\$ 1,735,720	\$ (80,922)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation expense	5,492,992	1,354,595	140
Change in assets and liabilities:			
(Increase) decrease in prepaid items	(4,667)	43,960	-
(Decrease) in vouchers payable	(2,594,578)	(655,544)	(9,075)
Increase (decrease) in compensated absences	(20,098)	5,242	-
Increase (decrease) in accrued expenses	2,215	(23,409)	-
(Increase) decrease in accounts receivable	(247,519)	514,538	(101,000)
(Increase) in notes receivable	-	(41,243)	-
Decrease in inventories	-	-	-
(Increase) decrease in due from other governments	381,026	(1,357,130)	-
(Decrease) in due to other governments	-	(29,802)	-
Increase (decrease) in security deposits	(342)	4,000	-
Increase in revenues collected in advance	-	1,558	-
Increase in deferred revenues	191,443	-	-
Increase in closure/postclosure payable	-	1,813,570	-
Net cash flows from operating activities	<u>\$ 4,834,359</u>	<u>\$ 3,366,055</u>	<u>\$ (190,857)</u>
Reconciliation of cash and cash equivalents to specific assets on statement of net assets:			
Cash and investments	\$ 12,670	\$ 21,940,582	\$ 3,432,277
Less: Items not meeting the definition of cash and cash equivalents	-	-	3,422,093
	<u>\$ 12,670</u>	<u>\$ 21,940,582</u>	<u>\$ 10,184</u>
Schedule of noncash capital and related financing activities:			
Acquisition of assets through prior year contracts paid	<u>\$ (82,601)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2009

Governmental funds capital assets:	
Land	\$ 32,977,478
Building	56,478,015
Improvements other than Building	353,436,468
Machinery and equipment	39,633,739
Construction in progress	11,178,718
Total governmental funds capital assets	<u>\$ 493,704,418</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 83,698,349
Special revenue funds	45,227,896
Capital projects funds	347,685,881
Donations	17,092,292
Total governmental funds capital assets	<u>\$ 493,704,418</u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2009

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
Function and Activity						
Public Safety:						
Police	\$ 1,057,050	\$ 10,495,863	\$ 595,862	\$ 4,090,050	\$ 61,027	\$ 16,299,852
Flood Control	-	-	10,616	-	-	10,616
Fire	459,523	4,956,543	98,911	7,074,007	-	12,588,984
Building Inspections	-	266,930	-	106,879	4,699	378,508
Animal Control	-	196,963	14,630	147,107	-	358,700
Total Public Safety	<u>1,516,573</u>	<u>15,916,299</u>	<u>720,019</u>	<u>11,418,043</u>	<u>65,726</u>	<u>29,636,660</u>
Public Works:						
Roads, Bridges, Sidewalks	14,799,300	-	272,213,142	472,367	35,498	287,520,307
Traffic Control and Safety	12,477	9,739	10,665,116	1,175,445	-	11,862,777
Street Cleaning	-	167,196	-	10,328,345	-	10,495,541
Flood Recovery	354,910	-	-	3,496,616	9,332,789	13,184,315
Other Public Works	1,014	-	39,538,313	-	61,581	39,600,908
Total Public Works	<u>15,167,701</u>	<u>176,935</u>	<u>322,416,571</u>	<u>15,472,773</u>	<u>9,429,868</u>	<u>362,663,848</u>
Culture & Recreation:						
Library Services	1,397,574	7,421,620	32,337	1,061,523	33,466	9,946,520
Museum, Band, Theater	-	-	-	13,010	-	13,010
Parks	5,287,524	3,957,315	13,936,558	3,493,273	21,147	26,695,817
Recreation	63,287	8,602,640	6,059,561	4,440,924	-	19,166,412
Other Culture and Recreation	-	85,686	-	-	-	85,686
Total Culture and Recreation	<u>6,748,385</u>	<u>20,067,261</u>	<u>20,028,456</u>	<u>9,008,730</u>	<u>54,613</u>	<u>55,907,445</u>
Community & Economic Development:						
Community Beautification	10,500	-	-	525,245	-	535,745
Economic Development	5,666,834	541,000	68,114	46,651	1,396,091	7,718,690
Housing and Urban Renewal	28,445	-	89,494	175,184	-	293,123
Other Community and Economic Development	2,580,788	-	-	137,754	250	2,718,792
Total Community and Economic Development	<u>8,286,567</u>	<u>541,000</u>	<u>157,608</u>	<u>884,834</u>	<u>1,396,341</u>	<u>11,266,350</u>
General Government:						
Mayor and Council	-	-	-	15,892	-	15,892
Clerk, Treasurer, Finance	-	-	1,370,769	881,174	-	2,251,943
City Attorney	-	-	-	19,270	-	19,270
City Hall and Other Buildings	85,100	17,257,763	3,704,328	204,987	217,608	21,469,786
Other General Government	1,173,152	2,518,757	5,038,717	1,728,036	14,562	10,473,224
Total General Government	<u>1,258,252</u>	<u>19,776,520</u>	<u>10,113,814</u>	<u>2,849,359</u>	<u>232,170</u>	<u>34,230,115</u>
Total governmental funds capital assets	<u><u>\$ 32,977,478</u></u>	<u><u>\$ 56,478,015</u></u>	<u><u>\$ 353,436,468</u></u>	<u><u>\$ 39,633,739</u></u>	<u><u>\$ 11,178,718</u></u>	<u><u>\$ 493,704,418</u></u>

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

City of Cedar Rapids, Iowa
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2009

Function and Activity	Governmental Funds Capital Assets July 1, 2008	Additions	Deletions	Governmental Funds Capital Assets June 30, 2009
Public Safety:				
Police	16,378,729	\$ 147,685	\$ (226,562)	\$ 16,299,852
Flood Control	10,616	-	-	10,616
Fire	11,971,770	1,078,083	(460,869)	12,588,984
Building Inspections	438,256	-	(59,748)	378,508
Animal Control	374,224	43,498	(59,022)	358,700
Total Public Safety	<u>29,173,595</u>	<u>1,269,266</u>	<u>(806,201)</u>	<u>29,636,660</u>
Public Works:				
Roads, Bridges, Sidewalks	257,430,031	30,141,426	(51,150)	287,520,307
Traffic Control and Safety	11,882,537	-	(19,760)	11,862,777
Street Cleaning	10,747,294	531,360	(783,113)	10,495,541
Flood	630,029	12,554,286	-	13,184,315
Other Public Works	39,600,908	-	-	39,600,908
Total Public Works	<u>320,290,799</u>	<u>43,227,072</u>	<u>(854,023)</u>	<u>362,663,848</u>
Culture & Recreation:				
Library Services	9,836,569	126,059	(16,108)	9,946,520
Museum, Band, Theater	13,010	-	-	13,010
Parks	25,768,681	1,102,171	(175,035)	26,695,817
Recreation	19,351,453	-	(185,041)	19,166,412
Other Culture and Recreation	603,147	-	(517,461)	85,686
Total Culture and Recreation	<u>55,572,860</u>	<u>1,228,230</u>	<u>(893,645)</u>	<u>55,907,445</u>
Community & Economic Development:				
Community Beautification	1,033,196	23,985	(521,436)	535,745
Economic Development	7,599,131	152,190	(32,631)	7,718,690
Housing and Urban Renewal	293,123	-	-	293,123
Other Community and Economic Development	2,608,595	110,197	-	2,718,792
Total Community and Economic Development	<u>11,534,045</u>	<u>286,372</u>	<u>(554,067)</u>	<u>11,266,350</u>
General Government:				
Mayor and council	15,892	-	-	15,892
Clerk, Treasurer, Finance	2,251,943	-	-	2,251,943
City Attorney	6,048	13,222	-	19,270
City Hall and Other Buildings	21,494,483	162,176	(186,873)	21,469,786
Other General Government	10,359,894	132,709	(19,379)	10,473,224
Total General Government	<u>34,128,260</u>	<u>308,107</u>	<u>(206,252)</u>	<u>34,230,115</u>
Total governmental funds capital assets	<u><u>\$ 450,699,559</u></u>	<u><u>\$ 46,319,047</u></u>	<u><u>\$ (3,314,188)</u></u>	<u><u>\$ 493,704,418</u></u>

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

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	94
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).	100
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.	109
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.	116
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.	119

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning that year.

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

City of Cedar Rapids, Iowa

Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities:							
Invested in capital assets, net of related debt	\$ 170,293,419	\$ 180,212,606	\$ 182,522,603	\$ 188,024,772	\$ 166,859,345	\$ 215,756,562	\$ 202,547,673
Restricted	-	-	22,186,515	22,186,515	53,058,213	46,336,187	34,927,581
Unrestricted	120,141,715	110,680,666	95,704,733	103,526,477	109,830,961	80,101,208	131,561,029
Total governmental activities							
net assets	290,435,134	290,893,272	300,413,851	313,737,764	329,748,519	342,193,957	369,036,283
Business-type activities:							
Invested in capital assets, net of related debt	155,123,651	163,871,381	163,821,373	171,583,350	189,931,481	156,641,036	151,831,976
Restricted	18,660,585	-	-	-	-	211,003	39,979
Unrestricted	68,725,552	72,525,516	70,100,125	65,769,024	54,103,299	62,908,340	71,434,828
Total business-type activities							
net assets	242,509,788	236,396,897	233,921,498	237,352,374	244,034,780	219,760,379	223,306,783
Primary government:							
Invested in capital assets, net of related debt	325,417,070	344,083,987	346,343,976	359,608,122	356,790,826	372,397,598	354,379,649
Restricted	18,660,585	-	22,186,515	22,186,515	53,058,213	46,547,190	34,967,560
Unrestricted	188,867,267	183,206,182	165,804,858	169,295,501	163,934,260	143,009,548	202,995,857
Total primary government assets							
net assets	\$ 532,944,922	\$ 527,290,169	\$ 534,335,349	\$ 551,090,138	\$ 573,783,299	\$ 561,954,336	\$ 592,343,066

GASB Statement No. 34 Implemented in Fiscal Year 2003

City of Cedar Rapids, Iowa

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses:							
Governmental activities:							
Public safety	\$ 42,461,754	\$ 24,546,647	\$ 36,598,588	\$ 39,604,205	\$ 41,827,493	\$ 45,079,704	\$ 52,957,555
Public Works	22,539,198	15,340,165	23,476,595	24,486,391	25,633,415	26,490,183	31,597,955
Culture and recreation	11,984,656	17,658,329	14,448,265	14,403,753	14,150,160	14,947,142	18,600,493
Community and economic development	15,375,249	7,837,144	17,737,847	15,124,554	17,316,122	16,743,324	69,037,194
General government	7,800,987	40,513,052	9,620,708	8,470,505	10,671,203	26,964,118	62,868,795
Interest on long-term debt	5,253,908	5,523,401	4,736,327	5,051,146	4,965,549	6,090,164	5,499,749
Total governmental activities expenses	105,415,752	111,418,738	106,618,330	107,140,554	114,563,942	136,314,635	240,561,741
Business -type activities:							
Water	18,271,399	20,146,454	20,183,395	20,292,696	19,981,289	20,928,498	22,260,320
Water pollution control	20,786,914	21,474,470	21,155,005	23,457,134	25,013,567	40,419,439	24,761,524
Sanitary sewer	4,810,188	5,574,981	5,212,436	5,483,443	5,521,451	6,221,906	6,844,499
Ground transportation system	3,568,144	7,663,828	7,941,027	8,591,187	8,710,141	14,411,599	8,477,644
Parking system	7,599,819	3,565,956	4,028,604	3,542,614	3,614,899	5,477,383	3,736,096
Solid waste management	5,100,289	5,138,653	5,381,234	5,549,469	5,978,733	6,783,763	7,497,821
Golf	2,551,173	2,877,597	2,765,321	2,763,139	2,854,476	3,087,089	3,045,868
U.S. Cellular center	3,244,067	2,769,182	2,322,972	1,995,824	2,450,662	1,920,761	2,075,918
Paramount theatre	907,611	849,346	835,535	805,021	1,106,828	4,521,021	469,615
Ice arena	2,123,700	2,019,690	1,785,060	1,755,007	1,800,805	1,748,772	1,765,892
Total business-type activities expenses	68,963,304	72,080,157	71,610,589	74,235,534	77,032,851	105,520,231	80,935,197
Total primary government expenses	174,379,056	183,498,895	178,228,919	181,376,088	191,596,793	241,834,866	321,496,938
Program revenue:							
Governmental activities:							
Charges for services:							
Public safety	2,265,967	2,832,903	2,680,541	2,890,022	3,494,651	3,196,635	3,457,851
Public works	1,589,680	524,970	1,224,718	2,268,030	1,031,583	917,932	3,153,404
Culture and recreation	2,747,057	2,999,278	2,798,179	2,816,206	2,911,609	2,721,975	2,202,798
Community and economic development	617,896	815,056	905,983	922,365	1,934,766	583,379	1,236,449
General government	5,206,303	5,796,903	1,915,122	2,220,615	2,313,792	5,240,941	12,418,618
Operating grants and contributions:							
Public safety	203,508	392,858	809,715	1,061,761	669,139	606,657	2,481,375
Public works	329,782	180,961	10,417,038	10,030,359	11,296,337	20,396,467	15,519,134
Culture and recreation	1,082,402	699,075	796,327	767,141	813,981	868,402	3,374,928
Community development	8,686,198	10,964,745	10,606,097	5,759,726	9,402,242	8,771,933	21,909,102
General government	270,070	5,021	150,078	397,655	1,053,915	1,820,576	52,367,301
Capital grants and contributions							
Public safety	90,090	330,515	34,795	57,070	19,264	39,170	20,576
Public works	7,436,448	8,943,185	6,747,161	7,153,621	6,739,142	10,676,970	9,595,543
Culture and recreation	179,104	333,811	1,017,806	238,773	686,758	135,476	596,528
Community and economic development	-	32,500	10,987	303,597	106,404	58,634	44,114,704
General government	-	222,078	40,518	53,809	1,008,250	433,984	152,098
Total governmental activities program revenue	30,704,505	35,073,859	40,155,065	36,940,750	43,481,833	56,469,131	172,600,409
Business-type activities:							
Charges for services:							
Water	18,602,903	19,385,375	20,062,822	21,237,980	21,630,046	22,048,658	23,902,932
Water pollution control	15,901,594	16,221,332	17,614,839	20,692,758	22,131,342	22,267,080	25,191,014
Sanitary sewer	5,963,162	5,690,924	6,211,361	6,727,767	7,171,948	8,046,981	9,190,139
Ground transportation system	2,832,670	999,253	1,055,043	1,155,707	1,136,814	1,126,602	542,621
Parking system	917,935	2,913,465	2,989,577	2,935,889	2,992,440	3,083,142	1,953,982
Solid waste management	6,125,152	6,339,836	6,544,751	6,724,886	6,977,774	7,033,832	6,832,953
Golf	2,117,423	2,492,765	2,550,384	2,656,282	2,708,739	2,544,561	2,536,505
U.S. Cellular center	2,722,636	2,206,412	2,145,149	1,822,931	2,161,352	1,767,484	2,105,960
Paramount theatre	693,800	472,227	1,182,730	614,984	698,640	782,525	2,386
Ice arena	1,292,572	1,284,726	1,085,718	1,087,155	1,046,058	960,531	954,920

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Operating grants and contributions:							
Water	229,947	16,021	-	37,761	-	-	-
Water pollution control	8,033	-	-	-	-	-	-
Sanitary sewer	23,311	60	-	-	-	-	461
Ground transportation system	7,560	2,529,406	2,115,981	2,947,652	2,844,586	3,214,133	3,380,960
Parking system	2,759,884	3,021	-	-	-	-	-
Solid waste management	43,747	38,825	48,564	49,417	685	10,707	926
Golf	2,390	14,118	3,175	4,619	-	4,862	-
U.S. Cellular center	-	-	-	-	-	-	-
Paramount theatre	-	27,226	-	-	-	-	-
Ice arena	-	-	-	-	-	-	-
Capital grants and contributions							
Water	964,537	1,054,631	766,990	1,133,306	4,413,811	920,951	892,198
Water pollution control	402,939	-	2,628	7,011	5,202	214	1,017
Sanitary sewer	1,555,210	1,116,109	962,370	1,218,319	1,818,977	696,432	665,071
Ground transportation system	-	3,413	850,198	1,637,058	969,200	398,045	184,491
Parking system	-	4,142	12,613	457,750	676,759	77,802	1,094,279
Solid waste management	-	57,879	25,185	161,000	204,888	48,000	23,641
Golf	-	21,321	3,926	7,798	-	39,691	9,287
U.S. Cellular center	-	-	12,071	25	-	-	-
Paramount theatre	697,144	681,322	-	-	-	-	-
Ice arena	-	21,350	-	85	-	-	-
Total business-type activities program revenues	63,864,549	63,595,159	66,246,075	73,318,140	79,589,261	75,072,233	79,465,743
Total primary government program revenues	94,569,054	98,669,018	106,401,140	110,258,890	123,071,094	131,541,364	252,066,152
Net (expense) revenue							
Governmental activities	(74,711,247)	(76,344,879)	(66,463,265)	(70,199,804)	(71,082,109)	(79,845,504)	(67,961,332)
Business-type activities	(5,098,755)	(8,484,998)	(5,364,514)	(917,394)	2,556,410	(30,447,998)	(1,469,454)
Total primary government net expense	(79,810,002)	(84,829,877)	(71,827,779)	(71,117,198)	(68,525,699)	(110,293,502)	(69,430,786)
General revenues and other changes in net assets:							
Governmental activities:							
Taxes:							
Property taxes	61,937,376	62,981,585	67,750,613	72,572,215	77,333,284	78,166,150	82,304,313
Franchise taxes	1,139,903	1,107,784	1,190,521	1,248,496	1,298,253	2,645,817	1,422,897
Hotel-Motel taxes	13,754,156	2,023,758	2,044,472	2,466,054	2,662,816	1,375,315	2,922,240
Local option sales taxes	-	-	-	-	-	-	4,254,513
Gain on sale of capital assets	9,824,910	10,230,803	366,958	240,860	491,285	425,323	26,159
Investment Earnings	272,088	113,855	2,881,115	5,124,109	6,220,908	7,564,677	2,958,322
Loss on Investments	4,571,055	1,086,954	-	-	(1,144,096)	-	-
Transfers	477,955	(763,538)	1,750,165	1,871,983	230,414	2,113,660	915,214
Total governmental activities	91,977,443	76,781,201	75,983,844	83,523,717	87,092,864	92,290,942	94,803,658
Business-type activities							
Taxes:							
Property taxes	2,889,721	2,995,517	2,960,123	2,964,142	3,008,087	2,988,927	3,724,950
Gain on sale of capital assets	123,486	-	-	-	-	-	-
Investment earnings	2,868,785	781,719	1,817,105	3,256,111	3,850,562	5,315,604	2,206,122
Retirement employee payouts	13,745,119	(2,168,667)	(137,948)	-	(1,981,523)	(17,274)	-
Loss on Investments	(8,879,964)	-	-	-	(520,716)	-	-
Transfers	(477,955)	763,538	(1,750,165)	(1,871,983)	(230,414)	(2,113,660)	(915,214)
Total business-type activities	10,269,192	2,372,107	2,889,115	4,348,270	4,125,996	6,173,597	5,015,858
Total primary government	102,246,635	79,153,308	78,872,959	87,871,987	91,218,860	98,464,539	99,819,516
Changes in net assets:							
Governmental activities	19,530,866	458,138	9,520,579	13,323,913	16,010,755	12,445,438	26,842,326
Business-type activities	5,170,437	(6,112,891)	(2,475,399)	3,430,876	6,682,406	(24,274,401)	3,546,404
Total primary government	\$ 24,701,303	\$ (5,654,753)	\$ 7,045,180	\$ 16,754,789	\$ 22,693,161	\$(11,828,963)	\$ 30,388,730

City of Cedar Rapids, Iowa

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

Function/Program	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities:							
Public safety	\$ 2,559,565	\$ 3,556,276	\$ 3,525,051	\$ 4,008,853	\$ 4,183,054	\$ 3,842,462	\$ 5,959,802
Public works	9,355,910	9,649,116	18,388,917	19,452,010	19,067,062	31,991,369	28,268,081
Culture and recreation	4,008,563	4,032,164	4,612,312	3,822,120	4,412,348	3,725,853	6,174,254
Community and economic development	9,304,094	11,812,301	11,523,067	6,985,688	11,443,412	9,413,946	67,260,255
General government	5,476,373	6,024,002	2,105,718	2,672,079	4,375,957	7,495,501	64,938,017
Total governmental activities	30,704,505	35,073,859	40,155,065	36,940,750	43,481,833	56,469,131	172,600,409
Business-type activities:							
Water	19,797,387	20,456,027	20,829,812	22,409,047	26,043,857	22,969,609	24,795,130
Water pollution control	16,312,566	16,221,332	17,617,467	20,699,769	22,136,544	22,267,294	25,192,031
Sanitary sewer	7,541,683	6,807,093	7,173,731	7,946,086	8,990,925	8,743,413	9,855,671
Ground transportation system	3,677,819	2,920,628	3,002,190	5,740,417	4,950,600	4,738,780	4,108,072
Parking system	2,840,230	3,532,072	4,021,222	3,393,639	3,669,199	3,160,944	3,048,261
Solid waste management	6,168,899	6,436,540	6,618,500	6,935,303	7,183,347	7,092,539	6,857,520
Golf	2,119,813	2,528,204	2,557,485	2,668,699	2,708,739	2,589,114	2,545,792
U.S. Cellular center	2,722,636	2,206,412	2,157,220	1,822,956	2,161,352	1,767,484	2,105,960
Paramount theatre	1,390,944	1,180,775	1,182,730	614,984	698,640	782,525	2,386
Ice arena	1,292,572	1,306,076	1,085,718	1,087,240	1,046,058	960,531	954,920
Total business-type activities	63,864,549	63,595,159	66,246,075	73,318,140	79,589,261	75,072,233	79,465,743
Total primary government	\$ 94,569,054	\$ 98,669,018	\$ 106,401,140	\$ 110,258,890	\$ 123,071,094	\$ 131,541,364	\$ 252,066,152

GASB Statement No. 34 implemented in fiscal year 2007

City of Cedar Rapids, Iowa

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund:							
Reserved	\$ 2,205,075	\$ 1,541,243	\$ 3,760,070	\$ 2,674,358	\$ 2,781,430	\$ 2,561,898	\$ 2,895,040
Unreserved	24,155,537	24,910,214	24,513,482	26,902,767	29,958,128	35,616,422	32,141,757
Total General Fund	26,360,612	26,451,457	28,273,552	29,577,125	32,739,558	38,178,320	35,036,797
All Other Government Funds:							
Reserved	76,762,071	26,321,516	26,949,343	22,998,514	44,699,944	36,589,659	34,309,127
Unreserved, reported in:							
Special revenue funds	12,642,715	13,346,265	14,021,295	15,712,776	22,693,647	24,738,222	23,749,905
Capital projects funds	32,284,449	23,742,869	28,540,216	37,647,728	41,322,971	37,130,694	15,876,521
Total all other government funds	\$ 148,049,847	\$ 89,862,107	\$ 69,510,854	\$ 76,359,018	\$ 108,716,562	\$ 98,458,575	\$ 73,935,553

City of Cedar Rapids, Iowa

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues:							
Taxes	\$ 76,789,145	\$ 66,049,790	\$ 70,985,606	\$ 76,122,186	\$ 81,285,286	\$ 82,174,571	\$ 90,959,554
License and permits	1,736,776	2,082,612	2,169,195	2,365,643	2,052,323	2,323,474	2,222,569
Intergovernmental	27,025,024	26,254,436	26,966,644	24,697,240	26,540,359	30,511,179	116,555,474
Charges for services	2,103,162	2,367,695	2,710,165	2,922,668	3,056,939	3,406,968	12,626,117
Fines and forfeitures	361,697	318,835	397,022	417,067	351,677	324,418	288,825
Use of money and property	3,507,728	904,832	2,269,737	4,206,254	6,228,971	6,378,084	2,524,692
Rents and royalties	608,421	744,593	834,707	808,291	960,772	918,647	477,758
Miscellaneous	5,465,462	3,650,211	3,353,405	3,298,838	3,556,045	3,427,594	2,283,553
Total revenues	117,597,415	102,373,004	109,686,481	114,838,187	124,032,372	129,464,935	227,938,542
Expenditures:							
General government	7,661,358	7,200,832	7,453,065	7,387,698	8,289,145	19,999,186	62,210,093
Public safety	31,678,791	33,294,259	35,398,887	38,366,456	40,572,027	40,864,289	51,910,586
Public works	16,566,085	16,001,042	15,669,418	15,801,715	16,460,295	16,731,938	21,257,996
Culture and recreation	11,511,611	11,456,458	11,812,858	11,767,210	12,198,173	11,167,542	16,566,695
Community and economic development	15,454,478	16,913,202	17,617,700	15,019,244	17,225,206	16,168,651	68,962,927
Capital outlay	26,306,908	21,112,653	18,232,349	18,239,807	17,075,013	18,047,072	41,892,960
Capital outlay not capitalized	-	-	-	-	4,493	-	-
Debt service:							
Principal	15,561,291	8,997,284	10,314,806	12,348,200	9,358,600	18,319,213	21,654,817
Bond issuance costs	50,741	25,217	36,019	37,096	77,004	30,750	96,321
Interest	4,933,212	4,759,713	4,870,749	5,028,580	4,951,750	6,046,541	5,383,144
Total expenditures	129,724,475	119,760,660	121,405,851	123,996,006	126,211,706	147,375,182	289,935,539
Excess of revenues (under) expenditures	(12,127,060)	(17,387,656)	(11,719,370)	(9,157,819)	(2,179,334)	(17,910,247)	(61,996,997)
Other financing sources (uses):							
Transfers in	45,476,325	31,775,714	36,651,734	42,680,001	40,951,729	44,836,345	50,882,684
Transfers out	(44,582,929)	(31,973,891)	(34,367,483)	(40,163,552)	(40,057,598)	(42,901,750)	(51,555,561)
Issuance of note payable	-	-	-	-	650,000	-	-
Issuance of long-term debt	28,465,850	9,914,474	17,055,000	14,665,000	35,742,000	9,679,655	34,612,492
Reimbursement of escrow	(16,101,147)	-	7,150	-	-	-	-
Settlement reimbursement	-	-	246	4,046	21	1,580	465
Premium (discount) on long-term debt	159,293	(72,902)	(99,190)	(110,467)	578,632	36,280	27,414
Capital Contributions	-	-	-	-	136,769	-	-
Gain on impairment of capital assets	-	-	-	-	-	1,000,000	-
Proceeds from sale of capital assets	374,323	143,061	394,212	234,528	608,280	438,912	364,958
Total other financing sources (uses)	13,791,715	9,786,456	19,641,669	17,309,556	38,609,833	13,091,022	34,332,452
Special item:							
Loss on investments	-	-	-	-	(910,522)	-	-
Net changes in fund balance	\$ 97,463,307	\$ 89,862,107	\$ 7,922,299	\$ 8,151,737	\$ 35,519,977	\$ (4,819,225)	\$(27,664,545)
Debt service as a percentage of noncapital expenditures	24.79%	16.24%	17.31%	19.71%	13.10%	23.25%	12.28%

City of Cedar Rapids, Iowa

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

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2000	\$ 54,717,670	\$ -	\$ -	\$ 1,003,537	\$ 55,721,207
2001	52,647,026	-	3,645,155	1,031,467	57,323,648
2002	59,282,804	3,452,753	3,736,038	1,111,985	64,130,827
2003	72,048,731	11,675,380	3,600,511	1,139,903	76,789,145
2004	61,183,311	-	3,758,695	1,107,784	66,049,790
2005	64,514,591	-	3,236,022	3,234,993	70,985,606
2006	69,287,900	-	3,284,315	3,549,971	76,122,186
2007	73,821,833	-	3,502,383	3,961,070	81,285,286
2008	75,125,650	-	4,403,104	2,645,817	82,174,571
2009	77,738,578	4,254,513	4,565,736	2,977,830	89,536,657
Change 2000-2009	\$ 23,020,908	\$ 4,254,513	\$ 4,565,736	\$ 1,974,293	\$ 33,815,450

City of Cedar Rapids, Iowa

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Utilities	Military Exemptions
2000	1,876,409,621	1,394,198,410	296,158,263	385,812,749	(16,568,745)
2001	1,866,908,168	1,396,340,206	323,807,881	369,867,526	(16,240,318)
2002	1,980,581,516	1,457,808,000	327,803,496	369,830,081	(16,202,352)
2003	2,127,382,035	1,600,823,093	329,822,614	362,351,883	(15,956,832)
2004	2,146,087,222	1,733,645,880	364,594,542	370,701,611	(15,673,469)
2005	2,144,983,089	1,842,749,212	382,154,448	320,981,972	(15,361,691)
2006	2,180,463,141	1,848,668,075	376,992,223	309,661,130	(15,036,757)
2007	2,259,717,789	1,800,958,547	366,993,719	310,853,137	(14,698,025)
2008	2,298,223,104	1,839,730,231	291,308,103	364,350,089	(14,365,036)
2009	2,401,189,312	1,861,300,332	299,862,706	371,367,099	(14,054,086)

Source: Linn County Auditor's Office

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

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
3,936,010,298	4.72%	12.40	5,608,705,402	70.18%
3,940,683,463	0.12%	12.74	5,710,593,727	69.01%
4,119,820,741	4.55%	13.04	5,790,526,702	71.15%
4,404,422,793	6.91%	12.83	6,500,731,601	67.75%
4,599,355,786	4.43%	13.07	6,645,938,634	69.21%
4,675,507,030	1.66%	13.12	7,067,763,823	66.15%
4,700,747,812	0.54%	13.99	7,522,231,914	62.49%
4,723,825,167	0.49%	14.39	7,939,413,524	59.50%
4,779,246,491	1.17%	14.62	8,145,012,910	58.68%
4,919,665,363	2.94%	15.07	8,505,937,610	57.84%

City of Cedar Rapids, Iowa

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

Tax Year Levied	City Direct Rates							
	General Levy	Tort	Band	Library Book Levy	Memorial Fund	FICA/ IPERS	Fire & Police Pension Fund	Other Benefits
2000	8.10000	0.00000	0.01713	0.04000	0.30897	0.68788	0.10261	0.92592
2001	8.10000	0.00000	0.01713	0.04000	0.30897	0.68819	0.10261	1.18022
2002	8.10000	0.00000	0.01615	0.04000	0.50897	0.70434	0.10261	1.18916
2003	8.10000	0.00000	0.01615	0.04000	0.41432	0.70434	0.14237	1.03475
2004	8.10000	0.00000	0.01569	0.04000	0.45278	0.72388	0.24237	1.12145
2005	8.10000	0.00000	0.01459	0.03999	0.44422	0.72545	0.34237	1.07386
2006	8.10000	0.00000	0.01459	0.03999	0.17988	0.85847	0.49237	1.62927
2007	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.64237	2.20445
2008	8.10000	0.00000	0.01459	0.04000	0.17320	0.75820	0.79237	2.20445
2009	8.10000	0.18685	0.01667	0.04000	0.20082	0.75820	0.86000	2.20445

Source: Linn County Auditor's Office

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

City Direct Rates			Overlapping rates			
Debt Levy	Bus	Total Direct	C.R. Community School	College Community Schools	Linn Mar Community Schools	Marion Independent Schools
1.48060	0.65893	12.32204	11.88400	12.94500	15.94600	16.71100
1.41986	0.65893	12.51591	12.40900	12.92700	15.93000	17.93200
1.69079	0.65893	13.01095	12.94700	13.72400	16.52000	17.98000
1.73214	0.64563	12.82970	15.35900	14.40000	16.90700	17.93500
1.70746	0.66414	13.06777	15.36800	14.73100	16.89600	17.81100
1.74268	0.63481	13.11797	15.74800	15.11400	17.76800	16.82000
1.88100	0.63481	13.83038	14.90212	17.33321	18.81657	16.80183
1.81846	0.63481	14.38608	14.37481	17.33382	19.39588	16.80516
1.89848	0.63481	14.61610	13.78107	16.84626	20.40133	15.31689
1.95000	0.75377	15.07076	13.91816	17.21168	20.22951	15.31673

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City of Five Seasons

City of Cedar Rapids, Iowa

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation	Taxable Assessed Value	Rank	Percentage of Total Estimated Actual Valuation
Alliant Industries	378,085,783	1	47.38%			
ADM Corn Processing	103,026,751	2	12.91%	98,902,322	2	18.54%
Aegon USA	69,773,542	3	8.74%	42,924,661	5	8.05%
International Paper Co.	49,149,869	4	6.16%			
Robert K. Miell	39,407,761	5	4.94%			
Rockwell International	39,053,095	6	4.89%	112,251,298	1	21.04%
Midamerican Energy	35,261,304	7	4.42%			
SDG Macerich Properties (Lindale Mall)	34,400,239	8	4.31%	37,459,780	8	7.02%
St Luke's Methodist Hospital	25,192,672	9	3.16%			
General Mills	24,674,912	10	3.09%	39,845,226	6	7.47%
PMX Industries, Inc.				64,847,200	3	12.16%
HNW Associates				45,527,659	4	8.54%
Cargill, Inc				38,391,699	7	7.20%
Penford Products				28,896,920	9	5.42%
Quaker Oats				24,365,292	10	4.57%
Total	<u>\$ 798,025,928</u>		<u>100.00%</u>	<u>\$ 533,412,057</u>		<u>100.00%</u>

Source: Linn County Auditor's Office

City of Cedar Rapids, Iowa

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

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2000	1999	55,423,351	55,128,460	99.47%
2001	2000	57,265,686	54,882,721	95.84%
2002	2001	60,486,677	60,358,411	99.79%
2003	2002	64,282,163	64,583,754	100.47%
2004	2003	66,627,836	64,146,360	96.28%
2005	2004	69,200,064	68,926,266	99.60%
2006	2005	76,325,964	74,595,380	97.73%
2007	2006	79,669,807	78,598,114	98.65%
2008	2007	82,125,293	80,915,930	98.53%
2009	2008	85,572,337	85,349,775	99.74%

Source: Linn County Auditor's Office

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

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
250,611	55,379,071	99.92%
33,698	54,916,419	95.90%
69,020	60,427,431	99.90%
275,832	64,859,586	100.90%
268,380	64,414,740	96.68%
591,134	69,517,400	100.46%
(81,784)	74,513,596	97.63%
107,286	78,705,400	98.79%
(199,793)	80,716,137	98.28%
781,696	86,131,471	100.65%

City of Cedar Rapids, Iowa

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

Fiscal Year	Governmental Activities		Net General Bonded Debt	Percentage of Actual Property Value ¹	Debt Per Capita ²
	General Obligation Bonds	Less Amount Available in Debt Service			
2000	82,558,602	10,456,717	72,101,885	1.29%	663
2001	89,831,700	9,964,200	79,867,500	1.40%	734
2002	98,931,919	9,675,819	89,256,100	1.54%	739
2003	96,778,390	3,296,032	93,482,358	1.44%	774
2004	97,605,580	3,017,892	94,587,688	1.42%	783
2005	104,255,774	2,674,063	101,581,711	1.44%	841
2006	106,482,574	2,864,262	103,618,312	1.47%	858
2007	132,865,974	29,354,194	103,511,780	1.38%	857
2008	124,047,916	20,418,788	103,629,128	1.31%	858
2009	138,605,532	13,028,667	125,576,865	1.54%	1,040

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

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

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

Business-type Activites				
General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capital	Per Capita
114,503,360	1,925,000	188,530,245	0.06%	108,772
117,226,236	1,575,000	198,668,736	0.05%	108,772
134,278,081	1,205,000	224,739,181	0.05%	120,758
143,126,010	820,000	237,428,368	0.05%	120,758
143,195,420	-	237,783,108	0.05%	120,758
144,581,176	-	246,162,887	0.05%	120,758
140,910,776	-	244,529,088	0.05%	120,758
181,212,276	-	284,724,056	0.04%	120,758
165,816,081	-	269,445,209	0.04%	120,758
142,470,271	-	268,047,136	0.05%	120,758

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City of Cedar Rapids, Iowa

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2009
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cedar Rapids Community School District	33,655,000	82.31%	27,701,431
College Community School District	67,605,000	79.87%	53,996,114
Kirkwood Community College	66,350,000	28.86%	19,148,610
Linn Mar Community School District	53,870,000	40.11%	21,607,257
Linn County	-	63.13%	-
Marion Community School District	3,410,000	6.20%	211,420
Subtotal, overlapping debt	224,890,000		122,664,832
City Direct Debt	98,221,882	100.00%	98,221,882
Total direct and overlapping debt	\$ 323,111,882		\$ 220,886,714

Source: Linn County Auditor's Office

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

City of Cedar Rapids, Iowa

Legal Debt Margin Information (in millions)

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2000	2001	2002	2003
Debt limit	291,013,644	294,628,757	300,079,662	338,393,048
Total net debt applicable to limit	212,821,813	220,553,900	244,525,000	249,510,000
Legal debt margin	78,191,831	74,074,857	55,554,662	88,883,048
Total net debt applicable to the limit as a percentage of debt limit	73.13%	74.86%	81.49%	73.73%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	<u>8,497,474,101</u>
Debt limit (5% of assessed value)	<u>424,873,705</u>
Debt applicable to limit:	
General obligation bonds	264,425,000
Note payable	-
Total net debt applicable to limit	<u>264,425,000</u>
Legal debt margin	<u>\$ 160,448,705</u>

2004	2005	2006	2007	2008	2009
343,152,268	367,235,948	375,359,758	396,235,775	406,784,256	424,873,705
<u>250,985,000</u>	<u>257,235,000</u>	<u>252,140,000</u>	<u>320,010,000</u>	<u>295,085,001</u>	<u>264,425,000</u>
<u>92,167,268</u>	<u>110,000,948</u>	<u>123,219,758</u>	<u>76,225,775</u>	<u>111,699,255</u>	<u>160,448,705</u>
73.14%	70.05%	67.17%	80.76%	72.54%	62.24%

City of Cedar Rapids, Iowa

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Parking Revenue Bonds					
	Parking Charges	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	3,225,744	2,306,645	919,099	335,000	125,872	458,227
2000	3,183,580	2,270,651	912,929	355,000	113,263	444,666
2001	3,160,130	2,237,539	922,591	350,000	96,934	475,657
2002	3,018,627	3,313,717	(295,090)	370,000	80,484	(745,574)
2003	2,832,670	3,488,193	(655,523)	385,000	60,285	(1,100,808)
2004	2,913,465	3,510,880	(597,415)	820,000	20,711	(1,438,126)

City of Cedar Rapids, Iowa

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

Fiscal Year Ended June 30	Population (1)	Per Household Income (2)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)		Unemployment Rate (4)
					Public	Private	
2000	108,772	69,375	30,297	35.2	18,146	2,748	1.4
2001	120,758	71,863	32,393	35.5	17,959	2,319	1.8
2002	120,758	69,700	31,650	35.6	17,729	2,784	3.8
2003	120,758	70,115	32,559	35.8	17,247	2,810	4.0
2004	120,758	70,567	33,529	36.7	17,125	2,757	4.2
2005	120,758	68,495	33,405	37.0	17,051	2,905	4.9
2006	120,758	69,237	33,437	37.4	17,237	2,956	3.6
2007	120,758	68,155	35,827	37.6	17,263	3,197	3.4
2008	120,758	69,349	35,827	37.4	16,838	3,399	3.9
2009	120,758	62,605	27,280	37.6	16,386	2,568	6.0

Note: The demographic statistic is being added to the report

- Sources:
1. U.S. Department of Commerce, Bureau of Census
 2. U.S. Bureau of Labor Statistics
 3. Grant Wood Education Center
 4. Data presented to Cedar Rapids Metropolitan Statistical Area (Linn County, Iowa) which encompasses geographic boundaries

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City of Five Seasons

City of Cedar Rapids, Iowa

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockwell Collins Inc.	8425	1	6.04%	7540	1	5.69%
AEGON USA, Inc.	3500	2	2.51%	1900	8	1.43%
St. Luke's Hospital	2700	3	1.94%	2200	5	1.66%
Hy-Vee Food Stores	2608	4	1.87%	2188	6	1.65%
Cedar Rapids Community Schools	2569	5	1.84%	2485	4	1.87%
Mercy Medical Center	2300	6	1.65%	1800	9	1.36%
Whirlpool Corporation	2273	7	1.63%			
Kirkwood Community College	1410	8	1.01%			
City of Cedar Rapids	1280	9	0.92%	1629	10	1.23%
Walmart Stores Inc	1141	10	0.82%			
Amana Appliances				2860	3	2.16%
MCI Communications (Worldcom)				2000	7	1.51%
McLeod USA Inc.				3500	2	2.64%

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

Source: U.S. Bureau of Labor Statistics

Note: Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

City of Cedar Rapids, Iowa

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

Functions/Program	Full-Time Equivalent Employees as of June 30					
	2009	2008	2007	2006	2005	2004
General Government:						
Animal Control	9.00	9.00	10.00	10.00	10.00	10.00
Attorney	6.00	6.00	6.00	6.00	6.00	6.00
Aviation	-	-	3.00	3.00	3.00	3.00
Building Department	38.00	23.00	24.00	23.00	24.00	24.00
City Manager	7.00	6.00	5.00	-	-	-
Civil Rights	6.00	5.00	5.00	5.00	5.00	5.00
Clerk	6.00	6.00	6.00	6.00	6.00	6.00
Community Development	12.00	21.75	21.75	20.75	21.25	21.25
Council and Mayor	3.33	3.33	3.33	13.10	13.10	13.10
Public Works	149.00	182.36	183.36	183.36	196.06	205.08
Facilities Management	-	1.00	1.00	1.00	1.00	1.00
Finance	35.00	13.00	13.00	13.00	13.00	14.00
Fire Department	142.29	154.29	154.00	153.00	154.00	155.00
Human Resource	14.00	13.75	14.75	14.75	15.00	16.00
Information Technology	15.00	14.00	14.00	13.00	14.00	15.00
Library	53.30	52.19	57.19	57.19	57.19	59.69
Memorial	9.41	9.41	9.41	9.41	9.41	9.41
Parks & Recreation Department	120.41	123.59	125.41	128.18	128.70	125.33
Police Department	227.00	239.00	239.00	239.00	239.00	238.00
Purchasing Services	3.75	3.75	3.75	3.75	3.38	3.38
Riverfront	-	-	-	1.27	4.25	4.74
Treasurer	-	4.00	4.00	4.00	4.00	4.00
Ushers Ferry	-	4.19	4.81	4.67	4.67	4.67
Positions to Eliminate	-	(34.00)	-	-	-	-
Total General Fund	856.49	860.61	907.76	912.43	932.01	943.65
Enterprise Funds						
Eastern Iowa Airport	45.00	45.00	45.00	46.00	45.00	52.00
Golf	30.86	37.68	36.19	37.41	38.34	36.78
Five Seasons Parking	17.52	30.52	31.02	33.02	33.02	34.78
Sewer Maintenance	29.00	29.00	27.00	27.00	27.00	28.00
Solid Waste & Recycling	57.40	58.80	58.80	61.00	61.00	63.00
Transit	51.75	68.50	72.25	72.25	72.25	72.25
Water Department	104.50	115.50	117.50	117.50	117.50	117.50
Water Pollution Control	86.98	89.48	89.48	89.48	83.48	83.48
Total Enterprise Funds	423.01	474.48	477.24	483.66	477.59	487.79
Special Revenue Fund						
H.O.M.E./CD	6.00	6.00	6.00	6.00	6.00	5.00
Leased Housing	12.50	13.00	13.00	13.00	13.00	13.00
Library	5.12	5.12	5.12	5.12	5.00	5.50
SSMID	-	-	2.00	2.00	2.00	2.00
Total Special Revenue Funds	23.62	24.12	26.12	26.12	26.00	25.50
Internal Service Funds						
Joint Communications	22.00	23.00	22.00	22.00	22.00	24.00
Facilities Maintenance	29.00	10.25	10.25	10.25	10.25	10.25
Fleet Maintenance	42.00	-	-	-	-	-
Total Internal Service Funds	93.00	33.25	32.25	32.25	32.25	34.25
Total FTE's	1,396.12	1,392.46	1,443.37	1,454.46	1,467.85	1,491.19

Source: City's Finance Department P.68 Budget

Full-Time Equivalent Employees as of June 30

2003	2002	2001	2000
10.00	10.00	11.82	11.82
6.00	6.00	6.00	6.00
3.00	2.00	4.47	5.47
25.00	25.00	26.00	26.00
-	-	-	-
5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00
21.25	21.25	23.61	22.61
13.10	12.10	12.10	12.00
214.74	215.25	223.80	219.48
-	-	-	-
14.00	14.00	14.00	14.00
155.00	153.00	155.00	154.50
16.50	17.50	16.75	16.50
13.75	12.75	12.75	10.50
61.17	66.33	68.41	67.90
9.41	9.41	7.41	7.68
121.68	120.47	123.91	124.39
242.50	242.50	249.50	248.50
3.38	3.38	3.38	3.38
5.14	5.18	6.89	6.99
4.00	4.00	4.00	4.00
4.67	4.80	5.14	5.07
955.29	955.92	985.94	977.79
46.00	48.00	44.53	43.53
35.44	38.62	36.01	39.93
36.94	36.94	37.20	37.16
28.00	28.00	28.00	25.54
63.00	63.00	63.00	63.00
74.25	73.25	69.90	69.60
123.79	123.29	119.79	118.79
83.48	83.48	82.82	82.82
490.90	494.58	481.25	480.37
5.00	5.00	4.00	4.00
12.00	12.00	12.00	12.00
5.90	5.90	6.30	6.30
2.00	2.00	1.00	1.00
24.90	24.90	23.30	23.30
23.00	23.00	23.00	23.00
8.53	8.53	7.53	8.03
-	-	-	-
31.53	31.53	30.53	31.03
1,502.62	1,506.93	1,521.02	1,512.49

City of Cedar Rapids, Iowa

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

Function/Program	Calendar Year			
	2000	2001	2002	2003
Police:				
Calls for service	102,526	101,350	102,539	101,488
Adult arrest	8,226	8,629	8,742	7,838
Juvenile arrest	970	1,014	1,031	1,077
Speeding citations	N/A	N/A	7,406	7,069
Traffic citations	N/A	N/A	14,828	17,034
Fire:				
Total fire runs	6,562	6,876	7,028	3,852
Total rescue runs	838	842	675	3,769
Property loss	N/A	3,186,641	3,446,745	3,106,053
Building Safety:				
Total building permits	7,544	6,831	9,990	7,002
Total value all permits	186,374,721	156,109,942	176,772,362	130,535,821
Library, volumes in collection	317,165	307,281	298,178	301,545
Public Service:				
Garbage collected (ton)	18,665	19,335	19,454	19,898
Recycling collected (ton)	9,006	8,551	8,344	8,546
Yard Waste collected (ton)	6,500	7,440	9,586	13,287
Parks and Recreation:				
Recreation program attendance (2)	207,708	217,621	216,042	235,069
Aquatics program attendance (2)	225,548	214,346	225,177	221,716
Golf rounds played	173,229	179,969	149,492	154,550
Bever Park Zoo attendance	N/A	41,094	47,758	40,343
Street trees maintained	5,546	6,830	7,945	4,845

Source: Various City departments

Notes: (1) Jan - Sept 2007

Calendar Year						
2004	2005	2006	2007	2008	2009	
110,169	113,496	89,459	86,973 (1)	128,802	124,090	
8,919	8,932	6,662	6,583 (1)	8,142	8,548	
1,092	1,171	1,075	1,205 (1)	1,454	1,303	
7,570	7,922	7,763	3,233 (1)	3,917	3,296	
21,541	21,193	23,285	17,539 (1)	16,464	15,420	
3,720	3,691	3,572	3,192 (1)	4,035	3,377	
3,923	4,410	4,858	3,988 (1)	5,068	5,024	
3,216,753	3,630,392	2,757,297	2,862,367 (1)	1,274,613	2,828,217	
7,018	6,092	5,694	4,275 (1)	5,092	12,690	
153,813,966	173,012,680	191,227,753	238,236,142 (1)	295,815,305	289,212,117	
292,951	304,212	290,524	297,680	294,291	88,407	
19,957	19,870	19,920	20,050	20,144	19,416	
8,705	8,834	9,045	9,174	9,405	8,534	
13,316	12,993	12,864	13,876	15,674	14,380	
235,152	222,345	252,507	237,954	115,147	88,950	
273,749	230,504	302,291	264,749	232,984	245,990	
155,654	162,542	138,171	113,732	101,337	107,120	
33,120	51,800	17,787	40,082	36,547	44,517	
9,234	8,357	4,710	4,845	8,679	9,925	

City of Cedar Rapids, Iowa

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

Function/Program	2000	2001	2002	2003
Police:				
Stations	1	1	1	1
Fire, Fire Stations	9	9	9	9
Refuse Collections:				
Collection Trucks	45	45	45	48
Street (Miles)	590	590	590	700
Parks and Recreation:				
Acreage	4,040	4,040	4,040	4,040
Parks	95	95	95	95
Golf Courses	4	4	4	4
Swimming Pools	6	6	6	6
Baseball/Softball Diamonds	37	37	37	37
Soccer/Football Fields	32	32	32	32
Tennis Courts	22	22	22	22
Recreation Centers	2	2	2	2
Library:				
Facilities	2	2	2	2
Volumes	317,165	307,281	298,178	301,545
Water:				
Storage Capacity (MGPD)	25	25	25	25
Average Daily Consumption (MGPD)	36	36	36	34
Peak Consumption (MGPD)	46	44	47	50
Wastewater:				
Sanitary Sewers (miles)	592	602	613	623
Storm Sewers (miles)	276	277	277	278

Source: Various City departments

2004	2005	2006	2007	2008	2009
1	1	1	1	1	1
9	9	9	9	9	9
48	48	49	42	43	51
631	631	631	650	650	618
4,040	4,040	4,040	4,040	4,042	4,042
95	95	96	96	96	96
4	4	4	4	4	4
6	6	6	6	6	6
37	37	37	37	37	37
32	32	32	32	32	32
22	22	22	22	23	23
2	2	2	2	1	1
2	2	2	2	2	2
292,951	304,212	290,524	297,680	294,291	88,407
25	25	25	25	25	25
37	37	38	38	38	35
50	49	52	47	44	38
632	649	653	660	660	669
280	296	304	404	409	412

A Season of Progress



CEDAR RAPIDS

City of Five Seasons

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED JUNE, 30, 2009

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
U.S. Department of Transportation				
Direct:				
Federal Transit Administration				
Bus Department Grants				
	20.507	IA-90-X304-02	156,163	49,137
	20.507	IA-90-X304-01	411,143	1,180
	20.507	IA-90-X304-00	1,979,976	16,000
	20.521	57-X001-118-07	25,000	8,437
	20.513	16-X001-118-09	90,791	90,791
	20.516	37-X012-118-07	309,000	137,050
	20.507	IA-90-X341-00	2,402,596	2,402,596
	20.507	IA-04-0112-00	148,500	7,357
	20.507	IA -90-X235-02	1,483,302	144,144
Passed through Iowa Department of Transportation				
Bus Department Grants				
	20.516	IA-37-X017-118-09	185,650	111,986
	20.521	57-X001-118-09	36,000	22,223
				2,990,901
Direct:				
Federal Aviation Administration				
Federal Aviation Administration				
	20.106	3-19-0012-34	8,181,060	109,661
	20.106	3-19-0012-35	7,650,112	6,395,381
	20.106	3-19-0012-36	915,578	96,546
	20.106	3-19-0012-37	5,472,358	245,008
				6,846,596
Passed through Iowa Department of Transportation				
Surface Transportation Program				
	20.205	STP-U-1187(691)-70-57	1,966,480	1,042,549
	20.205	TCSP-1187(662)-9S-57	2,973,922	16,156
	20.205	HDP-1187(692)--71-57	693,123	613,450
	20.205	HDP-1187(693)--71-57	1,280,000	75,104
	20.205	HDP-1187(694)-71-57	5,000,000	725,706
	20.205	HDP-1187(711)--71-57	1,068,895	903,945
	20.205	STP-U-1187(687)--70-57	488,000	369,381
	20.205	STP-U-1187(703)--70-57	404,000	65,958
	20.205	STP-U-1187(708)--70-57	753,000	715,350
	20.205	STP-E-1187(702)--8V-57	80,000	31,335
	20.205	STP-U-1187(670)--70-57	1,640,000	46,154
	20.205	HDP-1187(689)--71-57	750,000	77,303
	20.205	STP -1187(705)--70-57	640,000	46,757
	20.205	STP-U-1187(680)--70-57	1,009,000	14,801
	20.205	STP-A-1187(678)--86-57	1,403,000	280,350
	20.205	STP-U-1187(684)--70-57	245,982	245,982
	20.205	STP-U-1187(685)--70-57	864,000	760,642
	20.205	STP-U-922-0(20)--27-57	640,000	3,560
	20.205	NRT-96(1)--9G-57	110,531	1
	20.205	NHSX-100-1(55)--3H-57	1,034,780	1,034,780
	20.205	NHSX-100-1(56)--8S-57	384,194	245,079
	20.205	FHWA	750,622	434,766
				7,749,109
U.S. Department of Transportation / Iowa Department of Public Safety				
Alcohol Incentive Grant				
	20.600	PAP 09-410, Task 13	27,300	11,457
	20.600	PAP 08-02, Task 01	26,500	5,597
				17,054
U.S. Department of Homeland Security / Linn County, Iowa				
FEMA Public Assistance Grant				
	97.036	FEMA-DR-1737-IA	539,031	813
	97.036	FEMA-DR-1763-IA	91,316,443	62,374,643
				62,375,456

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
 FISCAL YEAR ENDED JUNE, 30, 2009

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
<u>U.S. Department of Homeland Security/ Iowa Homeland Security & Emergency Management</u>				
State Homeland Security Program	97.004	FY 2006	325,000	79,014
	97.004	FY 2007	200,000	72,712
				<u>151,726</u>
Law Enforcement Officer Reimbursement Agreement	97.090	HSTS0208HSLR053	204,108	42,120
Buffer Zone Protection Program	97.078	BZPP-2006-01	179,550	101,146
<u>U.S. Department of Housing and Urban Development</u>				
Direct:				
Community Development Block Grants	14.218	B03-04-MC-19-001	1,292,615	1,210,562
Leased Housing Authority Grant: Voucher Assist. Program	14.871	IA024VO	5,273,724	5,273,724
H.O.M.E.	14.239	B-00-MC-19-0204	468,322	576,664
Lead Based Paint Abatement Program	14.900	IALHB028705	2,652,075	620,093
	14.900	IALHB038808	2,431,876	44,979
Fair Housing Assistance Program	14.401	FF207K067012	51,552	51,552
Jumpstart Residential	14.228	08-DRH-008	18,595,389	7,707,924
Jumpstart Small Business	14.228	08-DRB-001	15,300,000	14,874,717
Jumpstart Landlord	14.228	08-DRH-208	12,146,137	626,685
<u>U.S. Department of Justice</u>				
Passed through from 6th Judicial District Weed and Seed	16.595	2007-WS-Q7-0003	56,567	45,140
	16.595	2008-WS-QX-0010	34,026	32,777
Partnership for Safe Neighborhoods	16.609	07PSNAG-ND01	12,476	12,098
	16.609	07-ND01	-	13,862
				<u>103,877</u>
Direct:				
COPS Universal Hiring Award	16.710	2003UMWX0036		60,000
<u>U.S. Department of Justice Division of Criminal / Juvenile Justice Planning</u>				
Pass through Linn County EDUL	16.727	JB-F09-06	15,000	10,211
	16.727	CJJP-08-C6-004	10,920	2,635
				<u>12,846</u>
Edward Byrne Justice Assistance Grant	16.738	2007-DJ-BX-1457	47,624	17,970
Pass through Sixth Judicial Dist; Dept of Correctional Services GREAT Grant	16.737	2007-JV-FX-0313	29,535	2,996
<u>U.S. Environmental Protection Agency</u>				
Direct:				
Brownfield Grant	66.818	BF-98764201-0	200,000	35,932
Passed through Iowa Department of Natural Resources Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS-57-08-DWSRF-005	39,390,000	2,332,901
Capitalization Grants for Clean Water State Revolving Fund	66.458	CS192406-01	10,900,000	31,632

CITY OF CEDAR RAPIDS, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
 FISCAL YEAR ENDED JUNE, 30, 2009

Federal Grantor / Pass Through Grantor and Program Title	CFDA Number	Grant Number	Program or Award Amount	Program Expenditures
<u>U.S. Department of Agriculture / Iowa Department of Public Health</u>				
WIC Grant	10.557	588-6P-101	40,000	10,015
<u>U.S. Department of Health and Human Services / Iowa Department of Public Health</u>				
Dental Grant	93.994	588-6P-101	6,580	2,567
Drug Abuse Information Grant	93.283	588-6P-101	25,926	13,497
Drug Abuse Information Grant	93.959	588-6P-101	410,303	350,966
Drug Abuse Information Grant	93.988	588-6P-101	1,500	1,253
Drug Abuse Information Grant	93.991	588-6P-101	950	462
				<u>368,745</u>
<u>U.S. Department of Health and Human Services / Division of Health Protection</u>				
Health Protection Grant	93.268	588-6P-101	60,000	21,106
Health Protection Grant	93.940	588-6P-101	2,500	1,619
				<u>22,725</u>
<u>U.S. Department of Health and Human Services / Substance Abuse & Mental Health Services</u>				
Direct:				
ASAC Meth grant	93.243	5H79TI017233-02	499,620	129,264
	93.243	5H79TI017233-03	499,577	346,664
				<u>475,928</u>
Total Expenditures of Federal Awards				<u>114,736,575</u>

See notes to Schedule of Expenditures of Federal Awards

City of Cedar Rapids, Iowa

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cedar Rapids, Iowa and the Eastern Iowa Airport discretely presented component unit for the year ended June 30, 2009. The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, which has been issued separately. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred for expenditures/expenses funded through federal awards.

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants	14.218	\$ 376,012
Jumpstart Programs	14.228	19,328,082
HOME	14.239	70,314
Lead Based Paint Abatement Program	14.900	151,424

City of Cedar Rapids, Iowa

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2009

Number	Comment	Status	Other Explanation
Findings Related to Basic Financial Statements:			
<u>Significant Deficiencies:</u>			
08-II-A	Inadequate segregation of duties over licenses and permit receipts.	Not corrected	See corrective action plan at 09-II-A.
08-II-B	Inadequate segregation of duties over EDP.	Corrected	
08-II-C	Inadequate reconciliation and review of GL to supporting documentation to ensure all entries are properly posted.	Corrected	
Findings Related to Federal Awards:			
<u>Significant Deficiencies:</u>			
08-III-A	An adequate system is not in place to ensure compliance with the Buy American Act.	Not corrected	See corrective action plan at 09-III-A.
<u>Instances of Noncompliance:</u>			
08-III-B	The City did not ensure one consulting firm used for a federal program was not suspended or debarred.	Corrected	
<u>Other Findings Related to Required Statutory Reporting</u>			
08-IV-A	Expenditures for the year ended June 30, 2009 exceeded the budgeted amount for a function.	Corrected	

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Rapids, Iowa as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. 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. The financial statements of the discretely presented component unit, Cedar Rapids Public Library Foundation, were not audited in accordance with *Government Auditing Standards*.

The City of Cedar Rapids, Iowa's basic financial statements include the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit. Our report below does not extend to the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, because it is reported in a separately issued financial and compliance report of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cedar Rapids, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cedar Rapids, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cedar Rapids, Iowa's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency 09-II-A described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 are based exclusively on the knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based upon tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretation of those statutes.

We noted certain matters that we reported to management of the City in a separate letter dated December 18, 2009.

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

This report is intended solely for the information and use of the Mayor and City Council, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
December 18, 2009

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Scope of this Report

The City of Cedar Rapids, Iowa's basic financial statements include the operations of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, which expended \$1,148,791 in federal awards, which is not included in the City's schedule during the year ended June 30, 2009. Our audit, described below, did not extend to the operations of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit, because it is reported in a separately issued financial and compliance report of the Cedar Rapids/Linn County Solid Waste Agency, a discretely presented component unit.

Compliance

We have audited the compliance of the City of Cedar Rapids, Iowa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Cedar Rapids, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Cedar Rapids, Iowa's management. Our responsibility is to express an opinion on the City of Cedar Rapids, Iowa's compliance based on our audit.

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 Nonprofit 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 of Cedar Rapids, Iowa'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. Our audit does not provide a legal determination on the City of Cedar Rapids, Iowa's compliance with those requirements.

In our opinion, the City of Cedar Rapids, Iowa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-III-A through 09-III-C.

Internal Control Over Compliance

The management of the City of Cedar Rapids, Iowa is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cedar Rapids, Iowa's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 of Cedar Rapids, Iowa's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

The City of Cedar Rapids, Iowa's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Cedar Rapids, Iowa's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
December 18, 2009

City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

I. Summary of the Independent Auditor's Report

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

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

- 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
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
14.228	Community Development Block Grant Jumpstart Programs

Dollar threshold used to distinguish between type A and type B programs: \$3,442,097

Auditee qualified as low-risk auditee? Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

II. Findings Related to the Basic Financial Statements

Significant Deficiencies

09-II-A

Finding: The City has an improper segregation of duties over licenses and permit receipts.

Condition: The same personnel who collect licenses and permits receipts also reconcile and record the receipts.

Effect: Transaction errors could occur and not be detected in a timely manner.

Criteria/Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Recommendation: We recommend segregating the duties of collecting from reconciling and reconciling from recording of the licenses and permits cash receipts to prevent mismanagement of licenses and permits receipts.

City's Response and Corrective Action Plan: The City is aware of the limited segregation of duties in the Clerk's office and will continue to look for opportunities to realign or reassign duties when possible. Staffing is limited in this department and the City has evaluated the cost/benefit of hiring additional staff, which is not practical at this time.

Instances of Noncompliance

None

III. Findings and Questioned Costs for Federal Awards

Significant Deficiency

None

Instances of Noncompliance

09-III-A

U.S. Department of Homeland Security/Passed through Iowa Homeland Security and Emergency Management

State Homeland Security Program (CFDA 97.004)

Federal Award Year: 2003-2007

Finding: The City of Cedar Rapids, Iowa did not ensure compliance with the Buy American Act.

Condition: The City has a basic understanding of the provisions of the Buy American Act but does not document compliance with the Act.

Questioned Costs: None

Effect: The City is unable to ensure compliance with the Buy American Act.

(Continued)

City of Cedar Rapids, Iowa

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009**

Criteria/Context: The Buy American Act states, in part, notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. This section shall not apply to manufactured articles, materials, or supplies procured under any contract the award value of which is less than or equal to the micro-purchase threshold under Section 428 of this title.

Recommendation: We recommend the City implement a system to review the products for compliance with the Buy American Act or require the vendor to sign certification that they comply with the Buy American Act for each purchase over the Act's threshold.

City's Response and Corrective Action Plan: The City is in the process of implementing a requirement that vendors sign a certification that they comply with the Buy American Act for each purchase over the Act's threshold.

09-III-B

**U.S. Department of Transportation
Passed through Iowa Department of Transportation
Highway Planning and Construction (CFDA 20.205)
Federal Award Year: 2004 - 2008**

Finding: The City did not receive certified payroll transcripts timely from all contractors as required by the Davis-Bacon Act.

Condition: While the City received the certified payrolls from the contractor or subcontractor, there were three of the twelve reports tested that were not collected timely.

Questioned Costs: None

Effect: Noncompliance with the requirements under the Davis-Bacon Act.

Criteria/Context: The Office of Management and Budget Circular A-133 states, Nonfederal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Recommendation: We recommend the City ensure contractors and subcontractors submit all certified payroll transcripts timely.

(Continued)

City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2009

City's Response and Corrective Action Plan: The finding is that certified payroll transcripts were filed two months late from one subcontractor rather than weekly as required by OMB Circular A-133. The City employees were in temporary locations due to the June 2008 flood and normal tracking was not in place at the time of noncompliance. The City employees have returned to their offices and are tracking compliance of the Davis-Bacon Act.

09-III-C

U.S. Department of Housing and Urban Development Community Development Block Grant – Jumpstart (CFDA 14.228) (Direct) Federal Award Year: 2009

Finding: The City was not in compliance with the subrecipient monitoring requirement related to the subrecipients for the Jumpstart program.

Condition: The award CFDA number was not communicated to two of the three subrecipients. The findings from the subrecipient monitoring were not communicated to the subrecipients nor were responses received from the subrecipients.

Questioned Costs: None

Effect: Subrecipients are unaware of the CFDA number for the award received as well as the findings from the subrecipient monitoring.

Criteria: The Office of Management and Budget Circular A-133 requires pass-through entities to identify the award CFDA number to all subrecipients. The circular also requires pass-through entities to communicate all findings from the subrecipient monitoring to the subrecipient.

Prevalence: The CFDA number was not communicated to two of three subrecipients. The findings from the subrecipient monitoring was not communicated to three of three subrecipients.

Recommendation: We recommend the award CFDA number be included in all subrecipient agreements. We also recommend the City communicate all subrecipient monitoring findings to the subrecipients and to require the subrecipients to provide written responses to the findings.

Response and Corrective Action: The City is in the process of implementing a process to notify subrecipients of the CFDA number and ensure that findings are communicated and corrected by subrecipients.

IV. Other Findings Related to Required Statutory Reporting

09-IV-A: Certified Budget: Expenditures for the year ended June 30, 2009 did not exceed the budgeted amounts.

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

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

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City of Cedar Rapids, Iowa

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

09-IV-D: Business Transactions: Business transactions between the City and City officials or employees are detailed as follows:

Company	Employee	Transaction Description	Amount/Gross
CRL Lawn Care	Don Lacy	Contracted Services	\$ 7,872

Chapter 362.5 of the Code of Iowa prohibits transactions with a City officer that has an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the officer's or employee's city. A contract entered into in violation of this section is void. The provisions of this section do not apply if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of \$1,500 in a fiscal year.

In accordance with Chapter 362.5 of the Code of Iowa, the transactions with CRL Lawn Care do not appear to represent a conflict of interest since it was entered into through competitive bidding in accordance with the Code.

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

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

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

City of Cedar Rapids, Iowa

**Corrective Action Plan
Year Ended June 30, 2009**

Comment Number	Comment	Corrective Action Plan	Contact Person	Initial Date of Communication	Anticipated Date of Completion
Findings Related to Basic Financial Statements:					
<u>Significant Deficiencies</u>					
09-II-A	Inadequate segregation of duties over licenses and permit receipts.	See corrective action plan at 09-II-A.	Ann Olinger, City Clerk	June 1996	June 2010
Findings Related to Federal Awards:					
<u>Instance of Noncompliance</u>					
09-III-A	The City did not ensure compliance with the Buy American Act.	See corrective action plan at 09-III-A.	Casey Drew, City Finance Director	June 2006	June 2010
09-III-B	The City did not receive certified payroll transcripts timely from all contractors as required by the Davis-Bacon Act.	See corrective action plan at 09-III-B.	Casey Drew, City Finance Director	December 2009	June 2010
09-III-C	The City was not in compliance with subrecipient monitoring requirements.	See corrective action plan at 09-III-C.	Casey Drew, City Finance Director	December 2009	June 2010

A Season of Progress



CEDAR RAPIDS

City of Five Seasons