



City of Dubuque, Iowa

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ended June 30, 2001.

*Citizens find the new  
America's River -  
River's Edge Plaza  
to be a relaxing haven  
from their busy lives.*







**CITY OF DUBUQUE, IOWA**

**Comprehensive Annual  
Financial Report**

**For the fiscal year ended  
June 30, 2001**

**Prepared by:  
Department of Finance**







# **INTRODUCTORY SECTION**







# CITY OF DUBUQUE, IOWA

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Finance Department  
50 West 13th Street  
Dubuque, Iowa 52001-4864

October 25, 2001

TO THE CITIZENS OF DUBUQUE, IOWA:

The comprehensive annual financial report of the City of Dubuque, Iowa, for the fiscal year ended June 30, 2001, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with this governing body. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of this municipality. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and compliance. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Dubuque is required to undergo an annual single audit in conformity with the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditor's report on internal control over financial reporting and compliance with requirements applicable to laws, regulations, contracts, and grants, are included in the Compliance Section of this report.

This report includes all funds and account groups of the City of Dubuque, as well as its component unit. Component units are legally separate entities for which the City of Dubuque is financially accountable. The City provides a full range of services including; police and fire protection, sanitation services, the construction and maintenance of roads, streets, and infrastructure, inspection and licensing functions, maintenance of grounds and buildings, municipal airport, library, recreational activities and cultural events. In addition to general government activities, the municipality owns and operates enterprises for a water system, water pollution control facility, parking facilities, refuse collection, and public transportation. Also, the governing body is financially accountable for the operations of the Dubuque Library Board, Airport Commission, Civic Center Commission, Cable TV Commission, Transit Board, and the Park and Recreation Commission. These activities are not legally separate entities, and therefore are included in the reporting entity.



This report includes the Dubuque Metropolitan Area Solid Waste Agency (DMASWA) as a discretely presented component unit. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City of Dubuque and to differentiate its financial position, results of operations and cash flows from those of the City. The City of Dubuque appoints a voting majority to the DMASWA governing board and operates the landfill.

## ECONOMIC CONDITION AND OUTLOOK

The City of Dubuque is located on the Mississippi River in northeast Iowa, adjacent to the states of Illinois and Wisconsin. The City was founded by Julien Dubuque in 1785 and is the oldest City in Iowa. The City of Dubuque has a unique combination of the old and new ranging from cable cars, Victorian architecture, and a Civil War shot tower, to an enclosed shopping mall, riverboat casino, and a pari-mutuel dog track with a slot machine casino. Dubuque has a stable and diversified manufacturing base and is the major tri-state retail center. Employment growth was strong throughout the year, as Dubuque ended the fiscal year with an unemployment rate of approximately four percent. The City of Dubuque currently has a land area of 27 square miles and a population of 57,686. As the largest City in the tri-state area, Dubuque serves as the hub of a trade area with a population estimated at 250,000.

The City of Dubuque is empowered to levy a property tax on real property located within the City limits. The City has operated under a council-manager form of government since 1920. Policymaking and legislative authorities are vested in the governing council, which consists of a mayor and a six-member council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and City Clerk. The City Manager is responsible for overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments. The council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. Four of the council members are elected within their respective wards; the mayor and the two remaining council members are elected at large.

The Dubuque workforce recruitment program called *"Come Back to Your Future, Come Home to Dubuque"* continues to be an effective workforce solution for businesses in the area. Since its inception in November 1997, more than 700 individuals have been hired as a direct result of the program. An average of 250 users per day access the interactive website to find new employment opportunities among the 450 job listings. Four hundred employers have signed up to use the recruitment tool. Currently there are 27,500 resumes posted in the 25 categories of the online JobQuest ResumeBank. Candidates can apply on-line and employers can search the resume database by keywords. This proven recruitment tool continues to be an invaluable method for attracting new businesses to the Dubuque area and assisting existing industries to expand. The program was featured on Good Morning America and in the New York Times and USA Today.

Development of Dubuque Industrial Center West continues. The first phase of the 550-acre development of City owned land made 135 acres available for medium to heavy industrial uses.

Dubuque Area Industrial Development Corporation continues to market to developers its 40,000 square foot speculative industrial building located on twelve acres of Dubuque Industrial Center West. The McGraw-Hill Company announced its intent to construct a 330,000 square foot warehouse and distribution center at Dubuque Industrial Center West. Also, the sale of 17 acres to Alliant Energy for a new operations facility is pending. Dubuque Industrial Center West complements the recently completed, city-owned, 100 acre Dubuque Technology Park that already has three occupants: Advanced Data-Comm, Cartegraph, and McLeod USA.

Eagle Window and Door completed construction of a new 400,000 square foot manufacturing facility in the Kerper Boulevard industrial area, and moved into the facility in December 2000. This \$17,000,000 project will add 168 employees over the next three years. CIGNA celebrated its grand opening in June 2001 following completion of a new 115,000 square foot office building in downtown Dubuque. With this expansion, CIGNA has already added more than 200 employees. SISCO, a Dubuque based third party insurance administrator, is currently renovating the Town Clock Building that is adjacent to their downtown Dubuque facility. The renovation will give SISCO the potential to house another 100 employees.

Other downtown development includes the construction of the three-story Harbor View Building at 300 Main Street. The building is home to the Chamber of Commerce and offers additional office space for lease. The \$2.5 million renovation of the Cooper Wagon Works building at 3rd and Main Street continues. Once renovated, the building will house a restaurant, lounge, banquet facilities, and upper floor office space. The Iowa Inn, located at 9th and Iowa Street, is currently being rehabbed to provide 32 units for low-income senior housing.

On Dubuque's west side, development of 330,000 square feet of retail space in Asbury Plaza began in July 2001. The plaza encompasses 190 acres and is anchored by Hy-Vee Food Store.

With the recent economic growth, the City has annexed over 2,400 acres since 1995. In contrast, only 40 acres were annexed in the first half of the decade. This is consistent with the non-residential construction numbers in the community. From 1990-1997 the City averaged 300,000 square feet of non-residential construction per year. In the four years from 1998-2001, the City has averaged 1,100,000 million square feet of non-residential construction.

## **MAJOR INITIATIVES**

**For the Year.** The City of Dubuque staff, following the adopted priorities of the Mayor and City Council, has been involved in a variety of projects throughout the year. These projects reflect the City's commitment to continue to provide high quality services to the citizens of Dubuque within the budget guidelines set by the Mayor and City Council.

Downtown revitalization continued as a high priority of City Council, with programs such as the Downtown Rehabilitation Loan Program and Facade Grant Program providing incentives for property improvement in the downtown area. The City Council voted to open Town Clock Plaza from 5th to 8th Street, with construction scheduled to be completed in the fall of 2002. The opening of Eighth Street to traffic through the plaza was the first phase of a multi-million-dollar



upgrade to the Town Clock Plaza. The City continued implementation of major parking expansion to meet the increased parking demand in the downtown area. Included in the expansion was a three-level, 240-space addition to the existing parking ramp at Fifth and Iowa Street, and construction of a new 425 space parking ramp facility at Third and Iowa Street scheduled for completion in June 2002. The City also sponsored a downtown visioning process in conjunction with state and local partners.

Design and planning for the last phase of the Northwest Arterial, from JFK Road to U.S. 52, was completed and construction is under way. Grading for this project took place in 2001, and paving is scheduled for 2002.

The Dubuque Regional Airport completed the second phase of the extension and reconstruction of Runway 18/36 with the FAA providing ninety percent of the funding. The extended Runway 18/36 will serve as the primary runway, and air service will be greatly improved by reducing landing approach angles and weather related flight cancellations. An eight-foot perimeter fencing project is underway which should improve safety by reducing the amount of wildlife on the airfield. Passenger enplanement counts grew again from 56,084 in 1999 to 58,531 passengers in calendar year 2000. The City is currently served by two major commuter airlines: American Eagle, with three daily round-trip flights to Chicago; and Northwest Airlink, with three daily round-trip flights to Minneapolis. American Eagle has replaced their turbo-prop aircraft, and Dubuque is now served by 50 passenger regional jets. The Dubuque Regional Airport just received its eleventh consecutive year of a perfect FAA Part 139 inspection compliance. Dubuque is the only airport in the nation to currently hold this record. The City and the Federal Government will have invested \$25 million in the airport over a 10-year period.

Implementation of the City Council's Neighborhood Reinvestment Strategy provided many 'quality of life' improvements for City residents. The Community Oriented Policing Program expanded to include other City Departments in landlord/tenant training and building code enforcement. Dubuque is one of the safest places to live in the Midwest, and 13 police officer positions have been added since 1994 to implement new programs and enhance police coverage. The Housing Department continued housing rehabilitation efforts including various home ownership initiatives. During the past fiscal year, 40 families were assisted in purchasing their first home through use of Community Development Block Grant (CDBG) funds and a grant received from the Federal Home Loan Bank. Housing rehabilitation assistance included \$682,000 in grants to remove lead paint hazards in single and multi-family housing units. Through loans of \$211,000 in CDBG funds, 35 rental units were rehabilitated. In total, the Housing Department invested more than \$2.6 million in homeowner and rental housing projects, matched by \$3.1 million in private investment. Neighborhood park development included the installation of new play units in several neighborhood parks during the year. Seven million dollars has been invested in the park system over a five-year period.

The City's ambitious riverfront development moved forward as planned during the year and was awarded \$40 million from the State of Iowa *Vision Iowa* program. The *America's River* project is a public/private partnership between the City of Dubuque, the Dubuque County Historical Society, the Dubuque Area Chamber of Commerce, and Dubuque County, to carry out a comprehensive \$188 million riverfront development along the Fourth Street Peninsula. This

area already includes historic sites, such as a Civil War Shot Tower, the *William M. Black* steamboat, Mississippi River Museum, Dubuque Star Brewery, and the Ice Harbor. Progress on riverfront development during the year included the following:

- *Mississippi River Discovery Center and Aquarium*  
The River Discovery Center and Aquarium will be a world-class national museum for the entire Mississippi River. The Center will include 15 aquariums, including five that measure 30 feet across. A dynamic immersion theater will surround visitors with the story of the Mississippi River's creation, its floods, its history, and its underwater life. An outdoor wetland will feature natural and living history with floating laboratories and classrooms. Stream tables will let visitors create their own rivers, and the educational overnight program will let visitors sleep on a "Boat and Breakfast" on a National Historic Landmark steamboat.
- *Heritage Trail Riverfront System*  
Two and one-half miles of an 18-mile extension of the Heritage Bike Trail from the north end of Dubuque through downtown, to the Mines of Spain State Recreation Area were recently completed, with the opening of the North End Neighborhood Trail and the Heron Pond Wetlands Nature Trail. Design and engineering are proceeding on additional off-road and on-street segments of the trail extension. When completed, Heritage Trail Riverfront System, with links to riverfront parks and the Ice Harbor, will create a major recreational facility.
- *River's Edge Plaza*  
Construction was completed on a 5,000 square foot plaza outside the floodwall gate at the historic Ice Harbor. This plaza serves as the City's riverfront gateway, as well as a landing for large steamboats.
- *Mississippi Riverwalk*  
The City acquired a riverfront property on the 4<sup>th</sup> Street Peninsula for construction of a one-third mile Riverwalk. This 15-foot wide promenade is scheduled for completion by calendar year end 2002. The existing concrete floodwall will be buried, and the walk will include benches, historic lighting, shade structures, and cascading stairs to the river.
- *Hotel and Education/Conference Center*  
A 196-room seven-story hotel, and a 24,000 square foot indoor water park are under construction near the Ice Harbor with completion anticipated by calendar year end 2002.
- *Mississippi River National Education and Conference Center*  
A 115,000 square foot Education and Conference Center is in the design phase, with connections to the hotel and riverwalk to be completed by September 2003. The City's application for State Vision Iowa funding was approved for \$40 million, with half of this going to the City for the conference center related public improvements.



The \$188 million America's River Project is funded (River Discovery Center in process of raising final \$4 million) and under construction. The 4th Street Peninsula has an additional 60 acres available for private development.

**For the Future.** The Mayor and City Council will continue to take action to achieve their goals of maintaining a strong local economy, sustaining stable property tax levies, and enhancing the safety and security of citizens through neighborhood vitality. The City staff will work to implement the City Council's vision that "Dubuque is a Hometown for Our Families." A program of comprehensive service reviews has continued as a vehicle for analyzing City services, identifying opportunities for improvement, and determining areas of possible cost reductions. The goal of the service review program is to ensure that services desired by the citizens are provided in the most cost effective and efficient method possible. The City Council's goals for the next five years and beyond include the following:

- Improved transportation network
- Strong local economy
- A "Balanced" community
- A safe community
- Riverfront Development
- Top quality City services

Specific programs are being implemented by City staff to meet the City Council's five-year goals. Some of the most significant programs include:

- Riverfront Development - The City has partnered with several other agencies to enhance one of Dubuque's greatest treasures, the Mississippi riverfront area. A \$188 million comprehensive plan for riverfront improvements has been developed, with implementation scheduled over the next five years.
- Industrial Park Development – The City has acquired over 900 acres of industrial land and has completed the first phase of construction for two industrial parks. City staff and the Greater Dubuque Development Corporation are now working to attract new businesses and meet the expansion needs of current businesses.
- Neighborhood Reinvestment – The highly successful Community Oriented Policing and Uptown Recreation programs will continue. Work will continue on neighborhood empowerment programs including property management and tenant training. The City Street, Historic Preservation and Housing programs are also being expanded to affect quality of life improvements at the neighborhood level.

- **Downtown Redevelopment** – Dubuque’s downtown, situated between the Mississippi River and tall tree-lined bluffs, is the home to many unique and historic buildings as well as being the center of commerce and tourism. Several initiatives with other public and private organizations have been planned for the downtown areas, including improvements to Flat Iron Park, renovation of Town Clock Plaza, and a master plan for Five Flags Civic Center.
- **Transportation Improvements** – The City will maintain its aggressive program to improve local streets. Plans are in place to reconstruct or overlay sixty miles of streets over the next five years. In a sixteen-year period from 1990-2006, the City will have completed sixty-nine percent of the streets. From a more regional perspective, construction began on the Northwest Arterial extensions in 2001, and corridor studies will be completed for the Southwest Arterial and the Julien Dubuque Bridge four-lane replacement. Plans are also in place to expand U.S. Highway 151, providing Dubuque with a four-lane link to Madison, Wisconsin, and Cedar Rapids, Iowa, by 2004. The City, in partnership with local stakeholders, also will implement a comprehensive way finding signage program throughout the City with IDOT support.

All of this is being done while the City maintains fiscal integrity. Through efficient operation, revenue diversification, and debt reduction, the City has not increased the average homeowners property taxes in seven years, in fact, four of those year’s property taxes went down.

These are a few of the many activities being addressed by the community, City Council, and City staff to improve the quality of life in Dubuque.

## **FINANCIAL INFORMATION**

City management is responsible for establishing and maintaining internal controls to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (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. As a recipient of federal and state financial assistance, the City of Dubuque’s government is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts, and grants related to those programs. These internal controls are subject to periodic evaluation by management and the internal audit staff. As a part of the government’s single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the government has complied with applicable laws, regulations, contracts, and grants. The results of the government’s single audit for the fiscal year ended June 30, 2001, provided no instances of material weaknesses in internal control over compliance, or significant violations of applicable laws, regulations, contracts and grants.



Budgeting Controls. In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by program. The government also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbered amounts lapse at year-end, however, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents a summary of general fund, special revenue funds and debt service fund revenues for the fiscal year ended June 30, 2001, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount (000's)	Percent of Total	Increase (Decrease) from 2000 (000's)	Percent of Increase (Decrease)
Taxes	\$ 26,799	49.32%	1,238	4.84%
Special assessments	784	1.44%	706	903.85%
Licenses and permits	576	1.06%	(37)	-6.04%
Intergovernmental	13,769	25.33%	1,629	13.41%
Charges for services	8,127	14.95%	245	3.11%
Fines and forfeits	369	0.68%	28	8.21%
Miscellaneous	1,204	2.22%	332	38.07%
Interest	2,720	5.00%	907	50.03%
<b>Total Revenues</b>	<b>\$ 54,348</b>	<b>100.00%</b>	<b>\$ 5,048</b>	<b>10.24%</b>

The tax rate of \$5.99014 established for general fund operations (excluding fringe benefits) for FY 2001 is within the tax rate limit of \$8.10 per \$1,000 of taxable valuation allowed by the Code of Iowa. The \$.2193 increase from FY 2000 is primarily a result of wage settlements and inflation.

Special assessments increased due to substantial projects during FY 2001.

Intergovernmental revenue increased due to the number of grants received.

Interest earnings increased due to prudent investing and good economic condition.

The following schedule presents a summary of general fund, special revenue funds and debt service fund expenditures for the fiscal year ended June 30, 2001, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount (000's)	Percent of Total	Increase (Decrease) From 2000 (000's)	Percent of Increase (Decrease)
Current:				
Policy & Administration	\$ 5,442	11.23%	\$ 504	10.19%
Community Protection	15,064	31.09%	1,157	8.32%
Home & Community Environ.	16,410	33.87%	1,427	9.52%
Human Development	8,653	17.86%	1,159	15.45%
Debt Service:				
Principal	2,112	4.36%	267	14.47%
Interest and fiscal charges	770	1.59%	303	64.67%
<b>Total Expenditures</b>	<b>\$ 48,451</b>	<b>100.00%</b>	<b>\$ 4,817</b>	<b>11.03%</b>

The increase in expenditure amounts for the Policy and Administration program was primarily related to capital improvement programs (\$327) with the balance for operations.

The increase in expenditure amounts for the Community Protection programs was primarily related to capital improvement programs, increased flood control and enhanced operations.

The increase in expenditure amounts for the Home & Community Environment programs was primarily related to snow removal costs doubling and America's River Project matching costs incurred.

The increase in expenditure amounts for the Human Development programs was primarily related to Park & Recreation capital improvement programs with the balance for operations.

The increase in debt service is due to additional debt incurred during 2000 for parking ramp projects and the T-hanger project.

**General Fund Balance.** The Dubuque City Council has set a budget guideline of maintaining a general fund balance of ten percent of the budget provision which is available.

**Enterprise Operations.** The enterprise operations consist of water and wastewater systems, parking facilities, refuse collection, and a transit system. With respect to the outstanding parking revenue bonds, earnings from the parking facilities have met bond covenant requirements for net revenues to be equal to either 130% or 135% of current debt service requirements.

**Debt Administration.** At June 30, 2001, the City of Dubuque had a number of debt issues outstanding. These issues included \$12,410,000 of general obligation bonds, \$5,963,585 of tax increment financing debt, \$1,890,000 of revenue bonds, and a \$313,445 of note payable to be funded by grants, donations and guarantors. The government has maintained its Aa3 rating from Moody's Investors Service on general obligation bond issues. Under current state statutes, the government's general obligation bonded debt issues are subject to a legal limitation based on five



percent of total actual value of real property. As of June 30, 2001, the government's net general obligation debt of \$18,687,000 was well below the legal limit of \$100,745,000.

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, repurchase agreements, U.S. Treasury securities, federal agency obligations, and authorized mutual funds. The City recorded investment earnings of \$3,678,412 for the year.

The investment policy adopted by the City Council stresses the importance of capital preservation. The policy directives intend to minimize credit and market risks while maintaining a competitive yield on the portfolio. Accordingly, deposits were either covered by federal depository insurance or collateralized. All collateral on uninsured deposits was held either by the State Treasurer, the government, its agent, or a financial institution's trust department in the government's name. All of the investments subject to risk categorization were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The non-classified investments include mutual funds.

**Risk Management.** The City of Dubuque is a member of a statewide risk pool for local governments, the Iowa Communities Assurance Pool. The coverage for general and auto liability, as well as public official and police professional liability are acquired through this agency. Worker's compensation coverage up to \$400,000 for each accident is provided through self-insurance. The accumulated reserve provision for such claims equaled \$936,539 as of June 30, 2001. The City has also established self-insurance plans for medical, dental, prescription drug, and short-term disability. The accumulated reserve provision for such claims equaled \$1,240,391 as of June 30, 2001. All self-insured health plans are certified as actuarially sound and certificates of compliance have been filed with the State of Iowa.

## OTHER INFORMATION

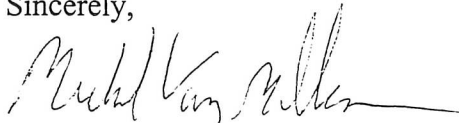
**Independent Audit.** State statutes require an annual audit by independent certified public accountants. The accounting firm of Eide Bailly LLP was selected for this purpose. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The independent auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the Compliance Section.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dubuque, Iowa, for its comprehensive annual financial report for the fiscal year ended June 30, 2000. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

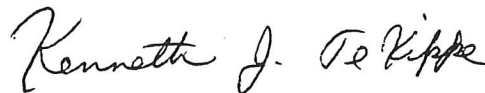
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments.** We compliment the staff of the finance department for their assistance in preparing this report. We also commend the City Council and all department and division managers for their interest and support in planning and conducting the financial operations of the City of Dubuque in a responsible and progressive manner. We also thank the independent certified public accountants, Eide Bailly LLP, whose competent assistance and technical expertise have enabled the production of this report.

Sincerely,



Michael C. Van Milligen  
City Manager



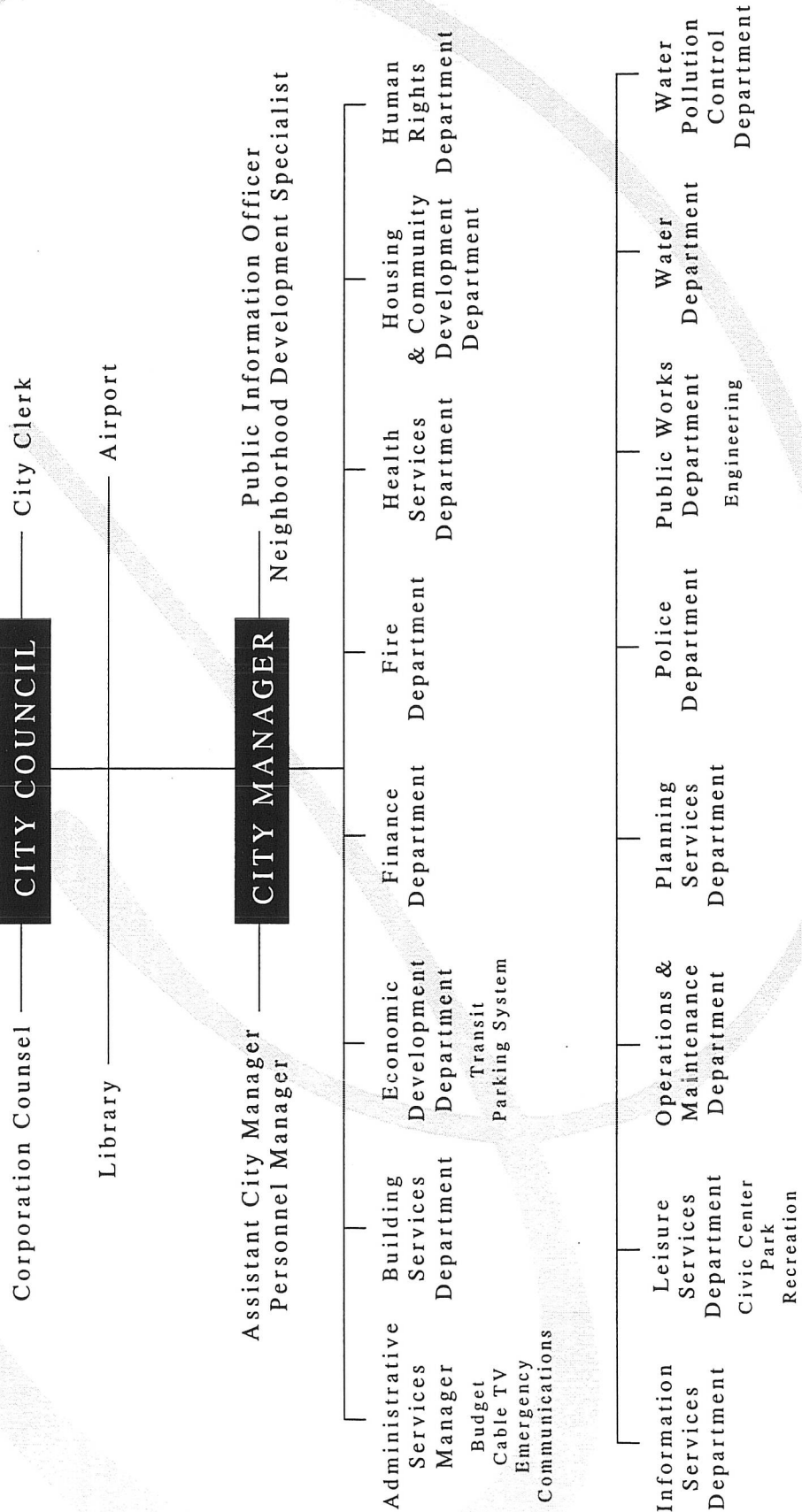
Kenneth J. TeKippe, CPA  
Finance Director







# ORGANIZATIONAL CHART







**CITY OF DUBUQUE, IOWA**  
**OFFICIALS**  
**JUNE 30, 2001**

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**CITY COUNCIL**

Terrance M. Duggan  
Daniel E. Nicholson  
Ann E. Michalski  
John H. Markham  
Roy D. Buol  
Joseph T. Robbins  
Patricia A. Cline

Mayor  
Council Member – At Large  
Council Member – At Large  
Council Member – 1<sup>st</sup> Ward  
Council Member – 2<sup>nd</sup> Ward  
Council Member – 3<sup>rd</sup> Ward  
Council Member – 4<sup>th</sup> Ward

**COUNCIL APPOINTED OFFICIALS**

Michael C. Van Milligen  
Barry A. Lindahl  
William G. Blum  
James A. O'Brien  
Jeanne F. Schneider

City Manager  
Corporation Counsel  
City Solicitor  
Assistant City Attorney  
City Clerk

**DEPARTMENT MANAGERS**

Pauline J. Joyce  
Kenneth J. Kraemer  
Cynthia M. Steinhäuser  
Richard R. Russell  
Pamela K. Myhre  
Kenneth J. TeKippe  
E. Daniel Brown  
Mary Rose Corrigan  
David W. Harris, Jr.  
Kelly R. Larson  
Randall K. Peck  
Christine A. Kohlmann  
Gil D. Spence  
Thomas J. Moran  
Donald J. Vogt  
Laura B. Carstens  
Kim B. Wadding  
Michael A. Koch  
Robert M. Green  
Paul J. Horsfall

Administrative Services Manager  
Airport Manager  
Assistant City Manager  
Building Services Manager  
Economic Development Director (Acting)  
Finance Director  
Fire Chief  
Health Services Manager  
Housing and Community Development Manager  
Human Rights Director  
Personnel Manager  
Information Services Manager  
Leisure Services Manager  
Library Director  
Operations & Maintenance Manager  
Planning Services Manager  
Police Chief  
Public Works Director  
Water Department Manager  
Water Pollution Control Plant Manager





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dubuque,  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

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.



*Smith D. Druce*  
President

*Jeffrey L. Esser*  
Executive Director





# FINANCIAL SECTION









Consultants • Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Dubuque, Iowa. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Chapter 11 of the Code of Iowa; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Dubuque, Iowa, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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 October 25, 2001, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules, statistical data, and the Schedule of Expenditures of Federal Awards required by the U.S. Office of Management and Budget (OMB) Circular A-133 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Dubuque, Iowa. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Side Bailely LLP*

Dubuque, Iowa  
October 25, 2001



**GENERAL PURPOSE  
FINANCIAL STATEMENTS**







THE CITY OF  
**DUBUQUE**

*Showing the Spirit.*

**CITY OF DUBUQUE, IOWA**  
**COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**JUNE 30, 2001**

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>ASSETS AND OTHER DEBITS</b>					
<b>ASSETS</b>					
Cash and pooled cash investments	\$ 18,953,647	\$ 13,711,640	\$ 330,884	\$ 8,554,197	\$ 10,142,295
Cash and pooled cash investments - nonexpendable trust	-	-	-	-	-
Receivables					
Property tax					
Delinquent	108,155	18,686	16,684	-	4,775
Succeeding year	11,142,300	2,317,703	1,011,820	-	366,796
Accounts	363,945	-	-	-	1,208,616
Special assessments	-	654,050	-	-	-
Accrued interest	318,017	76,410	9,792	82,792	101,308
Notes - current	-	1,225,155	-	-	-
Notes - long-term	-	8,220,516	-	-	-
Intergovernmental	774,677	1,759,649	-	1,225,493	25,913
Due from other funds	769,112	-	-	-	-
Due from primary government	-	-	-	-	-
Inventory	60,564	-	-	-	316,693
Prepaid items	-	-	-	-	5,037
Advances to other funds	817,912	-	-	-	-
Advances to primary government	-	-	-	-	-
Restricted assets					
Cash and pooled cash investments	-	-	-	-	552,653
Land	-	-	-	-	4,616,265
Buildings and improvements	-	-	-	-	52,389,337
Improvements other than buildings	-	-	-	-	23,743,211
Machinery and equipment	-	-	-	-	38,020,841
Construction in progress	-	-	-	-	5,606,391
Accumulated depreciation	-	-	-	-	(51,928,724)
<b>OTHER DEBITS</b>					
Amount available in Debt Service Fund	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
<b>Total Assets and Other Debits</b>	<b>\$ 33,308,329</b>	<b>\$ 27,983,809</b>	<b>\$ 1,369,180</b>	<b>\$ 9,862,482</b>	<b>\$ 85,171,407</b>

See notes to financial statements.

**EXHIBIT 1**

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	<u>Component Unit</u>	<u>Totals</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Primary Government (Memorandum Only)</u>	<u>Dubuque Metropolitan Area Solid Waste Agency</u>	<u>Reporting Entity (Memorandum Only)</u>
\$ 2,911,787	\$ 860,356	\$ -	\$ -	\$ 55,464,806	\$ 5,026,419	\$ 60,491,225
-	174,579	-	-	174,579	-	174,579
-	-	-	-	148,300	-	148,300
-	-	-	-	14,838,619	-	14,838,619
-	37,202	-	-	1,609,763	287,648	1,897,411
-	-	-	-	654,050	-	654,050
23,374	8,792	-	-	620,485	53,371	673,856
-	-	-	-	1,225,155	-	1,225,155
-	-	-	-	8,220,516	-	8,220,516
-	-	-	-	3,785,732	-	3,785,732
-	-	-	-	769,112	-	769,112
-	-	-	-	-	40,289	40,289
43,606	-	-	-	420,863	-	420,863
-	-	-	-	5,037	-	5,037
-	-	-	-	817,912	-	817,912
-	-	-	-	-	988,750	988,750
-	29,090	-	-	581,743	2,022,070	2,603,813
-	-	15,543,862	-	20,160,127	552,528	20,712,655
-	-	40,430,140	-	92,819,477	5,945,497	98,764,974
-	-	19,808,901	-	43,552,112	-	43,552,112
177,519	-	18,369,074	-	56,567,434	1,843,192	58,410,626
-	-	2,521,883	-	8,128,274	-	8,128,274
(136,923)	-	-	-	(52,065,647)	(4,025,948)	(56,091,595)
-	-	-	354,890	354,890	-	354,890
-	-	-	16,497,302	16,497,302	-	16,497,302
<u>\$ 3,019,363</u>	<u>\$ 1,110,019</u>	<u>\$ 96,673,860</u>	<u>\$ 16,852,192</u>	<u>\$ 275,350,641</u>	<u>\$ 12,733,816</u>	<u>\$ 288,084,457</u>

(continued)



**CITY OF DUBUQUE, IOWA**  
**COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**JUNE 30, 2001**

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 810,013	\$ 162,762	\$ 453	\$ 640,152	\$ 2,507,928
Accrued payroll	124,284	14,529	-	-	63,095
General obligation bonds payable - current	-	-	-	-	300,000
Revenue bonds payable - current	-	-	-	-	170,000
Accrued compensated absences	386,376	16,091	-	-	251,657
Due to employees	-	-	-	-	-
Intergovernmental payable	-	1,192,188	-	-	-
Due to other funds	-	-	-	768,782	-
Due to component unit	-	-	-	-	40,289
Payable from restricted assets					
Accrued interest payable	-	-	-	-	27,540
Advances from other funds	-	-	-	-	817,912
Advances from component unit	-	-	-	-	988,750
Notes payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	3,078,875
Revenue bonds payable	-	-	-	-	1,696,000
Landfill closure and postclosure care	-	-	-	-	-
Tax-increment financing bonds payable	-	-	-	-	-
Deferred revenue					
Succeeding year property tax	11,142,300	2,317,703	1,011,820	-	366,796
Other	22,372	521,009	2,017	-	-
Total Liabilities	<u>12,485,345</u>	<u>4,224,282</u>	<u>1,014,290</u>	<u>1,408,934</u>	<u>10,308,842</u>

See notes to financial statements.

**EXHIBIT 1**  
**(continued)**

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	<u>Component Unit</u>	<u>Totals</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Primary Government (Memorandum Only)</u>	<u>Dubuque Metropolitan Area Solid Waste Agency</u>	<u>Reporting Entity (Memorandum Only)</u>
\$ 745,934	\$ 2,766	\$ -	\$ -	\$ 4,870,008	\$ 80,381	\$ 4,950,389
15,219	14,231	-	-	231,358	6,906	238,264
-	-	-	-	300,000	-	300,000
-	-	-	-	170,000	-	170,000
-	-	-	1,570,162	2,224,286	37,172	2,261,458
-	9,763	-	-	9,763	-	9,763
-	-	-	-	1,192,188	86,877	1,279,065
330	-	-	-	769,112	-	769,112
-	-	-	-	40,289	-	40,289
-	-	-	-	27,540	-	27,540
-	-	-	-	817,912	-	817,912
-	-	-	-	988,750	-	988,750
-	-	-	2,118,279	2,118,279	-	2,118,279
-	-	-	9,005,000	12,083,875	-	12,083,875
-	-	-	-	1,696,000	-	1,696,000
-	-	-	-	-	1,445,798	1,445,798
-	-	-	4,158,751	4,158,751	-	4,158,751
-	-	-	-	14,838,619	-	14,838,619
-	-	-	-	545,398	-	545,398
<u>761,483</u>	<u>26,760</u>	<u>-</u>	<u>16,852,192</u>	<u>47,082,128</u>	<u>1,657,134</u>	<u>48,739,262</u>

(continued)

**CITY OF DUBUQUE, IOWA**  
**COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**JUNE 30, 2001**

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>EQUITY AND OTHER CREDITS</b>					
Contributed capital	\$ -	\$ -	\$ -	\$ -	\$ 40,007,832
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved for/by					
State statute	-	-	-	-	-
Bond ordinance	-	-	-	-	552,653
Minority interests	-	-	-	-	-
Unreserved	-	-	-	-	34,302,080
Fund balances					
Reserved for/by					
Long-term notes receivable	-	8,220,516	-	-	-
Encumbrances	2,423,024	815,982	-	2,072,643	-
Dog track	-	-	-	756,060	-
Franchise agreement	-	-	-	-	-
Endowments	-	-	-	-	-
Advances	817,912	-	-	-	-
Debt service	-	150,526	354,890	-	-
Unreserved, undesignated	17,582,048	14,572,503	-	5,624,845	-
Total Equity and Other Credits	<u>20,822,984</u>	<u>23,759,527</u>	<u>354,890</u>	<u>8,453,548</u>	<u>74,862,565</u>
 Total Liabilities, Equity, and Other Credits	<u>\$ 33,308,329</u>	<u>\$ 27,983,809</u>	<u>\$ 1,369,180</u>	<u>\$ 9,862,482</u>	<u>\$ 85,171,407</u>

See notes to financial statements.

**EXHIBIT 1**  
**(continued)**

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	<u>Component Unit</u>	<u>Totals</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Primary Government (Memorandum Only)</u>	<u>Dubuque Metropolitan Area Solid Waste Agency</u>	<u>Reporting Entity (Memorandum Only)</u>
\$ 24,233	\$ -	\$ -	\$ -	\$ 40,032,065	\$ -	\$ 40,032,065
-	-	96,673,860	-	96,673,860	-	96,673,860
-	-	-	-	-	576,272	576,272
-	-	-	-	552,653	-	552,653
-	-	-	-	-	2,383,593	2,383,593
2,233,647	-	-	-	36,535,727	8,116,817	44,652,544
-	-	-	-	8,220,516	-	8,220,516
-	-	-	-	5,311,649	-	5,311,649
-	-	-	-	756,060	-	756,060
-	19,327	-	-	19,327	-	19,327
-	172,361	-	-	172,361	-	172,361
-	-	-	-	817,912	-	817,912
-	-	-	-	505,416	-	505,416
-	891,571	-	-	38,670,967	-	38,670,967
<u>2,257,880</u>	<u>1,083,259</u>	<u>96,673,860</u>	<u>-</u>	<u>228,268,513</u>	<u>11,076,682</u>	<u>239,345,195</u>
<u>\$ 3,019,363</u>	<u>\$ 1,110,019</u>	<u>\$ 96,673,860</u>	<u>\$ 16,852,192</u>	<u>\$ 275,350,641</u>	<u>\$ 12,733,816</u>	<u>\$ 288,084,457</u>



**CITY OF DUBUQUE, IOWA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Governmental	
	General	Special Revenue
REVENUES		
Taxes	\$ 21,889,496	\$ 3,035,497
Special assessments	-	783,633
Licenses and permits	576,136	-
Intergovernmental	2,711,649	11,057,029
Charges for services	8,127,372	-
Fines and forfeits	369,391	-
Miscellaneous	776,542	427,918
Interest	2,097,430	557,905
Total Revenues	<u>36,548,016</u>	<u>15,861,982</u>
EXPENDITURES		
Current		
Policy and administration	4,977,495	460,725
Community protection	15,064,313	74
Home and community environment	6,118,157	10,291,588
Human development	8,475,658	176,997
Debt service		
Principal retirement	-	350,666
Interest	-	526,846
Capital outlay	-	-
Total Expenditures	<u>34,635,623</u>	<u>11,806,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,912,393</u>	<u>4,055,086</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from issuance of debt	60,000	7,756,314
Operating transfers in	3,433,458	255,106
Operating transfers from component unit	27,822	-
Operating transfers out	(3,846,628)	(8,629,648)
Total Other Financing Sources (Uses)	<u>(325,348)</u>	<u>(618,228)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,587,045	3,436,858
FUND BALANCES, BEGINNING	<u>19,235,939</u>	<u>20,322,669</u>
FUND BALANCES, ENDING	<u>\$ 20,822,984</u>	<u>\$ 23,759,527</u>

See notes to financial statements.

EXHIBIT 2

Fund Types		Fiduciary Fund Type	Totals Primary Government (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$ 1,874,514	\$ 3,170,668	\$ -	\$ 29,970,175
-	-	-	783,633
-	-	-	576,136
-	6,140,756	-	19,909,434
-	-	-	8,127,372
-	-	-	369,391
-	517,844	584,504	2,306,808
64,890	395,831	-	3,116,056
<u>1,939,404</u>	<u>10,225,099</u>	<u>584,504</u>	<u>65,159,005</u>
3,532	-	179,089	5,620,841
-	-	-	15,064,387
-	-	182,374	16,592,119
-	-	-	8,652,655
1,761,555	-	-	2,112,221
243,041	-	-	769,887
-	13,191,465	-	13,191,465
<u>2,008,128</u>	<u>13,191,465</u>	<u>361,463</u>	<u>62,003,575</u>
<u>(68,724)</u>	<u>(2,966,366)</u>	<u>223,041</u>	<u>3,155,430</u>
-	660,337	-	8,476,651
66,952	3,956,011	-	7,711,527
-	-	-	27,822
-	(15,120)	(573)	(12,491,969)
<u>66,952</u>	<u>4,601,228</u>	<u>(573)</u>	<u>3,724,031</u>
(1,772)	1,634,862	222,468	6,879,461
<u>356,662</u>	<u>6,818,686</u>	<u>688,430</u>	<u>47,422,386</u>
<u>\$ 354,890</u>	<u>\$ 8,453,548</u>	<u>\$ 910,898</u>	<u>\$ 54,301,847</u>

**CITY OF DUBUQUE, IOWA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) –**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 21,634,941	\$ 21,854,449	\$ 219,508	\$ 3,507,836	\$ 3,030,980
Special assessments	-	-	-	700,000	697,664
Licenses and permits	631,884	576,135	(55,749)	-	-
Intergovernmental	6,876,959	2,727,763	(4,149,196)	15,180,960	10,395,005
Charges for services	8,364,135	8,070,954	(293,181)	-	-
Fines and forfeits	376,593	369,636	(6,957)	-	-
Miscellaneous	1,924,217	1,762,816	(161,401)	3,721,141	1,760,106
Interest	868,794	1,774,012	905,218	301,940	272,116
Total Revenues	<u>40,677,523</u>	<u>37,135,765</u>	<u>(3,541,758)</u>	<u>23,411,877</u>	<u>16,155,871</u>
<b>EXPENDITURES</b>					
Current					
Policy and administration	5,969,563	4,957,470	1,012,093	489,498	460,467
Community protection	16,641,833	14,885,745	1,756,088	1,397	-
Home and community environment	19,815,164	6,151,955	13,663,209	21,858,250	11,539,491
Human development	11,924,872	8,129,290	3,795,582	314,818	176,954
Debt service					
Principal retirement	-	-	-	350,666	350,666
Interest and fiscal charges	-	-	-	553,765	526,846
Capital outlay	-	-	-	-	-
Total Expenditures	<u>54,351,432</u>	<u>34,124,460</u>	<u>20,226,972</u>	<u>23,568,394</u>	<u>13,054,424</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,673,909)</u>	<u>3,011,305</u>	<u>16,685,214</u>	<u>(156,517)</u>	<u>3,101,447</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of debt	-	-	-	2,462,806	2,195,581
Operating transfers in	2,802,648	3,461,280	658,632	219,106	289,536
Operating transfers out	<u>(1,417,416)</u>	<u>(3,816,267)</u>	<u>(2,398,851)</u>	<u>(10,958,075)</u>	<u>(6,635,396)</u>
Total Other Financing Sources (Uses)	<u>1,385,232</u>	<u>(354,987)</u>	<u>(1,740,219)</u>	<u>(8,276,163)</u>	<u>(4,150,279)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(12,288,677)</u>	<u>2,656,318</u>	<u>14,944,995</u>	<u>(8,432,680)</u>	<u>(1,048,832)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>16,940,410</u>	<u>16,940,410</u>	<u>-</u>	<u>11,025,625</u>	<u>11,025,625</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 4,651,733</u>	<u>\$ 19,596,728</u>	<u>\$ 14,944,995</u>	<u>\$ 2,592,945</u>	<u>\$ 9,976,793</u>

See notes to financial statements.

EXHIBIT 3

Funds	Debt Service Fund			Capital Projects Funds		
Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ (476,856)	\$ 1,829,705	\$ 1,873,284	\$ 43,579	\$ 3,200,072	\$ 3,137,382	\$ (62,690)
(2,336)	-	-	-	-	-	-
-	-	-	-	-	-	-
(4,785,955)	-	-	-	5,550,889	189,227	(5,361,662)
-	-	-	-	602,592	308,251	(294,341)
-	-	-	-	-	-	-
(1,961,035)	-	-	-	9,045,627	5,439,898	(3,605,729)
(29,824)	15,000	54,889	39,889	49,000	304,246	255,246
(7,256,006)	1,844,705	1,928,173	83,468	18,448,180	9,379,004	(9,069,176)
29,031	2,150	3,079	(929)	-	-	-
1,397	-	-	-	-	-	-
10,318,759	-	-	-	-	-	-
137,864	-	-	-	-	-	-
-	1,755,000	1,755,000	-	-	-	-
26,919	219,145	219,234	(89)	-	-	-
-	-	-	-	34,258,606	13,331,879	20,926,727
10,513,970	1,976,295	1,977,313	(1,018)	34,258,606	13,331,879	20,926,727
3,257,964	(131,590)	(49,140)	82,450	(15,810,426)	(3,952,875)	11,857,551
(267,225)	-	-	-	7,706,070	6,221,070	(1,485,000)
70,430	36,590	36,590	-	11,300,583	4,777,961	(6,522,622)
4,322,679	-	-	-	(7,858,662)	(6,397,801)	1,460,861
4,125,884	36,590	36,590	-	11,147,991	4,601,230	(6,546,761)
7,383,848	(95,000)	(12,550)	82,450	(4,662,435)	648,355	5,310,790
-	339,554	339,554	-	7,104,249	7,104,249	-
\$ 7,383,848	\$ 244,554	\$ 327,004	\$ 82,450	\$ 2,441,814	\$ 7,752,604	\$ 5,310,790



**CITY OF DUBUQUE, IOWA**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL**  
**PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS,**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types	
	Enterprise	Internal Service
OPERATING REVENUES		
Charges for sales and services	\$ 11,694,687	\$ 5,112,226
Other	510,099	-
Investment earnings	-	-
Total Operating Revenues	<u>12,204,786</u>	<u>5,112,226</u>
OPERATING EXPENSES		
Employee expense	4,643,243	1,114,937
Utilities	912,257	20,525
Repairs and maintenance	1,101,417	31,411
Supplies and services	3,246,488	360,741
Insurance	225,529	3,884,812
Landfill closure and postclosure care	-	-
Depreciation	2,507,944	11,346
Total Operating Expenses	<u>12,636,878</u>	<u>5,423,772</u>
OPERATING INCOME (LOSS)	<u>(432,092)</u>	<u>(311,546)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	667,577	184,950
Interest expense	(377,425)	-
Operating grants	718,423	-
Taxes	521,731	-
Loss on disposal of assets	(46,860)	-
Total Nonoperating Revenues (Expenses)	<u>1,483,446</u>	<u>184,950</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS	<u>1,051,354</u>	<u>(126,596)</u>
CAPITAL CONTRIBUTIONS	<u>482,679</u>	<u>-</u>
OPERATING TRANSFERS		
Operating transfers in	6,370,655	100,176
Operating transfers out	(1,689,151)	(1,240)
Operating transfers to primary government	-	-
Total Operating Transfers	<u>4,681,504</u>	<u>98,936</u>
NET INCOME (LOSS)	<u>6,215,537</u>	<u>(27,660)</u>
RETAINED EARNINGS/FUND BALANCES, BEGINNING	<u>28,639,196</u>	<u>2,261,307</u>
RETAINED EARNINGS/FUND BALANCES, ENDING	<u>\$ 34,854,733</u>	<u>\$ 2,233,647</u>

See notes to financial statements.

## EXHIBIT 4

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit	
		Dubuque Metropolitan Area Solid Waste Agency	Totals Reporting Entity (Memorandum Only)
Nonexpendable Trust			
\$ -	\$ 16,806,913	\$ 2,417,138	\$ 19,224,051
36,113	546,212	-	546,212
(23,224)	(23,224)	-	(23,224)
12,889	17,329,901	2,417,138	19,747,039
-	5,758,180	469,724	6,227,904
-	932,782	14,744	947,526
-	1,132,828	90,351	1,223,179
45,294	3,652,523	927,148	4,579,671
-	4,110,341	30,707	4,141,048
-	-	209,669	209,669
-	2,519,290	503,206	3,022,496
45,294	18,105,944	2,245,549	20,351,493
(32,405)	(776,043)	171,589	(604,454)
-	852,527	431,418	1,283,945
-	(377,425)	-	(377,425)
-	718,423	43,252	761,675
-	521,731	-	521,731
-	(46,860)	-	(46,860)
-	1,668,396	474,670	2,143,066
(32,405)	892,353	646,259	1,538,612
-	482,679	-	482,679
-	6,470,831	-	6,470,831
-	(1,690,391)	-	(1,690,391)
-	-	(27,822)	(27,822)
-	4,780,440	(27,822)	4,752,618
(32,405)	6,155,472	618,437	6,773,909
204,766	31,105,269	10,458,245	41,563,514
\$ 172,361	\$ 37,260,741	\$ 11,076,682	\$ 48,337,423

**CITY OF DUBUQUE, IOWA**  
**COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND**  
**TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED**  
**COMPONENT UNIT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types	
	Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (432,092)	\$ (311,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Landfill closure and postclosure care	-	-
Depreciation	2,507,944	11,346
Investment earnings	-	-
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	70,462	-
Increase in intergovernmental receivable	(24,322)	-
Decrease in due from primary government	-	-
Increase in inventory	(88,685)	(14,213)
Increase (decrease) in accounts payable	2,277,653	156,287
Increase (decrease) in accrued payroll	(1,067)	955
Decrease in accrued compensated absences	(9,237)	-
Increase in intergovernmental payable	-	-
Decrease in due to other funds	-	(170,467)
Decrease in due to component unit	(1,800)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>4,298,856</u>	<u>(327,638)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes received	521,984	-
Operating grants received	718,423	-
Operating transfers in	6,370,655	100,176
Operating transfers out	(1,689,151)	(1,240)
Operating transfers to primary government	-	-
Repayment of advances from other funds	(1,113,037)	-
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>4,808,874</u>	<u>98,936</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of fixed assets	(12,458,302)	-
Principal paid on bonds	(355,959)	-
Interest paid on bonds	(378,529)	-
Capital contributions	482,679	-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(12,710,111)</u>	<u>-</u>

See notes to financial statements.

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area Solid Waste Agency	
Nonexpendable Trust			
\$ (32,405)	\$ (776,043)	\$ 171,589	\$ (604,454)
-	-	209,669	209,669
-	2,519,290	503,206	3,022,496
23,224	23,224	-	23,224
-	70,462	(113,688)	(43,226)
-	(24,322)	-	(24,322)
-	-	1,800	1,800
-	(102,898)	-	(102,898)
2,766	2,436,706	(256,547)	2,180,159
-	(112)	224	112
-	(9,237)	(4,232)	(13,469)
-	-	28,838	28,838
-	(170,467)	-	(170,467)
-	(1,800)	-	(1,800)
(6,415)	3,964,803	540,859	4,505,662
-	521,984	-	521,984
-	718,423	43,252	761,675
-	6,470,831	-	6,470,831
-	(1,690,391)	-	(1,690,391)
-	-	(27,822)	(27,822)
-	(1,113,037)	-	(1,113,037)
-	4,907,810	15,430	4,923,240
-	(12,458,302)	(1,846,168)	(14,304,470)
-	(355,959)	-	(355,959)
-	(378,529)	-	(378,529)
-	482,679	-	482,679
-	(12,710,111)	(1,846,168)	(14,556,279)

(continued)



**CITY OF DUBUQUE, IOWA**  
**COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND**  
**TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED**  
**COMPONENT UNIT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	\$ 622,321	\$ 177,620
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,980,060)	(51,082)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,675,008	2,962,869
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,694,948</u>	<u>\$ 2,911,787</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from government	<u>\$ 3,740,611</u>	<u>\$ -</u>

See notes to financial statements.

**EXHIBIT 5**  
**(continued)**

<u>Fiduciary Fund Type</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
		<u>Dubuque Metropolitan Area Solid Waste Agency</u>	
<u>\$ (23,383)</u>	<u>\$ 776,558</u>	<u>\$ 378,047</u>	<u>\$ 1,154,605</u>
(29,798)	(3,060,940)	(911,832)	(3,972,772)
<u>204,377</u>	<u>16,842,254</u>	<u>7,960,321</u>	<u>24,802,575</u>
<u>\$ 174,579</u>	<u>\$ 13,781,314</u>	<u>\$ 7,048,489</u>	<u>\$ 20,829,803</u>
<u>\$ -</u>	<u>\$ 3,740,611</u>	<u>\$ -</u>	<u>\$ 3,740,611</u>





**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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The notes to financial statements contain a summary of significant accounting policies and other notes considered necessary for an understanding of the financial statements of the City and are an integral part of this report. The index to the notes is as follows:

1. Summary of Significant Accounting Policies
2. Stewardship, Compliance, and Accountability
3. Cash on Hand, Deposits, and Investments
4. Cash and Pooled Cash Investments – Overdraft
5. Fixed Assets
6. Interfund Receivables and Payables
7. Long-Term Debt
8. Contributed Capital
9. Risk Management
10. Segment Information – Enterprise Funds
11. Commitments and Contingent Liabilities
12. Post-Employment Health Care Benefits
13. Employee Retirement Systems
14. Conduit Debt
15. Landfill Closure and Postclosure Care
16. Subsequent Event



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The City of Dubuque, Iowa, is a municipal corporation governed by an elected mayor and a six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City has no blended component units. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City. The component unit has a June 30 year end.

*Discretely Presented Component Unit.* The Dubuque Metropolitan Area Solid Waste Agency has been organized as a joint venture under Chapter 28E of the Code of Iowa between the City of Dubuque and Dubuque County. The Agency's purpose is to provide solid waste management for the Dubuque metropolitan area. The City appoints a voting majority of the Agency's governing board and has authority over those persons responsible for the day-to-day operations of the Agency. The Agency is presented as a proprietary fund type. Complete financial statements for the Agency may be obtained from the City of Dubuque.

City of Dubuque  
Finance Department  
50 West 13<sup>th</sup> Street  
Dubuque, Iowa 52001

**Jointly Governed Organizations**

The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions:

City of Dubuque Conference Board  
Dubuque County E-911 Committee  
Dubuque Drug Task Force

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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The City has the following fund types and account groups:

**Governmental funds** are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

**Proprietary funds** are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989, in accounting for and reporting its proprietary operations. Proprietary funds include the following fund types:

*Enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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*Internal service funds* account for operations that provide services to other departments or agencies of the City or to other governments on a cost-reimbursement basis.

**Fiduciary funds** account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

The *expendable trust funds* are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trusts account for assets where both the principal and interest may be spent.

The *nonexpendable trust funds* are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. The agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

**Account Groups.** The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

### **Assets, Liabilities, and Equity**

#### *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statute authorizes the City and the Dubuque Metropolitan Area Solid Waste Agency to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value or amortized cost. Amortized cost is used only for money market investments that have a remaining maturity at time of purchase of one year or less.

#### *Receivables and Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds."

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" to indicate the non-current nature of the interfund loans.

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

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

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The tax levy is divided into two billings. The first billing is mailed on July 1 and the second billing is mailed on January 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending three months after the tax bill mailing. On these dates (September 30 and March 31), the bill becomes delinquent, and penalties and interest may be assessed by the government.

*Inventory and Prepaid Items*

Inventory included in the governmental funds is valued at cost using the first-in, first-out (FIFO) basis. The costs of governmental fund inventories are recorded as expenditures when consumed rather than purchased.

Inventory of materials and supplies in the enterprise funds is determined by actual count and priced on the FIFO basis.

Inventory included in internal service funds is stated at the lower of cost (FIFO basis) or market and consists of consumable supplies. The cost of these supplies is recorded as an expense at the time they are removed from inventory for use.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

*Restricted Assets*

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond operating" account is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "revenue bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond sinking account.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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Certain assets of the expendable trust funds are classified as restricted assets because their use is limited by the City's cable television franchise agreement.

Certain assets of the Dubuque Metropolitan Area Solid Waste Agency are classified as restricted assets because their use is restricted by state statute for certain specified uses.

*Fixed Assets*

Fixed assets that have been purchased with City funds are valued at cost where historical records are available and at estimated cost where no historical records exist. Assets acquired by gift are accounted for at the asset's fair value as of the date the property was received.

Fixed assets used in governmental fund types of the City are recorded in the general fixed assets account group and are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the City) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not included in the general fixed assets account group or capitalized in the proprietary funds.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during construction is not capitalized.

Fixed assets are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

Buildings and improvements	50 years
Improvements other than buildings	50 years
Machinery and equipment	4 – 20 years

*Compensated Absences*

The City allows employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon retirement or termination. Sick pay is payable only upon retirement, in which event employees are paid for 25% of all eligible hours (50% in the case of police and fire employees). A liability has been recorded for all earned but unused vacation and sick pay benefits.

Vacation and sick pay is accrued when incurred in proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay them. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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*Long-Term Obligations*

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

*Fund Equity*

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds.

*Memorandum Only--Total Columns*

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

The Code of Iowa requires the adoption of an annual budget on or before March 15 of each year which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for the City as a whole, rather than at the fund level. Appropriations as adopted and amended lapse at the end of the fiscal year.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The City's budget is prepared on the cash basis of accounting. After the initial annual budget is adopted, it may be amended for specified purposes. Budget amendments must be prepared and adopted in the same manner as the original budget. Management is not authorized to amend the budget or to make budgetary transfers between programs without the approval of the City Council. Management may make budgeting transfers between funds as long as the transfers are within the same program. The City has adopted a policy relative to budgetary control and amendment which provides for control at the line-item level and review of the current year's budget at the time the next year's budget is prepared. This usually results in amending the appropriations of all programs to adjust to current conditions. Supplemental appropriations are only provided when unanticipated revenues or budget surpluses become available.

The budget for the fiscal year ended June 30, 2001, was amended three times during the year to allow the City to increase program expenditures by approximately \$58,473,000, primarily for the carry-forward of unfinished capital improvement projects, expenditure of additional grants for capital improvements, and the expenditure of additional intergovernmental revenue for community development projects.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Budget/GAAP Reconciliation**

The accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Governmental Fund Types" presents comparisons of the legally adopted budget with actual data on a budgetary basis for the general, special revenue, debt service, and capital projects fund types. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues and other sources of financial resources over (under) expenditures and other uses of financial resources for the year ended June 30, 2001, is presented as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 2,656,318	\$(1,048,832)	\$ (12,550)	\$ 648,355
Adjustments:				
To adjust revenues for accruals	(527,749)	5,232,414	41,593	(5,536,588)
To adjust expenditures for accruals	<u>(541,524)</u>	<u>(746,724)</u>	<u>(30,815)</u>	<u>6,523,095</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 1,587,045</u>	<u>\$ 3,436,858</u>	<u>\$ (1,772)</u>	<u>\$ 1,634,862</u>

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Deficit Fund Equity**

The following funds had deficit retained earnings/fund balances amounts as of June 30, 2001:

Capital Projects	
Airport Construction	\$ 453,887
Enterprise	
Transit System	3,484,162
Internal Service	
General Service	7,387

**Comparison of Actual Expenditures with Budget (Budgetary Basis)**

Under Iowa law, cities are required to account for disbursements in terms of City government programs. The four City government programs are Policy and Administration, Community Protection, Home and Community Environment, and Human Development. The following table for the entire City, which includes the general, special revenue, debt service, capital projects, enterprise, internal service, and trust funds, has been prepared to demonstrate legal compliance with that requirement:

<u>Program</u>	<u>Appropriations</u>	<u>Actual Disbursements</u>	<u>Variance Favorable (Unfavorable)</u>
Policy and administration	\$ 7,431,450	\$ 6,055,967	\$ 1,375,483
Community protection	16,842,473	15,034,588	1,807,885
Home and community environment	111,391,546	57,627,333	53,764,213
Human development	<u>13,075,265</u>	<u>8,763,937</u>	<u>4,311,328</u>
Total	<u>\$ 148,740,734</u>	<u>\$ 87,481,825</u>	<u>\$ 61,258,909</u>

**NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS**

**Cash on Hand.** Cash on hand represents undeposited collections together with authorized change funds and petty cash funds used for current operating purposes. The carrying amount at year end was \$8,725 for the City and \$350 for the Dubuque Metropolitan Area Solid Waste Agency.

**Deposits.** At year end, the City's carrying amount of deposits was \$31,452,440 and the bank balance was \$33,460,267. The City's deposits in banks at June 30, 2001, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The carrying amount of deposits for the Dubuque Metropolitan Area Solid Waste Agency was \$6,051,300 and the bank balance was \$6,048,850. The Agency's deposits in banks at June 30, 2001, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

**CITY OF DUBUQUE, IOWA**  
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**Investments.** The City classifies its investments into categories which present an indication of the level of credit risk in relation to the nature of the investment and the custodial provisions. Category 1 records securities that are insured, registered, held by the City, or held by the City's agent in the City's name. Category 2 denotes uninsured and unregistered securities that are held by a counterparty's trust department or agent in the City's name. Category 3 specifies uninsured and unregistered securities that are held by a counterparty's trust department or agent in other than the City's name.

The City's investments at June 30, 2001, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 3,881,294	\$ -	\$ -	\$ 3,881,294
Federal Agency Obligations	19,366,414	-	-	19,366,414
Corporate Stock	89,704	-	-	89,704
	<u>\$ 23,337,412</u>	<u>\$ -</u>	<u>\$ -</u>	23,337,412
Investment Pools:				
Mutual U.S. Government Bond Fund				<u>1,422,542</u>
Total Investments				<u>\$ 24,759,954</u>

The Dubuque Metropolitan Area Solid Waste Agency's investments at June 30, 2001, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	<u>\$ 996,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,840</u>

A reconciliation of cash and investments as shown on the combined balance sheet for the primary government follows:

Cash on hand	\$ 8,725
Carrying amount of deposits	31,452,449
Carrying amount of investments	<u>24,759,954</u>
Total	<u>\$ 56,221,128</u>
Cash and pooled cash investments	\$ 55,464,806
Cash and pooled cash investments – nonexpendable trust	174,579
Cash and pooled cash investments – restricted	<u>581,743</u>
Total	<u>\$ 56,221,128</u>



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – CASH AND POOLED CASH INVESTMENTS – OVERDRAFT**

When a fund overdraws its share of a pooled cash account, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable has been reported in the General Fund. The difference between the General Fund's carrying amount of the cash pool and the equity displayed on the General Fund's balance sheet amounts to \$769,112.

**NOTE 5 – FIXED ASSETS**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
Land	\$ 13,815,263	\$ 2,164,902	\$ 436,303	\$ 15,543,862
Buildings and improvements	39,022,065	1,490,144	82,069	40,430,140
Improvements other than buildings	4,511,968	15,296,933	-	19,808,901
Machinery and equipment	17,382,944	2,172,510	1,186,380	18,369,074
Construction in progress	<u>26,571,664</u>	<u>20,067,371</u>	<u>44,117,152</u>	<u>2,521,883</u>
Total General Fixed Assets	<u>\$ 101,303,904</u>	<u>\$ 41,191,860</u>	<u>\$ 45,821,904</u>	<u>\$ 96,673,860</u>

The following is a summary of proprietary fund type assets at June 30, 2001:

	Enterprise Funds	Internal Service Funds
Land	\$ 4,616,265	\$ -
Buildings and improvements	52,389,337	-
Improvements other than buildings	23,743,211	-
Machinery and equipment	38,020,841	177,519
Construction in progress	5,606,391	-
Accumulated depreciation	<u>(51,928,724)</u>	<u>(136,923)</u>
Net Fixed Assets	<u>\$ 72,447,321</u>	<u>\$ 40,596</u>

The following is a summary of proprietary fund type fixed assets for the Dubuque Metropolitan Area Solid Waste Agency at June 30, 2001:

Land	\$ 552,528
Buildings and improvements	5,945,497
Machinery and equipment	1,843,192
Accumulated depreciation	<u>(4,025,948)</u>
Net Fixed Assets	<u>\$ 4,315,269</u>

(continued on next page)

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES**

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects Funds Airport Construction	\$ 768,782
	Internal Service Funds General Service	<u>330</u>
		<u>\$ 769,112</u>

Advance to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise Funds Sewage Disposal Works Water Utility	\$ 304,502 <u>513,410</u>
		<u>\$ 817,912</u>

Due to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit – Dubuque Metropolitan Area Solid Waste Agency	Primary government – Refuse Collection Enterprise Fund	\$ <u>40,289</u>

Advances to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit – Dubuque Metropolitan Area Solid Waste Agency	Primary government – Sewage Disposal Works Enterprise Fund	\$ <u>988,750</u>

**NOTE 7 – LONG-TERM DEBT**

**General Obligation Bonds.** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government.

**CITY OF DUBUQUE, IOWA**  
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General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. General obligation bonds outstanding at June 30, 2001, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Corporate purpose	05/01/91	05/01/92-05/01/02	6.10%	\$ 2,500,000	\$ 410,000
Corporate purpose	06/01/93	05/01/94-05/01/03	4.40-4.50	4,615,000	875,000
Corporate purpose	05/01/94	05/01/95-05/01/04	5.05-5.13	3,100,000	930,000
Corporate purpose	07/01/95	05/01/96-05/01/05	4.55-4.90	2,000,000	1,180,000
Corporate purpose	06/01/00	06/01/02-06/01/20	5.80-5.88	2,750,000	2,750,000
Corporate purpose	11/01/00	06/01/02-06/01/20	5.00-5.25	<u>6,265,000</u>	<u>6,265,000</u>
				<u>\$ 21,230,000</u>	<u>\$ 12,410,000</u>

Annual debt service requirements to maturity for general obligation bonds, including interest of \$5,861,024, are as follows:

Fiscal Year Ending June 30	General Long-Term Debt Account Group/Enterprise Funds
2002	\$ 2,367,793
2003	1,910,130
2004	1,494,651
2005	1,034,341
2006	768,991
2007-2020	<u>10,695,118</u>
Total	<u>\$ 18,271,024</u>

**Tax-Increment Financing Bonds.** The City issues tax-increment financing bonds to provide funds for urban renewal projects. The City pledges property tax revenues from the tax-increment financing districts to pay debt service. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Tax-increment financing bonds outstanding at June 30, 2001, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Advanced Data-Comm	03/18/99	12/31/01-06/30/11	6.0-9.0%	\$ 900,000	\$ 900,000
Categraph Systems	12/01/99	12/31/01-12/31/10	8.8	360,000	360,000
Eagle Window & Door	02/15/00	12/31/02-06/30/12	9.1	<u>2,898,751</u>	<u>2,898,751</u>
				<u>\$ 4,158,751</u>	<u>\$ 4,158,751</u>

**CITY OF DUBUQUE, IOWA**  
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Annual debt service requirements to maturity for tax-increment financing bonds, including interest of \$2,547,566, are as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Amount</u>
2002	\$ 456,235
2003	675,372
2004	675,372
2005	675,372
2006	675,372
2007-2011	<u>3,548,594</u>
Total	<u>\$ 6,706,317</u>

**Revenue Bonds.** The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Revenue bonds outstanding at June 30, 2001, are as follows:

<u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Maturity Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Amount</u> <u>Originally</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>End of Year</u>
Parking facilities	03/01/98	05/01/98-05/01/10	4.20-4.75%	<u>\$ 2,515,000</u>	<u>\$ 1,890,000</u>

Revenue bond debt service requirements to maturity, including interest of \$464,175, are as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Amount</u>
2002	\$ 255,765
2003	258,625
2004	260,885
2005	262,525
2006	262,525
2007-2010	<u>1,053,850</u>
Total	<u>\$ 2,354,175</u>



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Notes Payable.** Notes payable have been issued to provide funds for economic development and for the purchase of land. Notes payable at June 30, 2001, are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
Economic development	04/15/97	05/01/03	4.40%	\$ 700,000	\$ 616,000
Economic development	02/27/98	03/01/04	4.40	655,500	655,500
Economic development	07/15/99	07/01/00-07/01/02	None	800,000	533,334
Land purchase	06/30/00	07/01/03	6.00	<u>320,000</u>	<u>313,445</u>
				<u>\$ 2,475,500</u>	<u>\$ 2,118,279</u>

Debt service requirements to maturity for notes payable, including interest of \$192,769, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2002	\$ 355,843
2003	1,270,863
2004	<u>684,342</u>
Total	<u>\$ 2,311,048</u>

**Changes in Long-term Liabilities.** During the fiscal year ended June 30, 2001, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2001</u>
Accrued Compensated Absences	\$ 1,613,455	\$ -	\$ 43,293	\$ 1,570,162
Notes Payable – Long-term	2,415,500	60,000	357,221	2,118,279
General Obligation Debt	4,495,000	6,265,000	1,755,000	9,005,000
Tax-Increment Financing Debt	<u>1,963,169</u>	<u>2,195,582</u>	<u>-</u>	<u>4,158,751</u>
Totals	<u>\$ 10,487,124</u>	<u>\$ 8,520,582</u>	<u>\$ 2,155,514</u>	<u>\$ 16,852,192</u>

**CITY OF DUBUQUE, IOWA**  
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**NOTE 8 – CONTRIBUTED CAPITAL**

The changes in the City's contributed capital accounts for its enterprise and internal service funds were as follows:

Sources	Sewage Disposal Works	Water Utility	Parking Facilities	Refuse Collection	Transit System	Garage Service
Beginning balance, contributed capital	\$ 26,726,365	\$ 2,590,135	\$ -	\$ 336,354	\$ 6,614,367	\$ 24,233
Contributions received from government	1,938,896	1,623,408	178,307	-	-	-
Ending balance, contributed capital	\$ 28,665,261	\$ 4,213,543	\$ 178,307	\$ 336,354	\$ 6,614,367	\$ 24,233

**NOTE 9 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance and participates in a local government risk pool.

The City has established a Health Insurance Reserve Fund for insuring benefits provided to City employees and covered dependents which is included in the Internal Service Fund Type. Health benefits were self-insured up to an individual stop loss amount of \$70,000, and an aggregate stop loss of approximately \$3,740,000 for 2001. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

The City has established a Workers' Compensation Reserve Fund for insuring benefits provided to City employees which is included in the Internal Service Fund Type. Workers' compensation benefits were self-insured up to a specific stop loss amount of \$400,000, and an aggregate stop loss of \$5,000,000 for 2001. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the last three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

**CITY OF DUBUQUE, IOWA**  
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All funds of the City participate in both programs and make payments to the Health Insurance Reserve Fund and the Workers' Compensation Reserve Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. The claims liability of \$536,508 in the Health Insurance Reserve Fund and \$176,549 in the Workers' Compensation Reserve Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in reported liabilities for the fiscal years ended June 30, 2000 and 2001, are summarized as follows:

	<u>Health Insurance Reserve Fund</u>	<u>Workers' Compensation Reserve Fund</u>
Liabilities at June 30, 1999	\$ 444,035	\$ 153,665
Claims and changes in estimates during fiscal year 2000	2,742,581	196,528
Claim payments	<u>(2,727,749)</u>	<u>(223,114)</u>
Liabilities at June 30, 2000	458,867	127,079
Claims and changes in estimates during fiscal year 2001	3,309,388	205,638
Claim payments	<u>(3,231,747)</u>	<u>(156,168)</u>
Liabilities at June 30, 2001	<u>\$ 536,508</u>	<u>\$ 176,549</u>

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 384.12 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 371 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and a reserve fund. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. During the first six years of membership, a portion of the member's contribution is allocated to a Cumulative Reserve Fund. Thereafter, no further annual contribution shall be made to the Cumulative Reserve Fund unless the Board shall require further annual contributions for the purpose of maintaining the Cumulative Reserve Fund at a level equal to 300 percent of the total current Basis Rates of all Members, or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2001, were \$373,373.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Automobile physical damage risks are retained by the Pool up to \$50,000 each accident, each location, with excess coverage reinsured on an individual-member basis. All property risks are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2001, no liability has been recorded in the City's financial statements. As of June 30, 2001, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their reserve contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its Cumulative Reserve Fund, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

**NOTE 10 – SEGMENT INFORMATION – ENTERPRISE FUNDS**

The City maintains six enterprise funds which provide sewage disposal, water, parking, refuse, and transit services, as well as accounting for construction associated with the America's River Project. Selected financial information for the fiscal year ended June 30, 2001, is as follows:



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Plan members are required to contribute 3.70% of their annual covered salary, and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2001, 2000, and 1999, were \$828,947, \$802,297, and \$737,541, respectively, equal to the required contributions for each year.

**NOTE 14 – CONDUIT DEBT**

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, 2001, there were six series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$16,427,056.

**NOTE 15 – LANDFILL CLOSURE AND POSTCLOSURE CARE**

State and federal laws and regulations require the Dubuque Metropolitan Area Solid Waste Agency to place a final cover on each cell of its landfill site when filled and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Although closure and postclosure care costs will be paid only near or after the date that each cell stops accepting waste, the Agency reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,445,798 reported as landfill closure and postclosure care liability at June 30, 2001, represents the cumulative amount reported to date based on the use of 95 percent of the estimated capacity of cells 3 and 4 and the use of 20 percent of the estimated capacity of cells 5 and 6. The Agency will recognize the remaining estimated cost of closure and postclosure care of \$1,385,628 as the remaining capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 2001. The Agency expects to close cells 3 and 4 in 2002 and to close the entire landfill in 2010. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The agency has begun to accumulate resources to fund these costs in accordance with state and federal requirements. At June 30, 2001, funds have been restricted for closure and postclosure costs in the amount of \$1,445,798, which equals the liability currently recognized.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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**NOTE 16 – SUBSEQUENT EVENT**

In July 2001, the City, along with the Dubuque County Historical Society, entered into a \$40 million Vision Iowa Grant for the construction of the America's River Project. As part of the agreement, the City is to issue \$12,360,000 in general obligation bonds and is to receive approximately \$20 million of the grant proceeds, with the Historical Society receiving the remaining proceeds.





# GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.







**CITY OF DUBUQUE, IOWA**  
**GENERAL FUND**  
**BALANCE SHEET**  
**JUNE 30, 2001**

**EXHIBIT A-1**

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**ASSETS**

Cash and pooled cash investments	\$ 18,953,647
Receivables	
Property tax	
Delinquent	108,155
Succeeding year	11,142,300
Accounts	363,945
Accrued interest	318,017
Intergovernmental	774,677
Due from other funds	769,112
Inventory	60,564
Advances to other funds	<u>817,912</u>
 Total Assets	 <u>\$ 33,308,329</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 810,013
Accrued payroll	124,284
Accrued compensated absences	386,376
Deferred revenue	
Succeeding year property tax	11,142,300
Other	<u>22,372</u>
Total Liabilities	<u>12,485,345</u>

**FUND BALANCES**

Reserved for	
Encumbrances	2,423,024
Advances	817,912
Unreserved, undesignated	<u>17,582,048</u>
Total Fund Balances	<u>20,822,984</u>

Total Liabilities and Fund Balances	<u>\$ 33,308,329</u>
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**CITY OF DUBUQUE, IOWA****EXHIBIT A-2****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001****REVENUES**

Taxes	\$ 21,889,496
Licenses and permits	576,136
Intergovernmental	2,711,649
Charges for services	8,127,372
Fines and forfeits	369,391
Miscellaneous	776,542
Interest	<u>2,097,430</u>
Total Revenues	<u>36,548,016</u>

**EXPENDITURES**

Current	
Policy and administration	4,977,495
Community protection	15,064,313
Home and community environment	6,118,157
Human development	<u>8,475,658</u>
Total Expenditures	<u>34,635,623</u>

EXCESS OF REVENUES OVER EXPENDITURES 1,912,393

**OTHER FINANCING SOURCES (USES)**

Proceeds from issuance of debt	60,000
Operating transfers in	3,433,458
Operating transfers from component unit	27,822
Operating transfers out	<u>(3,846,628)</u>
Total Other Financing Sources (Uses)	<u>(325,348)</u>

EXCESS OF REVENUES AND OTHER SOURCES  
OVER EXPENDITURES AND OTHER USES

1,587,045

FUND BALANCES, BEGINNING

19,235,939

FUND BALANCES, ENDING

\$ 20,822,984



# SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Road Use Tax Fund** - This fund is used to account for state revenues allocated to the City for maintenance and improvement of City streets.

**Employee Benefits Fund** - This fund is used to account for pension and related employee benefit costs for those employees paid wages from the general fund.

**Community Development Fund** - This fund is used to account for the use of Community Development Block Grant funds as received from federal and state governmental agencies.

**Section VIII Housing Fund** - This fund is used to account for the operations of federal Section VIII existing, voucher, and mod rehab projects.

**Tort Liability Fund** - This fund is used to collect a special property tax levy which is then transferred to the General Fund. The General Fund accounts for the administration and payment of damage claims against the City.

**Police and Fire Retirement Fund** - This fund is used to account for the balance of actuarially-determined excess pension funds as calculated when local retirement systems were terminated and combined into a statewide retirement system. The excess funds may be used to help fund the City's portion of contributions to the statewide police and fire retirement system.

**Special Assessments Fund** - This fund is used to account for the financing of public improvements that are deemed to benefit primarily the properties against which special assessments are levied and to accumulate monies for the payment of principal and interest on the outstanding long-term debt service.

**Tax Increment Financing Fund** - This fund is used to account for the receipt of property taxes, for the payment of projects within the tax increment financing district, and for the payment of remaining principal and interest costs on the tax increment financing districts' long-term debt service.







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**CITY OF DUBUQUE, IOWA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

	<u>Road Use Tax</u>	<u>Employee Benefits</u>	<u>Community Development</u>	<u>Section VIII Housing</u>
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 3,886,099	\$ 72,526	\$ 4,143,606	\$ 645,732
Receivables				
Property tax				
Delinquent	-	16,565	-	-
Succeeding year	-	2,107,538	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	58,845	-
Notes - current	-	-	1,223,655	1,500
Notes - long-term	-	-	8,206,944	13,572
Intergovernmental	343,816	-	430,107	985,726
	<u>4,229,915</u>	<u>2,196,629</u>	<u>14,063,157</u>	<u>1,646,530</u>
Total Assets	<u>\$ 4,229,915</u>	<u>\$ 2,196,629</u>	<u>\$ 14,063,157</u>	<u>\$ 1,646,530</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 76,501	\$ -	\$ 59,647	\$ 26,614
Accrued payroll	6,278	-	5,997	2,254
Accrued compensated absences	-	-	1,989	14,102
Intergovernmental payable	-	-	-	1,192,188
Deferred revenue				
Succeeding year property tax	-	2,107,538	-	-
Other	-	2,003	-	-
Total Liabilities	<u>82,779</u>	<u>2,109,541</u>	<u>67,633</u>	<u>1,235,158</u>
<b>FUND BALANCES</b>				
Reserved for				
Long-term notes receivable	-	-	8,206,944	13,572
Encumbrances	50,325	-	761,976	3,681
Debt service	-	-	-	-
Unreserved, undesignated	4,096,811	87,088	5,026,604	394,119
Total Fund Balances	<u>4,147,136</u>	<u>87,088</u>	<u>13,995,524</u>	<u>411,372</u>
Total Liabilities and Fund Balances	<u>\$ 4,229,915</u>	<u>\$ 2,196,629</u>	<u>\$ 14,063,157</u>	<u>\$ 1,646,530</u>



<u>Tort Liability</u>	<u>Police and Fire Retirement</u>	<u>Special Assessments</u>	<u>Tax Increment Financing</u>	<u>Total</u>
\$ 15,205	\$ 518,510	\$ 696,807	\$ 3,733,155	\$ 13,711,640
2,121	-	-	-	18,686
210,165	-	-	-	2,317,703
-	-	654,050	-	654,050
-	-	16,039	1,526	76,410
-	-	-	-	1,225,155
-	-	-	-	8,220,516
-	-	-	-	1,759,649
<u>\$ 227,491</u>	<u>\$ 518,510</u>	<u>\$ 1,366,896</u>	<u>\$ 3,734,681</u>	<u>\$ 27,983,809</u>
\$ -	\$ -	\$ -	\$ -	\$ 162,762
-	-	-	-	14,529
-	-	-	-	16,091
-	-	-	-	1,192,188
210,165	-	-	-	2,317,703
257	-	518,749	-	521,009
<u>210,422</u>	<u>-</u>	<u>518,749</u>	<u>-</u>	<u>4,224,282</u>
-	-	-	-	8,220,516
-	-	-	-	815,982
-	-	-	150,526	150,526
<u>17,069</u>	<u>518,510</u>	<u>848,147</u>	<u>3,584,155</u>	<u>14,572,503</u>
<u>17,069</u>	<u>518,510</u>	<u>848,147</u>	<u>3,734,681</u>	<u>23,759,527</u>
<u>\$ 227,491</u>	<u>\$ 518,510</u>	<u>\$ 1,366,896</u>	<u>\$ 3,734,681</u>	<u>\$ 27,983,809</u>

**CITY OF DUBUQUE, IOWA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
REVENUES				
Taxes	\$ -	\$ 1,730,014	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	4,603,402	-	2,831,671	3,621,956
Miscellaneous	-	-	371,228	56,690
Interest	-	-	220,098	2,762
Total Revenues	<u>4,603,402</u>	<u>1,730,014</u>	<u>3,422,997</u>	<u>3,681,408</u>
EXPENDITURES				
Current				
Policy and administration	47,860	287	412,578	-
Community protection	74	-	-	-
Home and community environment	2,899,550	-	1,628,977	3,642,406
Human development	-	-	176,997	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>2,947,484</u>	<u>287</u>	<u>2,218,552</u>	<u>3,642,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,655,918</u>	<u>1,729,727</u>	<u>1,204,445</u>	<u>39,002</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	-	-
Operating transfers in	-	119,106	136,000	-
Operating transfers out	(1,799,630)	(1,836,136)	(1,150,819)	(820)
Total Other Financing Sources (Uses)	<u>(1,799,630)</u>	<u>(1,717,030)</u>	<u>(1,014,819)</u>	<u>(820)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(143,712)	12,697	189,626	38,182
FUND BALANCES, BEGINNING	<u>4,290,848</u>	<u>74,391</u>	<u>13,805,898</u>	<u>373,190</u>
FUND BALANCES, ENDING	<u>\$ 4,147,136</u>	<u>\$ 87,088</u>	<u>\$ 13,995,524</u>	<u>\$ 411,372</u>

<u>Tort Liability</u>	<u>Police and Fire Retirement</u>	<u>Special Assessments</u>	<u>Tax Increment Financing</u>	<u>Total</u>
\$ 221,921	\$ -	\$ -	\$ 1,083,562	\$ 3,035,497
-	-	783,633	-	783,633
-	-	-	-	11,057,029
-	-	-	-	427,918
-	1,200	101,078	232,767	557,905
<u>221,921</u>	<u>1,200</u>	<u>884,711</u>	<u>1,316,329</u>	<u>15,861,982</u>
-	-	-	-	460,725
-	-	-	-	74
-	-	-	2,120,655	10,291,588
-	-	-	-	176,997
-	-	-	350,666	350,666
-	-	-	526,846	526,846
-	-	-	2,998,167	11,806,896
<u>221,921</u>	<u>1,200</u>	<u>884,711</u>	<u>(1,681,838)</u>	<u>4,055,086</u>
-	-	-	7,756,314	7,756,314
-	-	-	-	255,106
<u>(219,817)</u>	<u>(119,106)</u>	<u>(933,659)</u>	<u>(2,569,661)</u>	<u>(8,629,648)</u>
<u>(219,817)</u>	<u>(119,106)</u>	<u>(933,659)</u>	<u>5,186,653</u>	<u>(618,228)</u>
2,104	(117,906)	(48,948)	3,504,815	3,436,858
<u>14,965</u>	<u>636,416</u>	<u>897,095</u>	<u>229,866</u>	<u>20,322,669</u>
<u>\$ 17,069</u>	<u>\$ 518,510</u>	<u>\$ 848,147</u>	<u>\$ 3,734,681</u>	<u>\$ 23,759,527</u>







# DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.







**CITY OF DUBUQUE, IOWA**  
**DEBT SERVICE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2001**

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**EXHIBIT C-1**

**ASSETS**

Cash and pooled cash investments	\$ 330,884
Receivables	
Property tax	
Delinquent	16,684
Succeeding year	1,011,820
Accrued interest	<u>9,792</u>
 Total Assets	 <u>\$ 1,369,180</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 453
Deferred revenue	
Succeeding year property tax	1,011,820
Other	<u>2,017</u>
 Total Liabilities	 1,014,290

**FUND BALANCE**

Reserved for debt service	<u>354,890</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,369,180</u>

**CITY OF DUBUQUE, IOWA****EXHIBIT C-2****DEBT SERVICE FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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## REVENUES

Taxes	\$ 1,874,514
Interest	<u>64,890</u>
Total Revenues	<u>1,939,404</u>

## EXPENDITURES

Current	
Policy and administration	3,532
Debt service	
Principal retirement	1,761,555
Interest	<u>243,041</u>
Total Expenditures	<u>2,008,128</u>

DEFICIENCY OF REVENUES UNDER EXPENDITURES (68,724)

## OTHER FINANCING SOURCES

Operating transfers in	<u>66,952</u>
------------------------	---------------

DEFICIENCY OF REVENUES AND OTHER SOURCES  
UNDER EXPENDITURES

(1,772)

FUND BALANCE, BEGINNING

356,662

FUND BALANCE, ENDING

\$ 354,890



# CAPITAL PROJECTS FUNDS

Capital projects funds account for resources used for the acquisition of fixed assets and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Street Construction Fund** - This fund is used to account for the resources and costs related to street capital improvements.

**Storm Sewer Construction Fund** - This fund is used to account for the resources and costs related to storm sewer capital improvements.

**Dog Track Depreciation Fund** - This fund is used to account for the resources and costs related to capital improvements and maintenance at the greyhound racing facility.

**General Construction Fund** - This fund is used to account for the resources and costs related to non-assignable capital improvements.

**Airport Construction Fund** - This fund is used to account for the resources and costs related to airport capital improvements.

**Sales Tax Construction Fund** - This fund is used to account for the resources and costs related to capital improvements financed through the local option sales tax.







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**CITY OF DUBUQUE, IOWA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 3,616,119	\$ 413,070	\$ 751,852
Receivables			
Accrued interest	38,711	4,886	4,208
Intergovernmental	<u>302,561</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,957,391</u>	<u>\$ 417,956</u>	<u>\$ 756,060</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 75,790	\$ 12,513	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>75,790</u>	<u>12,513</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>			
Reserved for			
Encumbrances	1,193,292	51,364	-
Dog track	-	-	756,060
Unreserved, undesignated (deficit)	<u>2,688,309</u>	<u>354,079</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>3,881,601</u>	<u>405,443</u>	<u>756,060</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 3,957,391</u>	<u>\$ 417,956</u>	<u>\$ 756,060</u>



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<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ 1,319,218	\$ -	\$ 2,453,938	\$ 8,554,197
8,829	-	26,158	82,792
<u>-</u>	<u>721,224</u>	<u>201,708</u>	<u>1,225,493</u>
<u>\$ 1,328,047</u>	<u>\$ 721,224</u>	<u>\$ 2,681,804</u>	<u>\$ 9,862,482</u>
\$ 14,128	\$ 406,329	\$ 131,392	\$ 640,152
<u>-</u>	<u>768,782</u>	<u>-</u>	<u>768,782</u>
<u>14,128</u>	<u>1,175,111</u>	<u>131,392</u>	<u>1,408,934</u>
272,655	-	555,332	2,072,643
-	-	-	756,060
<u>1,041,264</u>	<u>(453,887)</u>	<u>1,995,080</u>	<u>5,624,845</u>
<u>1,313,919</u>	<u>(453,887)</u>	<u>2,550,412</u>	<u>8,453,548</u>
<u>\$ 1,328,047</u>	<u>\$ 721,224</u>	<u>\$ 2,681,804</u>	<u>\$ 9,862,482</u>

**CITY OF DUBUQUE, IOWA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
REVENUES			
Taxes	\$ 1,902,400	\$ -	\$ -
Intergovernmental	189,227	-	-
Miscellaneous	138,445	-	-
Racing Association	-	-	120,000
Passenger facility charges	-	-	-
Interest	<u>148,670</u>	<u>34,451</u>	<u>42,702</u>
Total Revenues	2,378,742	34,451	162,702
EXPENDITURES			
Capital outlay	<u>3,585,346</u>	<u>332,818</u>	<u>13,829</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,206,604)</u>	<u>(298,367)</u>	<u>148,873</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	-	-	-
Operating transfers in	2,684,531	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,684,531</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,477,927	(298,367)	148,873
FUND BALANCES (DEFICIT), BEGINNING	<u>2,403,674</u>	<u>703,810</u>	<u>607,187</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 3,881,601</u>	<u>\$ 405,443</u>	<u>\$ 756,060</u>

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<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ -	\$ -	\$ 1,268,268	\$ 3,170,668
-	5,951,529	-	6,140,756
68,148	-	3,000	209,593
15,000	-	-	135,000
-	173,251	-	173,251
<u>22,985</u>	<u>2,706</u>	<u>144,317</u>	<u>395,831</u>
106,133	6,127,486	1,415,585	10,225,099
 <u>574,245</u>	 <u>7,404,046</u>	 <u>1,281,181</u>	 <u>13,191,465</u>
 <u>(468,112)</u>	 <u>(1,276,560)</u>	 <u>134,404</u>	 <u>(2,966,366)</u>
-	660,337	-	660,337
597,063	366,417	308,000	3,956,011
-	-	(15,120)	(15,120)
<u>597,063</u>	<u>1,026,754</u>	<u>292,880</u>	<u>4,601,228</u>
 128,951	 (249,806)	 427,284	 1,634,862
<u>1,184,968</u>	<u>(204,081)</u>	<u>2,123,128</u>	<u>6,818,686</u>
<u>\$ 1,313,919</u>	<u>\$ (453,887)</u>	<u>\$ 2,550,412</u>	<u>\$ 8,453,548</u>







# ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

**Sewage Disposal Works Fund** – This fund is used to account for the operations of the City's sewage disposal works and services.

**Water Utility Fund** – This fund is used to account for the operations of the City's water facilities and services.

**Parking Facilities Fund** – This fund is used to account for the operations of the City-owned parking ramps and other parking facilities.

**Refuse Collection Fund** – This fund is used to account for the operations of the City's refuse collection services.

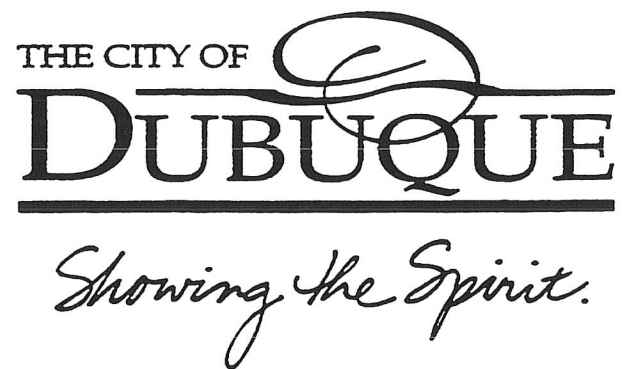
**Transit System Fund** – This fund is used to account for the operations of the City's bus and other transit services.

**America's River Project** – This fund is used to account for the construction of all projects covered by the Vision Iowa Grant, including all matching funds.









**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

	Sewage Disposal Works	Water Utility
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and pooled cash investments	\$ 5,023,355	\$ 1,743,007
Receivables		
Property tax		
Delinquent	-	-
Succeeding year	-	-
Accounts	514,302	486,239
Accrued interest	58,893	23,395
Intergovernmental	-	-
Inventory	-	309,030
Prepaid items	5,037	-
Total Current Assets	<u>5,601,587</u>	<u>2,561,671</u>
<b>RESTRICTED ASSETS</b>		
Cash and pooled cash investments	<u>-</u>	<u>-</u>
<b>FIXED ASSETS</b>		
Land	175,671	144,066
Buildings and improvements	31,586,670	7,054,665
Improvements other than buildings	23,743,211	-
Machinery and equipment	6,150,647	27,193,446
Construction in progress	322,083	848,748
Accumulated depreciation	<u>(29,719,747)</u>	<u>(14,642,067)</u>
Net Fixed Assets	<u>32,258,535</u>	<u>20,598,858</u>
 Total Assets	 <u>\$ 37,860,122</u>	 <u>\$ 23,160,529</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>America's River Project</u>	<u>Total</u>
\$ 1,584,830	\$ 941,819	\$ 849,284	\$ -	\$ 10,142,295
-	-	4,775	-	4,775
-	-	366,796	-	366,796
3,979	204,081	15	-	1,208,616
9,324	9,696	-	-	101,308
-	-	25,913	-	25,913
-	-	7,663	-	316,693
-	-	-	-	5,037
<u>1,598,133</u>	<u>1,155,596</u>	<u>1,254,446</u>	<u>-</u>	<u>12,171,433</u>
<u>552,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,653</u>
1,182,717	-	36,000	3,077,811	4,616,265
11,850,701	-	1,897,301	-	52,389,337
-	-	-	-	23,743,211
586,063	1,204,579	2,886,106	-	38,020,841
584,618	-	-	3,850,942	5,606,391
<u>(4,429,878)</u>	<u>(612,711)</u>	<u>(2,524,321)</u>	<u>-</u>	<u>(51,928,724)</u>
<u>9,774,221</u>	<u>591,868</u>	<u>2,295,086</u>	<u>6,928,753</u>	<u>72,447,321</u>
<u>\$ 11,925,007</u>	<u>\$ 1,747,464</u>	<u>\$ 3,549,532</u>	<u>\$ 6,928,753</u>	<u>\$ 85,171,407</u>

(continued)



**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

	Sewage Disposal Works	Water Utility
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 191,734	\$ 135,596
Accrued payroll	16,753	15,330
General obligation bonds payable - current	150,000	60,000
Revenue bonds payable - current	-	-
Accrued compensated absences	76,082	74,048
Due to component unit	-	-
Advances from other funds	304,502	513,410
Advances from component unit	988,750	-
Deferred revenue - succeeding year property tax	-	-
Total Current Liabilities	<u>1,727,821</u>	<u>798,384</u>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accrued interest payable	-	-
<b>NONCURRENT LIABILITIES</b>		
General obligation bonds payable (net of discount of \$26,125)	310,000	135,000
Revenue bonds payable (net of \$24,000 deferred amount on refunding)	-	-
Total Noncurrent Liabilities	<u>310,000</u>	<u>135,000</u>
Total Liabilities	<u>2,037,821</u>	<u>933,384</u>
<b>EQUITY</b>		
Contributed Capital		
Government	5,369,732	1,623,408
Intergovernmental	11,943,895	-
Developers and users	11,351,634	2,590,135
Total Contributed Capital	<u>28,665,261</u>	<u>4,213,543</u>
Retained Earnings (Deficit)		
Reserved by bond ordinance	-	-
Unreserved	7,157,040	18,013,602
Total Retained Earnings (Deficit)	<u>7,157,040</u>	<u>18,013,602</u>
Total Equity	<u>35,822,301</u>	<u>22,227,145</u>
Total Liabilities and Equity	<u>\$ 37,860,122</u>	<u>\$ 23,160,529</u>

**EXHIBIT E-1**  
**(continued)**

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>America's River Project</u>	<u>Total</u>
\$ 19,782	\$ 7,508	\$ 23,210	\$ 2,130,098	\$ 2,507,928
7,435	14,439	9,138	-	63,095
90,000	-	-	-	300,000
170,000	-	-	-	170,000
28,080	53,264	20,183	-	251,657
-	40,289	-	-	40,289
-	-	-	-	817,912
-	-	-	-	988,750
-	-	366,796	-	366,796
<u>315,297</u>	<u>115,500</u>	<u>419,327</u>	<u>2,130,098</u>	<u>5,506,427</u>
 27,540	 -	 -	 -	 27,540
 2,633,875	 -	 -	 -	 3,078,875
<u>1,696,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,696,000</u>
<u>4,329,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,774,875</u>
 4,672,712	 115,500	 419,327	 2,130,098	 10,308,842
 178,307	 61,704	 1,408,710	 -	 8,641,861
-	274,650	5,205,657	-	17,424,202
-	-	-	-	13,941,769
<u>178,307</u>	<u>336,354</u>	<u>6,614,367</u>	<u>-</u>	<u>40,007,832</u>
 552,653	 -	 -	 -	 552,653
<u>6,521,335</u>	<u>1,295,610</u>	<u>(3,484,162)</u>	<u>4,798,655</u>	<u>34,302,080</u>
<u>7,073,988</u>	<u>1,295,610</u>	<u>(3,484,162)</u>	<u>4,798,655</u>	<u>34,854,733</u>
 7,252,295	 1,631,964	 3,130,205	 4,798,655	 74,862,565
<u>\$ 11,925,007</u>	<u>\$ 1,747,464</u>	<u>\$ 3,549,532</u>	<u>\$ 6,928,753</u>	<u>\$ 85,171,407</u>

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS (DEFICIT)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Sewage Disposal Works	Water Utility
OPERATING REVENUES		
Charges for sales and services	\$ 4,249,177	\$ 3,992,810
Other	159,486	216,451
Total Operating Revenues	<u>4,408,663</u>	<u>4,209,261</u>
OPERATING EXPENSES		
Employee expense	1,260,529	1,235,090
Utilities	431,386	352,765
Repairs and maintenance	341,106	109,364
Supplies and services	1,095,396	1,317,742
Insurance	65,866	49,410
Depreciation	1,048,004	786,215
Total Operating Expenses	<u>4,242,287</u>	<u>3,850,586</u>
OPERATING INCOME (LOSS)	<u>166,376</u>	<u>358,675</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	376,195	171,418
Interest expense	(77,812)	(44,477)
Operating grants	-	-
Taxes	-	-
Loss on disposal of assets	(148)	(33,866)
Total Nonoperating Revenues (Expenses)	<u>298,235</u>	<u>93,075</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS	<u>464,611</u>	<u>451,750</u>
CAPITAL CONTRIBUTIONS	<u>297,369</u>	<u>171,415</u>
OPERATING TRANSFERS		
Operating transfers in	100,826	40,000
Operating transfers out	(572,528)	(232,403)
Total Operating Transfers	<u>(471,702)</u>	<u>(192,403)</u>
NET INCOME (LOSS)	290,278	430,762
RETAINED EARNINGS (DEFICIT), BEGINNING	<u>6,866,762</u>	<u>17,582,840</u>
RETAINED EARNINGS (DEFICIT), ENDING	<u>\$ 7,157,040</u>	<u>\$ 18,013,602</u>



## EXHIBIT E-2

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>America's River Project</u>	<u>Total</u>
\$ 1,345,653	\$ 1,913,735	\$ 193,312	\$ -	\$ 11,694,687
101,264	8,237	24,661	-	510,099
<u>1,446,917</u>	<u>1,921,972</u>	<u>217,973</u>	<u>-</u>	<u>12,204,786</u>
433,237	921,940	792,447	-	4,643,243
65,257	1,452	61,397	-	912,257
30,873	517,475	102,599	-	1,101,417
173,355	195,740	448,449	15,806	3,246,488
14,303	21,141	74,809	-	225,529
291,064	124,453	258,208	-	2,507,944
<u>1,008,089</u>	<u>1,782,201</u>	<u>1,737,909</u>	<u>15,806</u>	<u>12,636,878</u>
438,828	139,771	(1,519,936)	(15,806)	(432,092)
104,631	15,333	-	-	667,577
(255,136)	-	-	-	(377,425)
-	-	718,423	-	718,423
-	-	521,731	-	521,731
(12,846)	-	-	-	(46,860)
<u>(163,351)</u>	<u>15,333</u>	<u>1,240,154</u>	<u>-</u>	<u>1,483,446</u>
275,477	155,104	(279,782)	(15,806)	1,051,354
-	-	13,895	-	482,679
732,968	-	-	5,496,861	6,370,655
(27,125)	(174,695)	-	(682,400)	(1,689,151)
<u>705,843</u>	<u>(174,695)</u>	<u>-</u>	<u>4,814,461</u>	<u>4,681,504</u>
981,320	(19,591)	(265,887)	4,798,655	6,215,537
6,092,668	1,315,201	(3,218,275)	-	28,639,196
<u>\$ 7,073,988</u>	<u>\$ 1,295,610</u>	<u>\$ (3,484,162)</u>	<u>\$ 4,798,655</u>	<u>\$ 34,854,733</u>

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Sewage Disposal Works	Water Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 166,376	\$ 358,675
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,048,004	786,215
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	92,805	(5,747)
Increase in intergovernmental receivable	-	-
(Increase) decrease in inventory	-	(92,078)
Increase (decrease) in accounts payable	101,909	94,422
Increase (decrease) in accrued payroll	(2,125)	(561)
Increase (decrease) in accrued compensated absences	6,634	2,861
Decrease in due to component unit	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>1,413,603</u>	<u>1,143,787</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes received	-	-
Operating grants received	-	-
Operating transfers in	100,826	40,000
Operating transfers out	(572,528)	(232,403)
Repayment of advances from other funds	<u>(1,083,337)</u>	<u>(29,700)</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,555,039)</u>	<u>(222,103)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of fixed assets	(1,121,532)	(1,749,474)
Principal paid on bonds	(140,000)	(55,000)
Interest paid on bonds	(77,812)	(44,477)
Capital contributions	<u>297,369</u>	<u>171,415</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(1,041,975)</u>	<u>(1,677,536)</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>America's River Project</u>	<u>Total</u>
\$ 438,828	\$ 139,771	\$ (1,519,936)	\$ (15,806)	\$ (432,092)
291,064	124,453	258,208	-	2,507,944
(430)	(16,494)	328	-	70,462
-	-	(24,322)	-	(24,322)
-	-	3,393	-	(88,685)
(49,161)	1,825	(1,440)	2,130,098	2,277,653
1,964	829	(1,174)	-	(1,067)
(1,063)	3,751	(21,420)	-	(9,237)
-	(1,800)	-	-	(1,800)
<u>681,202</u>	<u>252,335</u>	<u>(1,306,363)</u>	<u>2,114,292</u>	<u>4,298,856</u>
-	-	521,984	-	521,984
-	-	718,423	-	718,423
732,968	-	-	5,496,861	6,370,655
(27,125)	(174,695)	-	(682,400)	(1,689,151)
-	-	-	-	(1,113,037)
<u>705,843</u>	<u>(174,695)</u>	<u>1,240,407</u>	<u>4,814,461</u>	<u>4,808,874</u>
(2,181,303)	(471,339)	(5,901)	(6,928,753)	(12,458,302)
(160,959)	-	-	-	(355,959)
(256,240)	-	-	-	(378,529)
-	-	13,895	-	482,679
<u>(2,598,502)</u>	<u>(471,339)</u>	<u>7,994</u>	<u>(6,928,753)</u>	<u>(12,710,111)</u>
				(continued)



**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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	<u>Sewage Disposal Works</u>	<u>Water Utility</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	<u>\$ 350,209</u>	<u>\$ 160,831</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(833,202)	(595,021)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,856,557</u>	<u>2,338,028</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,023,355</u>	<u>\$ 1,743,007</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from government	<u>\$ 1,938,896</u>	<u>\$ 1,623,408</u>

**EXHIBIT E-3**  
**(continued)**

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<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>America's River Project</u>	<u>Total</u>
\$ <u>105,644</u>	\$ <u>5,637</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>622,321</u>
(1,105,813)	(388,062)	(57,962)	-	(2,980,060)
<u>3,243,296</u>	<u>1,329,881</u>	<u>907,246</u>	<u>-</u>	<u>13,675,008</u>
\$ <u>2,137,483</u>	\$ <u>941,819</u>	\$ <u>849,284</u>	\$ <u>-</u>	\$ <u>10,694,948</u>
<u>\$ 178,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,740,611</u>





# INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other government units on a cost-reimbursement basis.

**General Service Fund** - This fund is used to account for engineering, street, and general services supplied to other departments.

**Garage Service Fund** - This fund is used to account for the maintenance and repair services for the City's automotive equipment.

**Stores/Printing Fund** - This fund is used to account for printing, supplies, and other services provided to other departments.

**Health Insurance Reserve Fund** - This fund is used to account for the health insurance costs of the City.

**Workers' Compensation Reserve Fund** - This fund is used to account for the workers' compensation costs of the City.







THE CITY OF  
**DUBUQUE**

*Showing the Spirit.*



**CITY OF DUBUQUE, IOWA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

	General Service	Garage Service
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and pooled cash investments	\$ -	\$ 35,288
Accrued interest receivable	-	-
Inventory	-	24,745
Total Current Assets	-	60,033
<b>FIXED ASSETS</b>		
Machinery and equipment	-	177,519
Accumulated depreciation	-	(136,923)
Net Fixed Assets	-	40,596
Total Assets	\$ -	\$ 100,629
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 17,640
Accrued payroll	7,057	8,162
Due to other funds	330	-
Total Liabilities	7,387	25,802
<b>EQUITY</b>		
Contributed Capital - Government	-	24,233
Retained earnings (deficit), unreserved	(7,387)	50,594
Total Equity	(7,387)	74,827
Total Liabilities and Equity	\$ -	\$ 100,629

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<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 9,886	\$ 1,762,845	\$ 1,103,768	\$ 2,911,787
-	14,054	9,320	23,374
<u>18,861</u>	<u>-</u>	<u>-</u>	<u>43,606</u>
<u>28,747</u>	<u>1,776,899</u>	<u>1,113,088</u>	<u>2,978,767</u>
-	-	-	177,519
<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,923)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,596</u>
<u>\$ 28,747</u>	<u>\$ 1,776,899</u>	<u>\$ 1,113,088</u>	<u>\$ 3,019,363</u>
\$ 15,237	\$ 536,508	\$ 176,549	\$ 745,934
-	-	-	15,219
<u>-</u>	<u>-</u>	<u>-</u>	<u>330</u>
<u>15,237</u>	<u>536,508</u>	<u>176,549</u>	<u>761,483</u>
-	-	-	24,233
<u>13,510</u>	<u>1,240,391</u>	<u>936,539</u>	<u>2,233,647</u>
<u>13,510</u>	<u>1,240,391</u>	<u>936,539</u>	<u>2,257,880</u>
<u>\$ 28,747</u>	<u>\$ 1,776,899</u>	<u>\$ 1,113,088</u>	<u>\$ 3,019,363</u>

**CITY OF DUBUQUE, IOWA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>General Service</u>	<u>Garage Service</u>
OPERATING REVENUES		
Charges for sales and services	\$ 659,386	\$ 926,067
OPERATING EXPENSES		
Employee expense	588,183	526,754
Utilities	-	20,525
Repairs and maintenance	-	31,411
Supplies and services	-	322,047
Insurance	-	6,352
Depreciation	-	11,346
Total Operating Expenses	<u>588,183</u>	<u>918,435</u>
OPERATING INCOME (LOSS)	71,203	7,632
NONOPERATING REVENUES		
Interest revenue	<u>-</u>	<u>-</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>71,203</u>	<u>7,632</u>
OPERATING TRANSFERS		
Operating transfers in	100,176	-
Operating transfers out	<u>-</u>	<u>(1,240)</u>
Total Operating Transfers	<u>100,176</u>	<u>(1,240)</u>
NET INCOME (LOSS)	171,379	6,392
RETAINED EARNINGS (DEFICIT), BEGINNING	<u>(178,766)</u>	<u>44,202</u>
RETAINED EARNINGS (DEFICIT), ENDING	<u>\$ (7,387)</u>	<u>\$ 50,594</u>



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<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
<u>\$ 42,517</u>	<u>\$ 3,277,996</u>	<u>\$ 206,260</u>	<u>\$ 5,112,226</u>
-	-	-	1,114,937
-	-	-	20,525
-	-	-	31,411
38,694	-	-	360,741
-	3,647,933	230,527	3,884,812
-	-	-	11,346
<u>38,694</u>	<u>3,647,933</u>	<u>230,527</u>	<u>5,423,772</u>
3,823	(369,937)	(24,267)	(311,546)
<u>-</u>	<u>120,145</u>	<u>64,805</u>	<u>184,950</u>
<u>3,823</u>	<u>(249,792)</u>	<u>40,538</u>	<u>(126,596)</u>
-	-	-	100,176
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,240)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>98,936</u>
3,823	(249,792)	40,538	(27,660)
<u>9,687</u>	<u>1,490,183</u>	<u>896,001</u>	<u>2,261,307</u>
<u>\$ 13,510</u>	<u>\$ 1,240,391</u>	<u>\$ 936,539</u>	<u>\$ 2,233,647</u>

**CITY OF DUBUQUE, IOWA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>General Service</u>	<u>Garage Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 71,203	\$ 7,632
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	-	11,346
Changes in assets and liabilities		
(Increase) decrease in inventory	-	493
Increase in accounts payable	-	15,190
Increase (decrease) in accrued payroll	(7,207)	8,162
Decrease in due to other funds	(164,172)	(6,295)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(100,176)</u>	<u>36,528</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	100,176	-
Operating transfers out	<u>-</u>	<u>(1,240)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>100,176</u>	<u>(1,240)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	35,288
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>\$ 35,288</u>

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<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 3,823	\$ (369,937)	\$ (24,267)	\$ (311,546)
-	-	-	11,346
(14,706)	-	-	(14,213)
13,986	77,641	49,470	156,287
-	-	-	955
<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,467)</u>
<u>3,103</u>	<u>(292,296)</u>	<u>25,203</u>	<u>(327,638)</u>
-	-	-	100,176
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,240)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>98,936</u>
<u>-</u>	<u>116,476</u>	<u>61,144</u>	<u>177,620</u>
3,103	(175,820)	86,347	(51,082)
<u>6,783</u>	<u>1,938,665</u>	<u>1,017,421</u>	<u>2,962,869</u>
<u>\$ 9,886</u>	<u>\$ 1,762,845</u>	<u>\$ 1,103,768</u>	<u>\$ 2,911,787</u>







# TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

## EXPENDABLE TRUST FUNDS

**Cable TV Fund** - This fund is used to account for the monies and related costs as set forth in the cable franchise agreement between the City of Dubuque and the cable franchisee.

**Respiratory Disease Trust Fund** - This fund is used to account for the monies and related costs as agreed to by the City of Dubuque and the Dubuque Tuberculosis Association.

## NONEXPENDABLE TRUST FUNDS

**Ella Lyons Peony Trail Trust Fund** - This fund is used for dividends and maintenance cost related to the City Peony Trail, per trust agreement.

**Library Gifts Trust Fund** - This fund is used to account for testamentary gifts to the City library.

## AGENCY FUNDS

**Flexible Spending Fund** - This fund is used to account for the accumulation and disbursement of Internal Revenue Service Section 125 flexible spending health care and child care accounts. Pre-tax contributions are made by employees, and qualified expenditures from the fund are made through a third party administrator.







**CITY OF DUBUQUE, IOWA**  
**TRUST AND AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

**EXHIBIT G-1**

	Expendable Trust	Nonexpendable Trust	Agency	Totals
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 860,356	\$ 174,579	\$ -	\$ 1,034,935
Receivables				
Accounts	37,202	-	-	37,202
Accrued interest	8,244	548	-	8,792
Restricted assets				
Cash and pooled cash investments	19,327	-	9,763	29,090
Total Assets	<u>\$ 925,129</u>	<u>\$ 175,127</u>	<u>\$ 9,763</u>	<u>\$ 1,110,019</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,766	\$ -	\$ 2,766
Accrued payroll	14,231	-	-	14,231
Due to employees	-	-	9,763	9,763
Total Liabilities	<u>14,231</u>	<u>2,766</u>	<u>9,763</u>	<u>26,760</u>
<b>FUND BALANCES</b>				
Reserved by franchise agreement	19,327	-	-	19,327
Reserved for endowments	-	172,361	-	172,361
Unreserved, undesignated	891,571	-	-	891,571
Total Fund Balances	<u>910,898</u>	<u>172,361</u>	<u>-</u>	<u>1,083,259</u>
Total Liabilities and Fund Balances	<u>\$ 925,129</u>	<u>\$ 175,127</u>	<u>\$ 9,763</u>	<u>\$ 1,110,019</u>

**CITY OF DUBUQUE, IOWA**  
**EXPENDABLE TRUST FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

**EXHIBIT G-2**

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 858,622	\$ 1,734	\$ 860,356
Receivables			
Accounts	37,202	-	37,202
Accrued interest	8,244	-	8,244
Restricted assets			
Cash and pooled cash investments	<u>19,327</u>	<u>-</u>	<u>19,327</u>
 Total Assets	 <u>\$ 923,395</u>	 <u>\$ 1,734</u>	 <u>\$ 925,129</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accrued payroll	<u>\$ 14,231</u>	<u>\$ -</u>	<u>\$ 14,231</u>
 <b>FUND BALANCES</b>			
Reserved by franchise agreement	19,327	-	19,327
Unreserved, undesignated	<u>889,837</u>	<u>1,734</u>	<u>891,571</u>
Total Fund Balances	<u>909,164</u>	<u>1,734</u>	<u>910,898</u>
 Total Liabilities and Fund Balances	 <u>\$ 923,395</u>	 <u>\$ 1,734</u>	 <u>\$ 925,129</u>

**CITY OF DUBUQUE, IOWA****EXHIBIT G-3****EXPENDABLE TRUST FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES****FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
REVENUES			
Franchise fees	\$ 529,408	\$ -	\$ 529,408
Miscellaneous	948	-	948
Investment earnings	54,148	-	54,148
Total Revenues	<u>584,504</u>	<u>-</u>	<u>584,504</u>
EXPENDITURES			
Current			
Policy and administration	179,089	-	179,089
Home and community environment	182,330	44	182,374
Total Expenditures	<u>361,419</u>	<u>44</u>	<u>361,463</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	223,085	(44)	223,041
OTHER FINANCING USES			
Operating transfers out	<u>573</u>	<u>-</u>	<u>573</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	222,512	(44)	222,468
FUND BALANCES, BEGINNING	<u>686,652</u>	<u>1,778</u>	<u>688,430</u>
FUND BALANCES, ENDING	<u>\$ 909,164</u>	<u>\$ 1,734</u>	<u>\$ 910,898</u>



**CITY OF DUBUQUE, IOWA**  
**NONEXPENDABLE TRUST FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2001**

**EXHIBIT G-4**

	<u>Ella Lyons Peony Trail Trust</u>	<u>Library Gifts Trust</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 104,858	\$ 69,721	\$ 174,579
Accrued interest receivable	<u>-</u>	<u>548</u>	<u>548</u>
Total Assets	<u>\$ 104,858</u>	<u>\$ 70,269</u>	<u>\$ 175,127</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 2,766	\$ 2,766
<b>FUND BALANCES</b>			
Reserved for endowments	<u>104,858</u>	<u>67,503</u>	<u>172,361</u>
Total Liabilities and Fund Balances	<u>\$ 104,858</u>	<u>\$ 70,269</u>	<u>\$ 175,127</u>

**CITY OF DUBUQUE, IOWA**  
**NONEXPENDABLE TRUST FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**EXHIBIT G-5**

	<u>Ella Lyons Peony Trail Trust</u>	<u>Library Gifts Trust</u>	<u>Total</u>
OPERATING REVENUES			
Miscellaneous	\$ -	\$ 36,113	\$ 36,113
Investment earnings	<u>(28,177)</u>	<u>4,953</u>	<u>(23,224)</u>
Total Operating Revenues	(28,177)	41,066	12,889
OPERATING EXPENSES			
Supplies and services	<u>1,854</u>	<u>43,440</u>	<u>45,294</u>
NET LOSS	(30,031)	(2,374)	(32,405)
FUND BALANCES, BEGINNING	<u>134,889</u>	<u>69,877</u>	<u>204,766</u>
FUND BALANCES, ENDING	<u>\$ 104,858</u>	<u>\$ 67,503</u>	<u>\$ 172,361</u>

**CITY OF DUBUQUE, IOWA**  
**NONEXPENDABLE TRUST FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**EXHIBIT G-6**

	<u>Ella Lyons Peony Trail Trust</u>	<u>Library Gifts Trust</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$ (30,031)	\$ (2,374)	\$ (32,405)
Adjustments to reconcile net loss to net cash used by operating activities			
Investment earnings	28,177	(4,953)	23,224
Changes in liabilities			
Increase in accounts payable	<u>-</u>	<u>2,766</u>	<u>2,766</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	(1,854)	(4,561)	(6,415)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on cash and pooled cash investments	<u>(28,177)</u>	<u>4,794</u>	<u>(23,383)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(30,031)	233	(29,798)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>134,889</u>	<u>69,488</u>	<u>204,377</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 104,858</u>	<u>\$ 69,721</u>	<u>\$ 174,579</u>



**CITY OF DUBUQUE, IOWA****EXHIBIT G-7****ALL AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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	Balance July 1 2000	Net Additions	Net Deductions	Balance June 30 2001
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>Flexible Spending Fund</u></b>				
<b>ASSETS</b>				
Restricted cash and pooled cash investments	\$ 16,021	\$ 150,785	\$ 157,043	\$ 9,763
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Due to employees	\$ 16,021	\$ 150,785	\$ 157,043	\$ 9,763
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>





**GENERAL FIXED ASSETS  
ACCOUNT GROUP**







**CITY OF DUBUQUE, IOWA**  
**COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE**  
**JUNE 30, 2001**

**EXHIBIT H-1**

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**GENERAL FIXED ASSETS**

Land	\$ 15,543,862
Buildings and improvements	40,430,140
Improvements other than buildings	19,808,901
Machinery and equipment	18,369,074
Construction in progress	<u>2,521,883</u>

Total General Fixed Assets	<u>\$ 96,673,860</u>
----------------------------	----------------------

**INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE**

Investments in property acquired prior to July 1, 1983	\$ 1,440,960 *
General fund	41,702,169
Special revenue funds	1,959,850
Capital projects funds	49,108,951
Donations	<u>2,461,930</u>

Total Investment in General Fixed Assets by Source	<u>\$ 96,673,860</u>
----------------------------------------------------	----------------------

\* It is impossible to determine the source of investments prior to this date because records reflecting information in this form were not maintained.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF GENERAL FIXED ASSETS – BY PROGRAM AND DEPARTMENT**  
**JUNE 30, 2001**

PROGRAM AND DEPARTMENT	Land	Buildings and Improvements
<b>POLICY AND ADMINISTRATION</b>		
Planning Services	\$ 788,400	\$ -
City Council	-	-
City Manager	-	-
City Clerk	-	-
Finance	-	-
Cable TV	-	-
Legal	-	-
Information Services	-	2,698
Dog Track	-	9,070,894
Unclassified Land	3,559,675	-
Ice Harbor Improvements	-	4,418,364
Total Policy and Administration	<u>4,348,075</u>	<u>13,491,956</u>
<b>COMMUNITY PROTECTION</b>		
Police	23,860	238,036
Joint Communications	-	2,295
Fire	161,100	2,106,284
Disaster Services	-	-
Total Community Protection	<u>184,960</u>	<u>2,346,615</u>
<b>HOME AND COMMUNITY ENVIRONMENT</b>		
Airport	1,021,201	5,715,178
Street and Sewers	131,030	795,668
Engineering	422,473	81,000
Building Services	65,510	2,566,796
Community Development	3,313,160	-
Housing Services	-	-
Total Home and Community Environment	<u>4,953,374</u>	<u>9,158,642</u>
<b>HUMAN DEVELOPMENT</b>		
Human Rights	-	-
Health Services	-	-
Park	4,483,087	3,189,623
Civic Center	172,246	5,291,769
Recreation	1,335,160	3,802,075
Library	66,960	3,149,460
Total Human Development	<u>6,057,453</u>	<u>15,432,927</u>
<b>CONSTRUCTION IN PROGRESS</b>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 15,543,862</u>	<u>\$ 40,430,140</u>



## EXHIBIT H-2

Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
\$ -	\$ 86,175	\$ -	\$ 874,575
-	39,688	-	39,688
-	443,551	-	443,551
-	52,147	-	52,147
-	333,488	-	333,488
-	321,127	-	321,127
-	25,087	-	25,087
-	281,257	-	283,955
1,073,877	-	-	10,144,771
-	-	-	3,559,675
-	-	-	4,418,364
<u>1,073,877</u>	<u>1,582,520</u>	<u>-</u>	<u>20,496,428</u>
-	1,204,438	-	1,466,334
-	69,534	-	71,829
-	2,582,987	-	4,850,371
-	4,700	-	4,700
<u>-</u>	<u>3,861,659</u>	<u>-</u>	<u>6,393,234</u>
1,308,316	2,277,173	-	10,321,868
17,135	4,015,205	-	4,959,038
134,521	420,163	-	1,058,157
-	190,940	-	2,823,246
15,058,405	47,887	-	18,419,452
-	303,547	-	303,547
<u>16,518,377</u>	<u>7,254,915</u>	<u>-</u>	<u>37,885,308</u>
-	19,932	-	19,932
-	81,066	-	81,066
1,958,436	2,093,767	-	11,724,913
43,573	1,463,684	-	6,971,272
214,638	440,059	-	5,791,932
-	1,571,472	-	4,787,892
<u>2,216,647</u>	<u>5,669,980</u>	<u>-</u>	<u>29,377,007</u>
-	-	2,521,883	2,521,883
<u>\$ 19,808,901</u>	<u>\$ 18,369,074</u>	<u>\$ 2,521,883</u>	<u>\$ 96,673,860</u>

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS –**  
**BY PROGRAM AND DEPARTMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**EXHIBIT H-3**

PROGRAM AND DEPARTMENT	General Fixed Assets July 1 2000	Additions	Deductions	General Fixed Assets June 2001
<b>POLICY AND ADMINISTRATION</b>				
Planning Services	\$ 859,696	\$ 14,879	\$ -	\$ 874,575
City Council	9,382	30,306	-	39,688
City Manager	101,310	348,836	6,595	443,551
City Clerk	18,379	38,776	5,008	52,147
Finance	325,669	28,741	20,922	333,488
Cable TV	356,006	13,074	47,953	321,127
Legal	18,305	6,782	-	25,087
Information Services	240,704	43,251	-	283,955
Dog Track	10,144,771	-	-	10,144,771
Unclassified Land	3,559,675	-	-	3,559,675
Ice Harbor Improvements	4,418,364	-	-	4,418,364
Total Policy and Administration	<u>20,052,261</u>	<u>524,645</u>	<u>80,478</u>	<u>20,496,428</u>
<b>COMMUNITY PROTECTION</b>				
Police	1,578,563	461,016	573,245	1,466,334
Joint Communications	63,561	8,268	-	71,829
Fire	4,797,276	154,896	101,801	4,850,371
Disaster Services	16,900	-	12,200	4,700
Total Community Protection	<u>6,456,300</u>	<u>624,180</u>	<u>687,246</u>	<u>6,393,234</u>
<b>HOME AND COMMUNITY ENVIRONMENT</b>				
Airport	10,238,551	161,602	78,285	10,321,868
Streets and Sewers	4,715,263	333,103	89,328	4,959,038
Engineering	451,023	653,262	46,128	1,058,157
Building Services	2,390,734	445,458	12,946	2,823,246
Community Development	2,432,814	16,526,465	539,827	18,419,452
Housing Services	294,912	17,930	9,295	303,547
Total Home and Community Environment	<u>20,523,297</u>	<u>18,137,820</u>	<u>775,809</u>	<u>37,885,308</u>
<b>HUMAN DEVELOPMENT</b>				
Human Rights	20,189	-	257	19,932
Health Services	80,769	2,192	1,895	81,066
Park	10,616,125	1,139,389	30,601	11,724,913
Civic Center	6,503,099	556,290	88,117	6,971,272
Recreation	5,744,828	86,753	39,649	5,791,932
Library	4,735,372	53,220	700	4,787,892
Total Human Development	<u>27,700,382</u>	<u>1,837,844</u>	<u>161,219</u>	<u>29,377,007</u>
<b>CONSTRUCTION IN PROGRESS</b>	<u>26,566,491</u>	<u>20,067,371</u>	<u>44,111,979</u>	<u>2,521,883</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 101,298,731</u>	<u>\$ 41,191,860</u>	<u>\$ 45,816,731</u>	<u>\$ 96,673,860</u>



# **STATISTICAL SECTION**

**(Unaudited)**







**CITY OF DUBUQUE, IOWA****Table 1****GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)****LAST TEN FISCAL YEARS****(AMOUNTS EXPRESSED IN THOUSANDS)****(UNAUDITED)**

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<u>Fiscal Year</u>	<u>Community Protection</u>	<u>Human Development</u>	<u>Home and Community Environment</u>	<u>Policy and Administration</u>	<u>Debt Service</u>	<u>Total</u>
1992	\$ 7,843	\$ 3,429	\$ 9,123	\$ 2,270	\$ 5,532	\$ 28,197
1993	7,874	3,548	8,776	2,237	3,915	26,350
1994	11,068	4,407	11,092	5,456	4,276	36,299
1995	11,747	5,207	9,785	2,927	3,764	33,430
1996	12,202	5,508	10,060	3,252	3,750	34,772
1997	12,082	5,856	11,050	3,891	3,492	36,371
1998	12,827	6,200	10,380	4,386	2,898	36,691
1999	13,343	6,599	15,136	3,981	2,747	41,806
2000	13,907	7,493	14,983	4,938	2,312	43,634
2001	15,064	8,653	16,410	5,442	2,882	48,451

(1) Includes general, special revenue, and debt service funds.

**CITY OF DUBUQUE, IOWA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 2**

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
1992	\$ 14,420	\$ 639	\$ 8,049	\$ 3,150	\$ 346	\$ 1,785	\$ 3,426	\$ 31,815
1993	15,016	666	7,662	2,944	337	1,474	749	28,848
1994	20,295	673	10,417	3,526	388	1,438	736	37,473
1995	20,889	921	9,457	4,494	341	2,155	1,130	39,387
1996	21,620	717	9,253	5,491	350	1,686	765	39,882
1997	24,772	507	11,454	6,637	358	1,596	1,487	46,811
1998	24,848	507	10,351	7,106	371	1,989	1,619	46,791
1999	25,629	580	10,375	7,843	337	1,948	1,926	48,638
2000	25,562	613	12,140	7,882	341	1,813	950	49,300
2001	26,800	576	13,769	8,127	369	2,720	1,988	54,349

(1) Includes general, special revenue, and debt service funds.

**CITY OF DUBUQUE, IOWA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 2A**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Money and Credits Replacement Tax</u>	<u>Mobile Homes Tax</u>	<u>State Replacement Personal Prop. Exemption</u>	<u>Sales Tax</u>	<u>Hotel Motel Tax</u>	<u>Total</u>
1992	\$ 8,580	\$ 72	\$ 34	\$ 492	\$ 4,618	\$ 624	\$ 14,420
1993	8,762	38	31	493	4,821	871	15,016
1994	14,168	38	33	493	4,796	767	20,295
1995	14,300	39	33	493	5,182	842	20,889
1996	14,928	40	32	472	5,318	830	21,620
1997	18,454	15	33	492	5,373	784	25,151
1998	18,562	42	37	494	4,856	857	24,848
1999	19,890	44	33	492	4,206	964	25,629
2000	20,519	45	32	492	3,489	985	25,562
2001	21,615	45	31	490	3,624	995	26,800

(1) Includes general, special revenue, and debt service funds.



THE CITY OF  
**DUBUQUE**

*Showing the Spirit.*

**CITY OF DUBUQUE, IOWA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Year Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>
1992	\$ 12,694	\$ 12,042	94.9%	\$ 608	\$ 12,650	99.7%
1993	13,242	12,635	95.4	571	13,206	99.7
1994	14,851	14,101	94.9	161	14,262	96.0
1995	14,997	14,635	97.6	116	14,751	98.4
1996	15,182	14,832	97.7	118	14,950	98.5
1997	15,299	15,025	98.2	132	15,157	99.1
1998	15,538	15,426	99.3	172	15,598	100.4
1999	16,587	16,528	99.6	121	16,649	100.4
2000	16,497	16,380	99.3	115	16,494	99.9
2001	17,163	16,662	97.1	120	16,782	97.8

(1) Includes tax increment levy.

Table 3

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Outstanding Delinquent Taxes		Ratio of Delinquent Taxes to Total Tax Levy
\$	331	2.6%
	367	2.8
	956	6.4
	245	1.6
	232	1.5
	274	1.8
	112	0.7
	59	0.4
	57	0.3
	48	0.3



**CITY OF DUBUQUE, IOWA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 4**

Fiscal Year	<u>Real Property</u>		<u>Exemptions</u>	<u>Total</u>		Ratio of Total Assessed Value to Total Estimated Actual Value
	<u>Taxable Value</u>	<u>Assessed Actual Value</u>	<u>Real Property</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
1992	\$ 984,894	\$ 1,129,691	\$ 11,160	\$ 973,734	\$ 1,129,691	86.19%
1993	960,732	1,185,363	10,783	949,949	1,185,363	80.14
1994	997,573	1,229,395	10,681	986,892	1,229,395	80.27
1995	1,127,153	1,450,026	10,642	1,116,511	1,450,026	77.00
1996	1,151,187	1,487,208	10,467	1,140,720	1,487,208	76.70
1997	1,237,246	1,750,830	10,405	1,226,841	1,750,830	70.07
1998	1,259,649	1,776,342	10,218	1,249,431	1,776,342	70.34
1999	1,344,102	1,987,466	10,385	1,333,717	1,987,466	67.11
2000	1,379,335	1,990,428	10,319	1,369,016	1,990,428	68.78
2001	1,377,518	2,014,897	10,894	1,366,624	2,014,897	67.83

**CITY OF DUBUQUE, IOWA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**TAX RATES PER \$1,000 ASSESSED VALUE**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 5**

<u>Fiscal Year</u>	<u>Dubuque City</u>	<u>Dubuque School District</u>	<u>Board of Education and Independents</u>	<u>Area 1 Voc. Tech</u>	<u>Dubuque County</u>	<u>Total</u>	<u>Ratio of Dubuque City to Total</u>
1992	\$ 12.7742	\$ 13.6506	\$ .6186	\$ .4620	\$ 7.0749	\$ 34.5803	36.94%
1993	12.4989	13.6650	.6733	.4699	7.6173	34.9244	35.79
1994	12.60588	13.92886	.50303	.47495	7.61714	35.12986	35.88
1995	11.78206	13.60398	.53777	.49222	6.95885	33.37488	35.30
1996	11.78215	13.70668	.74972	.49360	6.13169	32.86384	35.85
1997	11.38153	12.39251	.70548	.50348	5.87236	30.85536	36.89
1998	11.40112	12.03974	.52563	.49951	5.54113	30.00713	37.99
1999	11.07340	11.98226	.50368	.48592	5.52169	29.56695	37.45
2000	11.15945	11.53111	.66882	.55128	5.54016	29.45082	37.89
2001	11.93556	13.50444	.54806	.57072	5.73669	32.29547	36.96

Source: Dubuque County Auditor's Office.

**CITY OF DUBUQUE, IOWA**  
**PRINCIPAL TAXPAYERS**  
**PAYABLE FISCAL YEAR 2001**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 6**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Kennedy Mall	Shopping Center	\$ 19,990	.95%
Medical Associates Realty	Health Services	17,646	.84
Nordstrom, Inc.	Warehouse Distributor	14,193	.67
U.S. West Communications	Telecommunications	8,476	.40
Plaza 20, Inc.	Shopping Plaza	7,861	.37
McGraw Hill	Publishing	7,685	.36
A.Y. McDonald Manufacturing Co.	Plumbing Supplies	7,490	.35
American Trust and Savings Bank	Bank	7,378	.35
Plastic Center, Inc.	Real Estate Management	6,927	.33
Color-Box, LLC	Manufacturing	<u>6,378</u>	<u>.30</u>
Totals		<u>\$ 104,024</u>	<u>4.92%</u>

Source: Dubuque County Auditor's Office.

Alliant Energy Power Company and Peoples Natural Gas Company are not on the above schedule. Effective 2001 utility companies pay excise tax on revenue to the state rather than property taxes.



**CITY OF DUBUQUE, IOWA**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 7**

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collections (1)</u>
1992	\$ 59	\$ 276
1993	58	333
1994	44	339
1995	51	609
1996	33	147
1997	41	378
1998	73	179
1999	67	644
2000	67	203
2001	82	698

(1) Includes prepayments.

**CITY OF DUBUQUE, IOWA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2001**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

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**Table 8**

Actual Valuations		<u>\$ 2,014,897</u>
Legal debt margin:		
Debt limitation – 5% of actual valuations		\$ 100,745
Debt applicable to limitation:		
Total bonded debt	\$ 20,577	
Less: Revenue bonds	<u>(1,890)</u>	
		<u>18,687</u>
Total debt applicable to limitation		<u>18,687</u>
Legal debt margin		<u>\$ 82,058</u>

**CITY OF DUBUQUE, IOWA****Table 9****RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)  
(UNAUDITED)**

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<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1992	58	\$ 973,734	\$ 16,255	1.67%	\$ .280
1993	58	949,949	16,340	1.72	.282
1994	58	986,892	17,125	1.74	.295
1995	58	1,116,511	14,775	1.32	.255
1996	59	1,140,720	14,200	1.24	.241
1997	59	1,226,841	11,755	0.96	.199
1998	59	1,249,431	10,795	0.86	.183
1999	56	1,333,717	8,545	0.64	.153
2000	56	1,369,016	10,511	0.77	.188
2001	58	1,366,624	18,687	1.37	.322

(1) U.S. Census Bureau.

(2) From Table 4.

(3) Amount does not include revenue bonds.



**CITY OF DUBUQUE, IOWA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL**  
**GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 10**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1992	\$ 2,140	\$ 1,242	\$ 3,382	\$ 28,197	11.99%
1993	4,530 *	1,137	5,667	26,350	21.51
1994	2,315	908	3,223	36,299	8.88
1995	2,350	915	3,265	33,430	9.77
1996	2,435	757	3,192	34,772	9.18
1997	2,445	740	3,185	36,371	8.76
1998	2,150	551	2,701	36,691	7.36
1999	2,060	438	2,498	41,806	5.98
2000	1,655	320	1,975	43,634	4.53
2001	1,974	219	2,193	42,638	5.14

(1) Excludes bond issuance and other costs.

(2) Includes general, special revenue, and debt service funds.

\* Includes advance refunded principal of \$2,300,000.

**CITY OF DUBUQUE, IOWA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**GENERAL OBLIGATION BONDS**  
**JUNE 30, 2001**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 11**

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
City of Dubuque	\$ <u>9,005</u> (1)	100.000%	\$ <u>9,005</u>
Total	\$ <u>9,005</u>		\$ <u>9,005</u>

(1) Excluding general obligation bonds reported in the enterprise funds.

**CITY OF DUBUQUE, IOWA**  
**REVENUE BOND COVERAGE**  
**PARKING BONDS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 12**

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
1992	\$ 1,061	\$ 513	\$ 548	\$ 80	\$ 224	\$ 304	1.80
1993	1,160	504	656	85	218	303	2.17
1994	1,090	543	547	90	212	302	1.81
1995	1,108	592	516	95	205	300	1.72
1996	1,152	631	521	105	198	303	1.72
1997	1,175	551	624	110	191	301	2.07
1998	1,268	570	698	150	195	345	2.02
1999	1,303	876	427	155	98	253	1.69
2000	1,278	900	379	165	93	258	1.47
2001	1,552	1,008	544	170	86	256	2.13

- (1) Total revenues (including interest).  
(2) Total operating expenses exclusive of depreciation.  
(3) Bond ordinance requires 1.3 coverage.



# CITY OF DUBUQUE, IOWA

Table 13

## PROPERTY VALUE, CONSTRUCTION PERMITS, AND BANK DEPOSITS LAST TEN FISCAL YEARS (DOLLAR AMOUNTS EXPRESSED IN THOUSANDS) (UNAUDITED)

Fiscal Year	Property Value (1)			Construction Permits		Bank Deposits (2)	
	Other (3)	Residential	Totals	Number of Permits	Value	Calendar Year	Total Deposits
1992	\$ 424,616	\$ 705,075	\$ 1,129,691	1,656	\$ 38,532	1991	\$ 833,931
1993	352,979	832,384	1,185,363	1,780	41,964	1992	869,000
1994	381,324	848,071	1,229,395	1,862	56,928	1993	852,000
1995	441,399	1,008,627	1,450,026	6,918 *	65,599	1994	883,000
1996	456,075	1,031,133	1,487,208	4,190	75,569	1995	902,659
1997	519,104	1,231,726	1,750,830	2,039	34,950	1996	901,724
1998	521,327	1,255,015	1,776,342	1,572	35,647	1997	701,402 **
1999	589,760	1,397,706	1,987,466	1,500	58,309	1998	782,248
2000	586,318	1,404,110	1,990,428	1,502	78,500	1999	842,165
2001	593,085	1,421,812	2,014,897	1,448	72,073	2000	1,269,631

(1) Estimated actual value from Table 4.

(2) Source: Federal Depository Insurance Corporation. ([www.fdic.gov](http://www.fdic.gov))

(3) Commercial, Industrial, and Utilities.

\* Hail and wind storm in August 1994, caused extensive roof and siding damage throughout the City, greatly increasing permit activity.

\*\* In 1998, two major banks in the City were consolidated into larger bank corporations; deposits were recorded only at source of charter.

**CITY OF DUBUQUE, IOWA**  
**TAXABLE RETAIL SALES**  
**DUBUQUE COUNTY**  
**LAST TEN YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 14**

<u>Calendar Year</u>	<u>Taxable Sales</u>	<u>Percent Growth (Decline)</u>
1991	\$ 530,852	4.88%
1992	599,002	12.84
1993	610,691	1.95
1994	688,699	12.77
1995	771,946	12.09
1996	700,350	(9.27)
1997	718,761	2.63
1998	868,822	20.88
1999	791,425	(9.11)
2000	800,058	1.10

Source: Iowa Department of Revenue and Finance.

**CITY OF DUBUQUE, IOWA**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 15**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Per Capita Income</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(5) Unemployment Rate</u>
1992	57,538	\$ 17,208	34	9,867	6.8%
1993	57,538	18,453	34	9,995	5.5
1994	57,538	19,110	34	10,022	4.3
1995	57,538	20,113	34	10,133	3.8
1996	59,084	21,755	34	10,065	4.8
1997	59,084	22,096	34	9,985	4.7
1998	59,084	23,293	34	9,857	3.1
1999	56,467	24,499	34	9,735	3.1
2000	56,467	38,998	34	9,697	2.7
2001	57,686	*	34	9,680	3.4

**Data Sources:**

- (1) Bureau of Census; 2000 Census.
- (2) Survey of Current Business, U.S. Department of Commerce.
- (3) Bureau of Census; 2000 Census.
- (4) School District
- (5) Iowa Department of Employment Services.

\* Unavailable at report date.



**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF INSURANCE IN FORCE**  
**JUNE 30, 2001**

<u>Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Details of Coverage</u>
<b><u>LIABILITY INSURANCE</u></b>			
Iowa Communities Assurance Pool	IP041901414000003	7/1/01	Municipal General Liability Includes EMT's and Ambulance Service
Iowa Communities Assurance Pool	IP035901414000003	7/1/01	Municipal Auto Liability Includes Transit Liability
Iowa Communities Assurance Pool	IP015901414000003	7/1/01	Comprehensive & Collision
Iowa Communities Assurance Pool	IP039901414000003	7/1/01	Public Official Liability
Iowa Communities Assurance Pool	IP040891414000003	7/1/01	Police Professional
Zurich-American Insurance Group	AAA3783561-00	4/15/02	Environment Liability Lead Pollution
Great American Insurance Co.	15965	7/1/01	Airport Liability
Northland Insurance Co.	A4010489	7/1/02	Public Officials Liability
St. Paul F & M Ins. Group	EM06649597	8/1/01	Professional Liability – Nurses
Transcontinental Insurance Co.	LLP1622436	8/1/01	Liquor Law Liability – Five Flags
Mount Vernon Fire Insurance Co.	CL2231997	4/16/02	Liquor Law Liability – Bunker Hill
<b><u>PROPERTY INSURANCE</u></b>			
The Cincinnati Insurance Co.	CAP 769 5890	7/1/01	Comprehensive Business Policy

Table 16

Liability Limits			Annual Premium
\$ 5,000,000	Each Occurrence		\$ 147,290
\$ 100,000	Aggregate Per Year		
\$ 10,000	Deductible Per Occurrence		
\$ 5,000,000	Each Accident		108,962
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Accident		
	Per Scheduled Motor Vehicles		49,736
\$ 5,000,000	Each Claim		27,226
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Claim		
\$ 5,000,000	Per Person/Agg.		39,160
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Claim		
\$ 1,000,000	Each Occurrence		22,710
\$ 2,000,000	Aggregate		
\$ 5,000	Deductible		
\$ 20,000,000	Aggregate		34,500
\$ 5,000,000	Aggregate		7,554
\$ 1,000,000	Each Person		175
\$ 3,000,000	Total Limit		
\$ 1,000,000	Each Common Cause		2,052
\$ 5,000,000	Each Occurrence/Aggregate		4,182
\$ 104,057,915	Building & Contents		110,020
\$ 10,000	Deductible Per Occurrence		
\$ 20,000	Aggregate Per Year		
\$ 10,000,000	Earthquake		
\$ 807,497	Business Interruption		
\$ 747,307	EDP Equipment		
\$ 2,859,289	Mobile Equipment		
\$ 317,347	Communications Equipment		
\$ 16,000	Signing		
\$ 252,560	Artwork		

(continued)

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF INSURANCE IN FORCE**  
**JUNE 30, 2001**

<u>Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Details of Coverage</u>
<b><u>CRIME INSURANCE</u></b>			
Allied Group Insurance	BD7900575274	7/1/01	Public Official Bond
Travelers Casualty and Surety	020BY103338754BCM	7/1/01	Public Official Bond
<b><u>BOILER INSURANCE</u></b>			
The Cincinnati Insurance Co.	BEP 264 96 23	7/1/01	Boiler & Machinery



**Table 16**  
**(continued)**

Liability Limits			Annual Premium
\$	100,000	All Employees	3,080
\$	900,000	City Manager	1,144
\$	900,000	Finance Director	
\$	900,000	Assistant Finance Director	
\$	900,000	Administrative Service Manager	
\$	2,500,000	Per Accident	56,876
\$	5,000	Deductible	
Total			<u>\$ 614,667</u>

**CITY OF DUBUQUE, IOWA**  
**MISCELLANEOUS STATISTICS**  
**JUNE 30, 2001**  
**(UNAUDITED)**

**Table 17**

Date of Incorporation	1837
Form of Government	Council/Manager – Ward
Population – 2000 Census	57,686
Number of employees:	
Full Time	519
Part Time/Seasonal	205
Area in square miles	27
City of Dubuque facilities and services:	
Miles of streets	336
Number of street lights	1,191
Number of traffic signals	106
Culture and Recreation:	
Parks	38
Park acreage	833
Golf courses	1
Swimming Pools	2
Civic Center	1
Fire Protection:	
Number of stations	6
Number of fire personnel and officers	90
Police Protection:	
Number of stations	1
Number of police personnel and officers	100
Water Pollution Control System:	
Miles of sanitary sewers	166
Miles of storm sewers	150
Number of treatment plants	1
Number of service connections	20,550
Daily average treatment in gallons	9,000,000
Maximum daily capacity of treatment plant in gallons	15,000,000
Water System:	
Miles of water mains	302
Number of service connections	21,000
Number of fire hydrants	2,685
Daily average consumption in gallons	8,000,000
Maximum daily capacity of plant in gallons	18,000,000
Public Transit System	Vehicles – 20
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	19
Number of secondary schools	7
Number of colleges	4
Number of universities	1
Number of theological seminaries	2
Hospitals:	
Number of hospitals	2
Number of licensed patient beds	478



# COMPLIANCE SECTION









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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 25, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Chapter 11 of the Code of Iowa; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance 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 non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of non-compliance that is described in Part III of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2001, are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. There were no prior year statutory comments and recommendations.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Dubuque, Iowa, in a separate letter dated October 25, 2001. Prior year reportable conditions have been resolved except for item II-A-01.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the City of Dubuque, Iowa, and other parties to whom the City of Dubuque, Iowa, may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Dubuque, Iowa, during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Erin Bailey* LLP

Dubuque, Iowa  
October 25, 2001





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**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**

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

Compliance

We have audited the compliance of the City of Dubuque, 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, 2001. The City's major federal programs are identified in the summary of the independent 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's management. Our responsibility is to express an opinion on the City'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; Chapter 11 of the Code of Iowa; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Dubuque, 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, 2001.

Internal Control Over Compliance

The management of the City of Dubuque, Iowa, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the City of Dubuque, Iowa, and other parties to whom the City of Dubuque, Iowa, may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*Side Baully* LLP

Dubuque, Iowa  
October 25, 2001

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Direct:			
Department of Housing and Urban Development:			
Community Development Block Grants/ Entitlement Grants	14.218	B-9X-MC-19-004	\$ 2,886,050
Community Development Block Grants/ Economic Development Initiative	14.246	B-99-SP-IA-0085	428,865
Fair Housing Assistance Program – State and Local	14.401	FF207K007006	45,400
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-007	25,217
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-005	277,480
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-002	13,646
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-001	22,830
			<u>339,173</u>
Section 8 Housing Choice Vouchers	14.871	KC-9004V	2,749,890
Section 8 Housing Choice Vouchers	14.871	KC-9004E	536,373
			<u>3,286,263</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALAG0066-97	662,516
Department of Justice:			
Local Law Enforcement Block Grants Program	16.592	1999LBVX7215	9,294
Federal Drug Task Force Grant	N/A	WC IAN 036	614
Department of Transportation:			
Airport Improvement Program	20.106	3-19-0028-22	135,036
Airport Improvement Program	20.106	3-19-0028-24	48,267
Airport Improvement Program	20.106	3-19-0028-25	2,060,454
Airport Improvement Program	20.106	3-19-0028-26	3,008,005
Airport Improvement Program	20.106	3-19-0028-27	614,780
			<u>5,866,542</u>
			(continued)



**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Direct: (continued)			
Department of Transportation: (continued)			
Highway Planning and Construction	20.205	IA-90-X240	\$ 530,467
Federal Transit – Formula Grants	20.507	IA-90-X222	7,290
Federal Transit – Formula Grants	20.507	IA-90-X234	6,605
Federal Transit – Formula Grants	20.507	IA-90-X240	530,467
			<u>544,362</u>
Total Direct			<u>14,599,546</u>
Indirect:			
Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
HOME Investment Partnerships Program	14.239	97-LHAP-003	<u>82,000</u>
Department of Justice:			
Dubuque County, Iowa:			
Byrne Formula Grant Program	16.579	00A-0206	<u>2,812</u>
Violence Against Women Formula Grants	16.588	00V-0219	4,285
Violence Against Women Formula Grants	16.588	99V-0211	<u>1,230</u>
			<u>5,515</u>
Local Law Enforcement Block Grants Program	16.592	99LE-0114	<u>548</u>
Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-U-2100(12)- - 70-31	<u>55,252</u>
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		<u>13,246</u>
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 01-02, TASK 05	<u>27,188</u>
Environmental Protection Agency:			
Iowa Department of Public Health and Linn County, Iowa:			
State Indoor Radon Grants	66.032	5889RC02	<u>3,000</u>
			(continued)

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Public Assistance Grants	83.544	DR1A1277/1367	\$ <u>265,495</u>
Hazard Mitigation Grant	83.548	HMGP 1277/996	<u>2,531</u>
Department of Health and Human Services:			
Iowa Department of Public Health:			
Childhood Lead Poisoning Prevention Projects	93.197	5881LP08	<u>21,489</u>
Preventive Health and Health Services Block Grant	93.991	5881AS05	698
Preventive Health and Health Services Block Grant	93.991	5889AS05	<u>698</u>
			<u>1,396</u>
Iowa Department of Human Services:			
Temporary Assistance for Needy Families	93.558	DEA01-007	<u>11,302</u>
Total indirect			<u>491,774</u>
Total			\$ <u>15,091,320</u>

N/A – Not Available

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Dubuque, Iowa, and is presented on the modified accrual basis of accounting, except for the Community Development Block Grants/Entitlement Grants – CFDA Number 14.218 – Agency Number B-9X-MC-19-0004 which is presented using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**NOTE 2 – SUBRECIPIENTS**

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 171,542
Community Development Block Grants/ Economic Development Initiative	14.246	428,865



**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**Part I: Summary of the Independent Auditor's Results:**

- (a) An unqualified opinion was issued on the financial statements.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements but was not considered a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No reportable conditions in internal control over major programs were identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - CFDA Number 14.856 – Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation
  - CFDA Number 14.871 – Section 8 Housing Choice Vouchers
  - CFDA Number 83.544 – Public Assistance Grants
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$452,740.
- (i) The City of Dubuque, Iowa, did qualify as a low-risk auditee.

**Part II: Findings Related to the General Purpose Financial Statements:**

**REPORTABLE CONDITION**

- II-A-01      Fixed Assets – The City has a centralized custodian who maintains a record of the City's fixed assets, including additions and deletions made during the year. Many of the City's fixed assets (land, buildings, improvements, and equipment) and non-fixed assets (roads, bridges, and repairs) are accounted for by project numbers. When compiling fixed asset information, the custodian uses spreadsheets that include both fixed and non-fixed asset project information. Consequently, non-fixed asset projects are often carried to the fixed asset records in error.

Complicating these procedures is the fact that an asset may be charged to various funds or paid for in installments, and this information may not get properly combined and summarized for the fixed asset documentation.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**Part II: Findings Related to the General Purpose Financial Statements: (continued)**

Recommendation – To assure non-fixed asset projects are not included on fixed asset records, non-fixed asset projects should be segregated from fixed asset projects as soon as possible by City staff knowledgeable of both the projects and fixed asset policies. The distinction made between fixed and non-fixed asset projects and the project spreadsheets should be closely reviewed for errors by other City staff with knowledge of fixed asset policies. Compilation and review of fixed asset records should be completed prior to the beginning of audit work.

To make the information easier to accumulate and more reliable, a project or asset should be budgeted and paid from a single fund and project number and transfers made from other funds as needed to fund the project.

Response – The Finance Director and Assistant Finance Director will spend additional time prior to the fieldwork on the audit in future years to verify the accuracy of information included in the City's fixed asset records. Many project numbers are utilized by the City, which complicates year-end work. Improved detailed instructions and monitoring will be provided to individuals associated with the fixed asset record keeping.

The City will continue to attempt to reduce the number of individual project and fixed asset expenditures allocated to more than one fund. Finance department personnel will work with Information Services personnel and the City's budget officer to identify expenditure funding sources and reporting alternatives.

Problems with the Pentamotion software depreciation system continue to be identified and resolved. Limited report writing and support from the software provider contribute to the fixed asset issues.

Conclusion – Response accepted.

**Part III: Other Findings Related to Statutory Reporting:**

- III-A-01      Official Depositories – A resolution naming official depositories has been approved by the City. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2001.
- III-B-01      Certified Budget – Program disbursements during the year ended June 30, 2001, did not exceed the amounts budgeted.
- III-C-01      Questionable Expenditures – We noted no expenditures which fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- III-D-01      Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**Part III: Other Findings Related to Statutory Reporting: (continued)**

III-E-01      Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
John Zenner, Employee, owner of building	Building rent	\$ <u>550</u>

In accordance with Chapter 362.5 of the Code of Iowa, this transaction does not appear to represent a conflict of interest since the balance of the transaction is less than \$1,500.

III-F-01      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 insure that the coverage is adequate for current operations.

III-G-01      Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

III-H-01      Revenue Bonds – No instances of non-compliance with the provisions of the City's revenue bond resolutions were noted.

III-I-01      Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

III-J-01      Solid Waste Fees Retainage – The Dubuque Metropolitan Area Solid Waste Agency, a component unit of the City, used or retained the solid waste fees in accordance with Chapter 455B.310(2) of the Code of Iowa.

III-K-01      Notice of Public Hearing for Public Improvements – The City did not publish a notice of public hearing on airport and library projects as required by Chapters 384.102 and 362.3 of the Code of Iowa.

Recommendation – Before entering into any contract for public improvements where the cost is \$25,000 or more, the Council should set a date for public hearing and give notice at least four but not more than 20 days prior to the hearing as provided in Chapter 362.3 of the Code of Iowa.

Response – The City will set a date for public hearings and publish timely notices for all future airport and library projects. In accordance with State of Iowa Code, the City has adhered to requirements relative to public improvements for all other projects. The Airport Commission and Library Board of Trustees have provided primary oversight for their public improvement projects in the past.



**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**Part III: Other Findings Related to Statutory Reporting: (continued)**

A number of City representatives will be attending a December 7<sup>th</sup> seminar relative to Public Contract Code and Competitive Public Bidding in Iowa, which will assist in confirming and meeting all requirements.

Conclusion – Response accepted.