CITY OF MUSCATINE, IOWA

Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents 1
Letter of Transmittal 4
GFOA Certificate of Achievement 11
City Organizational Chart 12
List of Principal Officials 13

FINANCIAL SECTION

Independent Auditor's Report 14
Management's Discussion and Analysis 16
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets 30
Statement of Activities 31
Fund Financial Statements:
Balance Sheet – Governmental Funds 32
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets 33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
Statement of Net Assets – Proprietary Funds 36
Reconciliation of Proprietary Funds Net Assets to the Net Assets of Business-Type Activities 37
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds 38
Reconciliation of the Changes in Net Assets of Enterprise Funds to the Statement of Activities 39
Statement of Cash Flows – Proprietary Funds 40
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds 41
Notes to the Financial Statements 42
Required Supplementary Information:
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Budgeted Governmental and Proprietary Funds 71
Budget to GAAP Reconciliation 72
Other Postemployment Benefit Plan – Schedule of Funding Progress 73
Notes to Required Supplementary Information 74

Supplementary Information:
Combining Fund Statements and Schedules:
Combining Balance Sheet – Non-Major Governmental Funds 76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds 77
Combining Balance Sheet – Non-Major Special Revenue Funds 78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds 80
Combining Balance Sheet – Non-Major Capital Projects Funds 82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds 84
Combining Balance Sheet – Non-Major Permanent Funds 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Permanent Funds 87
Combining Statement of Net Assets – Non-Major Enterprise Funds 88
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Enterprise Funds 90
Combining Statement of Cash Flows – Non-Major Enterprise Funds 92
Combining Statement of Net Assets – Internal Service Funds 94
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds 95
Combining Statement of Cash Flows – Internal Service Funds 96
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds 97
Combining Statement of Changes in Assets and Liabilities – Agency Funds 98
Statement of Net Assets – Muscatine County Solid Waste Agency Component Unit 99
Statement of Revenues, Expenses and Changes in Net Assets – Muscatine County Solid Waste Agency Component Unit 100
Statement of Cash Flows – Muscatine County Solid Waste Agency Component Unit 101

STATISTICAL SECTION (Unaudited)

Statistical Section Table of Contents 102
Net Assets by Component ..... Schedule 1 103
Changes in Net Assets ..... Schedule 2 104
Fund Balances of Governmental Funds ..... Schedule 3 107
Changes in Fund Balances of Governmental Funds ..... Schedule 4 108
Governmental Activities Tax Revenues by Source ..... Schedule 5 109
Taxable Value and Estimated Actual Value of Property ..... Schedule 6 110
Property Tax Rates – Direct and Overlapping Governments ..... Schedule 7 111
Principal Property Tax Payers ..... Schedule 8 112
Property Tax Levies and Collections ..... Schedule 9 113
Ratios of Outstanding Debt by Type ..... Schedule 10 114
Ratios of General Bonded Debt Outstanding ..... Schedule 11 115
Direct and Overlapping Governmental Activities Debt ..... Schedule 12 116
Legal Debt Margin Information ..... Schedule 13 117
Demographic and Economic Statistics ..... Schedule 14 118
Principal Employers ..... Schedule 15 119
Full-Time Equivalent City Government Employees by Function ..... Schedule 16 120

Operating Indicators by Function/Department ..... Schedule 17 121
Capital Asset Statistics by Function/Department ..... Schedule 18 122

COMPLIANCE SECTION

Information Provided to Comply with *Government Auditing Standards* and OMB Circular A-133:
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* 123
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 125
Schedule of Expenditures of Federal Awards 127
Notes to the Schedule of Expenditures of Federal Awards 129
Summary Schedule of Prior Audit Findings 130
Schedule of Findings and Questioned Costs 131