



*Showing the Spirit.*

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# Comprehensive Annual Financial Report

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For the Fiscal Year ended June, 2000



**CITY OF DUBUQUE, IOWA**

**Comprehensive Annual  
Financial Report**

**For the fiscal year ended  
June 30, 2000**

**Prepared by:  
Department of Finance**



## **INTRODUCTORY SECTION**



# CITY OF DUBUQUE, IOWA

## Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents		1-3
Letter of Transmittal		4-14
City Organizational Chart		15
Officials		16
Certificate of Achievement for Excellence in Financial Reporting		17
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		18-19
General Purpose Financial Statements:		
Combined Balance Sheet – All Fund Types, Account Groups, and Discretely Presented Component Unit	1	20-21
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds	2	22
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – All Governmental Fund Types	3	23
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances – All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Unit	4	24
Combined Statement of Cash Flows – All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Unit	5	25-26
Notes to Financial Statements		27-47
Combining and Individual Fund and Account Group Statements and Schedules:		
General Fund:		
Balance Sheet	A-1	48
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-2	49
Special Revenue Funds:		
Combining Balance Sheet	B-1	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	51
Debt Service Fund:		
Balance Sheet	C-1	52
Statement of Revenues, Expenditures, and Changes in Fund Balance	C-2	53
Capital Projects Funds:		
Combining Balance Sheet	D-1	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	55

# CITY OF DUBUQUE, IOWA

## Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Enterprise Funds:		
Combining Balance Sheet	E-1	56-57
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	E-2	58
Combining Statement of Cash Flows	E-3	59-60
Internal Service Funds:		
Combining Balance Sheet	F-1	61
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	F-2	62
Combining Statement of Cash Flows	F-3	63
Trust and Agency Funds:		
Combining Balance Sheet	G-1	64
Expendable Trust Funds:		
Combining Balance Sheet	G-2	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-3	66
Nonexpendable Trust Funds:		
Combining Balance Sheet	G-4	67
Combining Statement of Revenues, Expenses, and Changes in Fund Balances	G-5	68
Combining Statement of Cash Flows	G-6	69
Agency Funds:		
Combining Statement of Changes in Assets and Liabilities	G-7	70
General Fixed Assets Account Group:		
Comparative Schedules of General Fixed Assets by Source	H-1	71
Schedule of General Fixed Assets – By Program and Department	H-2	72
Schedule of Changes in General Fixed Assets – By Program and Department	H-3	73
<b>STATISTICAL SECTION (Unaudited)</b>		
General Governmental Expenditures by Function	1	74
General Governmental Revenues by Source	2	75
General Governmental Tax Revenues by Source	2A	75
Property Tax Levies and Collections	3	76
Assessed and Estimated Actual Value of Property	4	77
Property Tax Rates – Direct and Overlapping Governments	5	78
Principal Taxpayers	6	79
Special Assessment Billings and Collections	7	80
Computation of Legal Debt Margin	8	81
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	9	82
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	10	83

# CITY OF DUBUQUE, IOWA

## Table of Contents

---

	<u>Table</u>	<u>Page</u>
<b>STATISTICAL SECTION (Unaudited) (continued)</b>		
Computation of Direct and Overlapping Debt – General Obligation Bonds	11	84
Revenue Bond Coverage – Parking Bonds	12	85
Property Value, Construction Permits, and Bank Deposits	13	86
Taxable Retail Sales	14	87
Demographic Statistics	15	88
Schedule of Insurance in Force	16	89
Miscellaneous Statistics	17	90
<b>COMPLIANCE SECTION</b>		
Independent Auditor’s Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	91-92	
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	93-94	
Schedule of Expenditures of Federal Awards	95-97	
Notes to the Schedule of Expenditures of Federal Awards	98	
Schedule of Findings and Questioned Costs	99-103	



December 4, 2000

TO THE CITIZENS OF DUBUQUE, IOWA:

The comprehensive annual financial report of the City of Dubuque, Iowa, for the fiscal year ended June 30, 2000, 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 are accurate in all material respects and are 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 as well as being the major tri-state retail center. Employment growth was strong throughout the year, as Dubuque ended the fiscal year with an unemployment rate of under three-percent. The City of Dubuque currently has a land area of 25 square miles and a population of 56,467. 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*" continued to be an effective workforce solution for businesses in the area. As unemployment remained at record low levels, the number of individuals using the interactive jobs website to find new employment opportunities rose to 700+ user sessions per day. Over the program's first 2½ years, 400 employers had signed up to use the recruitment tool and the number of jobs on the site remained consistently above 700 listings. More importantly, 450+

individuals have been hired as a direct result of the program. Currently there are 17,932 resumes posted in the 19 categories of the online JobQuest ResumeBank. This proven recruitment tool, now in its 3<sup>rd</sup> year, continues to be an invaluable tool for attracting new businesses to the Dubuque area and assisting existing industries to expand.

The second phase of the Dubuque Technology Park was recently completed on the south side of the City making 70 acres available for sale by the City for job creation development. Two Dubuque companies have moved into new corporate facilities in the Technology Park during the fiscal year. CartéGraph Systems, Inc., a leading provider of asset management/GIS software, moved into a new 32,000 square foot facility and will be adding 100 new employees over the next few years. Advanced Data-Comm, Inc., a Dubuque based provider of tele-services moved into their new 60,000 square foot corporate headquarters and have plans to add 50 new jobs in Dubuque as a result of the expansion. Previously, McLeod USA completed construction on a digital telecommunications switching facility in the Technology Park. The McLeod facility has added state of the art telecommunications and data transmission capabilities to Dubuque and the surrounding area.

The first phase of Dubuque Industrial Center West was completed making 135 acres available for medium to heavy industrial uses. This was the first phase of a 550-acre development of City owned land on the west edge of the community. Dubuque Area Industrial Development Corporation completed construction of a 40,000 square foot speculative industrial building located on twelve acres of Dubuque Industrial Center West. The extension of Seippel Road and utilities to Dubuque Industrial Center West opened up over 1,000 acres for private development and provides utilities for 175 acres owned by the City that is scheduled to be developed for industrial use in 2005.

Eagle Window and Door began construction on a new 400,000 square foot manufacturing facility in the Kerper Boulevard industrial area. This \$17,000,000 project is scheduled for completion in calendar 2000 and will add 168 employees over the next three years. CIGNA broke ground in downtown Dubuque for the construction of a new 115,000 square foot office building. With this expansion, CIGNA will be adding 200+ employees over the next two years. SISCO, a Dubuque based third party insurance administrator expanded operations in their downtown Dubuque facility. SISCO has also purchased two adjacent buildings to accommodate future employment growth.

Retail expansion included the start of construction on a 17,000 square foot Walgreen's Pharmacy on Asbury Road. Construction was completed on a new 70,000 square foot Hy-Vee Food Store located in Asbury Plaza. The Hy-Vee store will be the anchor of a new 500,000 square foot retail development on Dubuque's west side. In total, over 875,000 square feet of new commercial or industrial construction began during the year.

With the recent economic growth, the City has annexed over 2,500 acres since 1995. In contrast, only 40 acres were annexed in the first half of the decade.

## 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. In the Town Clock Plaza, Eighth Street was opened to traffic through the plaza and numerous street amenities were added. The opening of Eighth Street was the first phase in a multi-million-dollar upgrade to the Town Clock Plaza. As a result of a downtown traffic circulation study in conjunction with opening the four-lane limited access U.S. Highway 61 and reconstruction of U.S. Highway 20, several one-way streets were converted to two-way traffic. This conversion greatly improved downtown traffic flow and allowed for the addition of 50 conveniently located metered parking spaces. The City began implementation of major parking expansion to meet the increased parking demand in the downtown area. Included in the expansion are a three-level 240-space expansion of the existing parking ramp at Fifth and Iowa Streets and construction of a new 425 space parking ramp facility at Third and Iowa Streets.

Transportation improvements continued to move forward during the year. The most significant inter-city transportation improvement was the completion of the U.S. Highway 61 south of Dubuque. Highway 61 now provides Dubuque with a four-lane link to the Quad Cities and Interstate 80. Design and planning for the last phase of the Northwest Arterial, from JFK Road to U.S. 52 are near completion and right-of-way acquisitions are in process. Grading for this project is scheduled to start in year 2001, and paving in year 2002. Neighborhood street improvements included the opening of Eighth Street downtown and reconstruction or re-paving of several other streets.

The Dubuque Regional Airport completed the second phase of the grading for the extension and reconstruction of runway 18/36 with the FAA providing ninety percent of the funding. Upon completion, Runway 18/36 will become the primary runway and air service will be greatly improved by reducing landing approach angles and weather related flight cancellations. Improved flight service and the strong local economy have helped airport passenger counts grow again this year, resulting in a twenty-five percent increase in the total passengers. The City is now served by three major commuter airlines, American Eagle, Northwest Airlink and United Express. American Eagle replaced their turbo-prop plane with regional jets in November, 2000.

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 30 families were assisted in purchasing their first

home through Community Development Block Grant (CDBG) funds. Housing rehabilitation assistance included \$644,000 in grants to remove lead paint hazards in single and multi-family housing units. Through \$108,000 in CDBG funds, sixteen rental units were rehabilitated using the lead based paint hazard reduction program. Neighborhood park development included completion of Pinard Park which replaced an auto repair facility with a landscaped play area and access to the Heritage Trail. Rocco Buda Park was completed. This park replaced a dilapidated house and provides recreation opportunities for young children in a downtown housing area. New play units were installed in several other neighborhood parks during the year. Seven million dollars is being invested in the park system over a five year period.

The City's ambitious riverfront development moved forward as planned during the year. The *America's River* project is a public/private partnership between the City of Dubuque, the Dubuque County Historical Society, and the Dubuque Area Chamber of Commerce 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 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. 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 will be completed next spring 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.

- Hotel and Education/Conference Center

A 200-room hotel and a 24,000 square foot indoor water park are planned near the Ice Harbor for completion by calendar year end 2002. A 114,500 square foot Education and Conference Center is planned with connections to the hotel and riverwalk, to be completed in mid-2003, should the City's application for State assistance be approved.

City gaming-related revenue increased by nine percent for the year due to continued growth in the two local gaming venues. This increase in revenue will be used to fund capital improvements and will be part of an ongoing program to eliminate the regular issuance of essential corporate purpose general obligation bonds. The elimination of all outstanding G.O. debt over the next five years will save the City approximately \$1,000,000 per year in interest expense.

**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:

- Riverfront development.
- Industrial park development.
- Implementation of the neighborhood reinvestment strategy.
- Creation and implementation of a strategy for revitalizing the Old Main District.
- Coordination of transportation improvements with County and State.

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 comprehensive plan for riverfront improvements has been developed and \$8.2 million has been budgeted over the next five years for riverfront improvement.

- 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 is 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 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 the Cable Car Square shopping district, Town Clock Plaza commercial and retail district, Upper Main and Lower Main districts, and the Ice Harbor area.
- 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. From a more regional perspective, construction is scheduled to begin 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.

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 control 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 control 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, 2000, 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 fund and debt service fund revenues for the fiscal year ended June 30, 2000, 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 1999 (000's)	Percent of Increase (Decrease)
Taxes	\$ 25,561	51.85%	\$ (68)	(0.27%)
Special assessments	78	0.16%	(700)	(89.97%)
Licenses and permits	613	1.24%	33	5.69%
Intergovernmental	12,140	24.62%	1,765	17.01%
Charges for services	7,882	15.99%	39	0.50%
Fines and forfeits	341	0.69%	4	1.19%
Miscellaneous	872	1.77%	(275)	(23.98%)
Interest	1,813	3.68%	(135)	(6.93%)
<b>Total Revenues</b>	<b>\$ 49,300</b>	<b>100.00%</b>	<b>\$ 663</b>	<b>1.36%</b>

The tax rate of \$5.77081 established for general fund operations (excluding fringe benefits) is within the tax rate limit of \$8.10 per \$1,000 of taxable valuation allowed by the Code of Iowa. The \$.20893 increase from FY 1999 is primarily a result of wage settlements and inflation.

Special assessments decreased due to the substantial carryover of projects.

Intergovernmental revenue increased due to the number of grants received.

The decrease in miscellaneous revenue was due to non-recurring land sales in 1999.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2000, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount (000's)	Percent of Total	Increase (Decrease) From 1999 (000's)	Percent of Increase (Decrease)
Current:				
Policy & Administration	\$ 4,938	11.32%	\$ 957	24.04%
Community Protection	13,907	31.87%	564	4.23%
Home & Community Environ.	14,983	34.34%	(153)	(1.01%)
Human Development	7,494	17.17%	895	13.56%
Debt Service:				
Principal	1,845	4.23%	(390)	(17.45%)
Interest and fiscal charges	467	1.07%	(45)	(8.79%)
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 43,634</b>	<b>100.00%</b>	<b>\$ 1,828</b>	<b>4.37%</b>

The increase in expenditure amounts for the Policy and Administration program was primarily related to capital improvement programs (\$573) with the balance for operations.

The increase in Human Development programs was primarily related to capital improvement programs (\$320) with the balance for operations.

The decrease in interest and fiscal charges is due to scheduled reductions in outstanding principal, which has reduced interest expense.

**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, 2000, the City of Dubuque had a number of debt issues outstanding. These issues included \$8,095,000 of general obligation bonds, \$1,963,169 of tax increment financing debt, and \$2,055,000 of revenue bonds. The government has maintained its Aa 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 5 percent of total actual value of real property. As of June 30, 2000, the government's net general obligation bonded debt of \$8,095,000 was well below the legal limit of \$99,521,000.

**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 \$3,102,186 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 \$896,001 as of June 30, 2000. 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 \$1,490,183 as of June 30, 2000. 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, 1999. This was the tenth 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



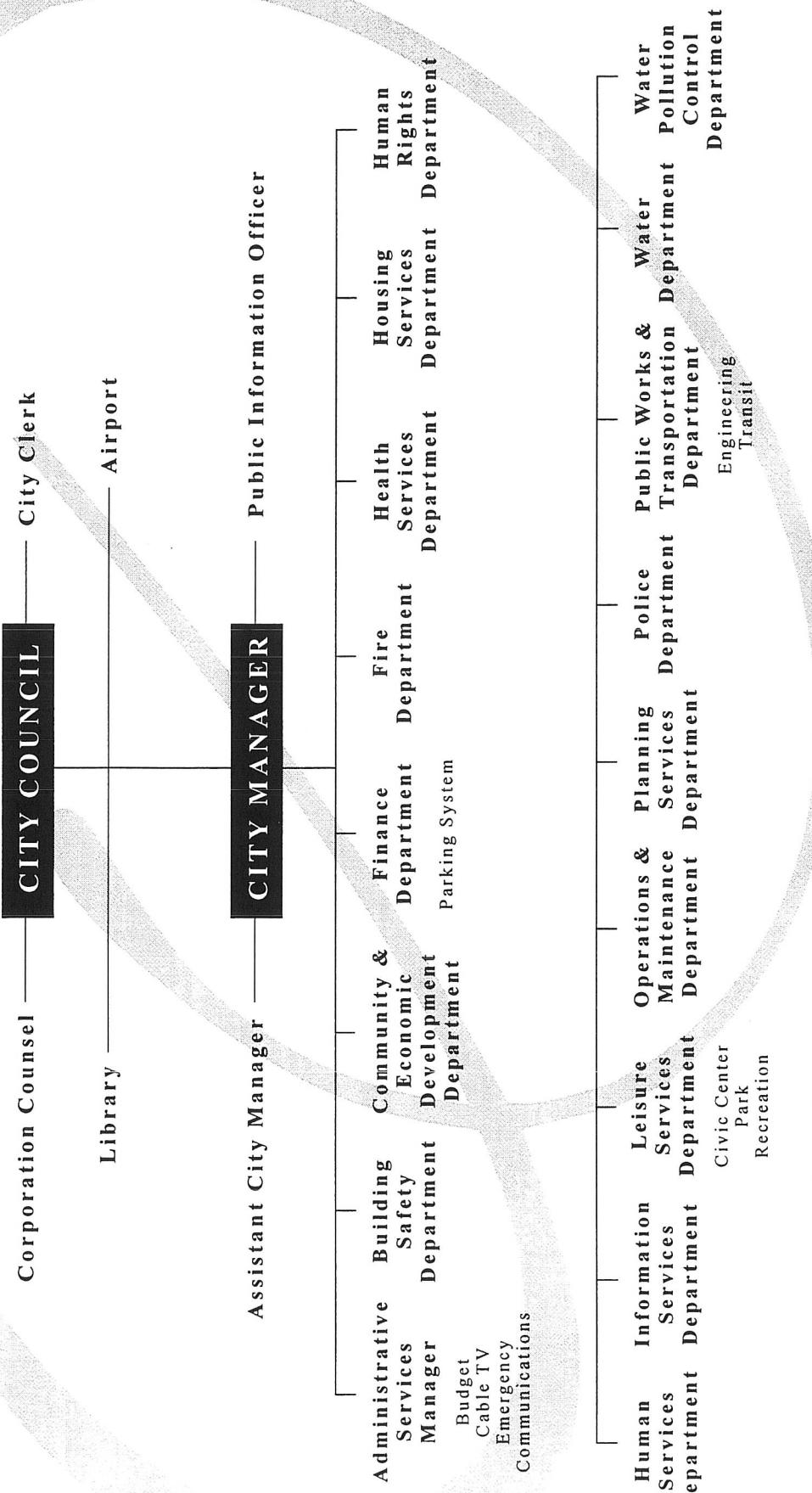
Kenneth J. TeKippe, CPA  
Finance Director





## *Showing the Spirit.*

# ORGANIZATIONAL CHART





# **CITY OF DUBUQUE, IOWA**

## **OFFICIALS**

**JUNE 30, 2000**

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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  
TIMOTHY A. MOERMAN  
RICHARD R. RUSSELL  
JAMES D. BURKE  
  
KENNETH J. TEKIPPE  
E. DANIEL BROWN  
DAVID W. HARRIS, JR.  
KELLY R. LARSON  
RANDALL K. PECK  
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GIL D. SPENCE  
THOMAS J. MORAN  
DONALD J. VOGT  
LAURA B. CARSTENS  
JOHN J. MAUSS  
MARY ROSE CORRIGAN  
SUSAN B. GWIASDA  
MICHAEL A. KOCH  
ROBERT M. GREEN  
PAUL J. HORSFALL

ADMINISTRATIVE SERVICES MANAGER  
AIRPORT MANAGER  
ASSISTANT CITY MANAGER  
BUILDING SAFETY MANAGER  
COMMUNITY/ECONOMIC DEVELOPMENT  
DIRECTOR  
FINANCE DIRECTOR  
FIRE CHIEF  
HOUSING SERVICES MANAGER  
HUMAN RIGHTS DIRECTOR  
HUMAN SERVICES MANAGER  
INFORMATION SERVICES MANAGER  
LEISURE SERVICES MANAGER  
LIBRARY DIRECTOR  
OPERATIONS & MAINTENANCE MANAGER  
PLANNING SERVICES MANAGER  
POLICE CHIEF  
PUBLIC HEALTH MANAGER  
PUBLIC INFORMATION OFFICER  
PUBLIC WORKS DIRECTOR/CITY ENGINEER  
WATER PLANT 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, 1999

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.



*Anne Spray Kinney*  
President

*Jeffrey L. Esarey*  
Executive Director



## **FINANCIAL SECTION**





Consultants • Certified Public Accountants

## 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, 2000, 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 generally accepted auditing standards; 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, 2000, 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 generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2000, 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.

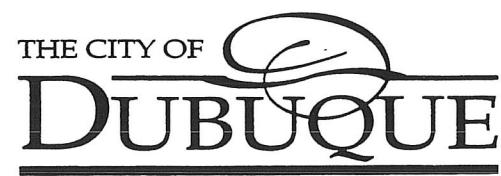
Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules, statistical data, and the Schedule of Expenditures of Federal Awards required by the U.S. Office 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.

*Eide Bailly LLP*

Dubuque, Iowa  
December 4, 2000

# **GENERAL PURPOSE FINANCIAL STATEMENTS**





*Showing the Spirit.*

**CITY OF DUBUQUE, IOWA**

**COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,  
AND DISCRETELY PRESENTED COMPONENT UNIT**  
**JUNE 30, 2000**

	<u>Governmental Fund Types</u>			<u>Proprietary</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<b>ASSETS AND OTHER DEBITS</b>					
<b>ASSETS</b>					
Cash and pooled cash investments	\$ 16,733,743	\$ 11,024,058	\$ 338,390	\$ 7,096,636	\$ 13,122,002
Cash and pooled cash investments - nonexpendable trust	-	-	-	-	-
Insurance deposit	-	-	-	-	-
Receivables					
Taxes	104,381	13,322	15,030	-	5,028
Accounts	307,775	-	-	-	1,279,078
Special assessments	-	487,808	-	-	-
Accrued interest	156,500	62,318	4,835	31,634	56,052
Notes - current	-	673,082	-	-	-
Notes - long-term	-	9,002,695	-	-	-
Intergovernmental	757,504	1,127,913	-	470,983	1,591
Due from other funds	170,797	125,554	-	-	-
Due from primary government	-	-	-	-	-
Inventory	-	-	-	-	228,008
Prepaid items	-	-	-	-	5,037
Advances to other funds	1,930,949	-	-	-	-
Advances to primary government	-	-	-	-	-
Restricted assets					
Cash and pooled cash investments	-	-	-	-	553,006
Land	-	-	-	-	1,266,752
Buildings and improvements	-	-	-	-	48,863,799
Improvements other than buildings	-	-	-	-	21,358,961
Machinery and equipment	-	-	-	-	35,215,844
Construction in progress	-	-	-	-	1,942,441
Accumulated depreciation	-	-	-	-	(49,844,583)
<b>OTHER DEBITS</b>					
Amount available in Debt Service Fund	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
Total Assets and Other Debits	<u>\$ 20,161,649</u>	<u>\$ 22,516,750</u>	<u>\$ 358,255</u>	<u>\$ 7,599,253</u>	<u>\$ 74,053,016</u>

See notes to financial statements.

**EXHIBIT 1**

Fund Types	Fiduciary Fund Type	Account Groups		Totals	Component Unit		Totals
		Internal Service	Trust and Agency		General Fixed Assets	General Long-Term Debt	
\$ 2,961,869	\$ 1,029,653	\$ -	\$ -	\$ 52,306,351	\$ 6,163,295	\$ 58,469,646	
-	204,377	-	-	204,377	-	204,377	
1,000	-	-	-	1,000	-	1,000	
-	-	-	-	137,761	-	137,761	
-	39,443	-	-	1,626,296	173,960	1,800,256	
-	-	-	-	487,808	-	487,808	
16,044	389	-	-	327,772	-	327,772	
-	-	-	-	673,082	-	673,082	
-	-	-	-	9,002,695	-	9,002,695	
-	-	-	-	2,357,991	-	2,357,991	
-	-	-	-	296,351	-	296,351	
-	-	-	-	-	42,089	42,089	
29,394	-	-	-	257,402	-	257,402	
-	-	-	-	5,037	-	5,037	
-	-	-	-	1,930,949	-	1,930,949	
-	-	-	-	-	988,750	988,750	
-	35,348	-	-	588,354	1,797,027	2,385,381	
-	-	13,815,263	-	15,082,015	552,528	15,634,543	
-	-	39,022,065	-	87,885,864	4,032,498	91,918,362	
-	-	4,511,968	-	25,870,929	-	25,870,929	
177,519	-	17,382,944	-	52,776,307	1,781,372	54,557,679	
-	-	26,571,664	-	28,514,105	274,676	28,788,781	
(125,577)	-	-	-	(49,970,160)	(3,668,766)	(53,638,926)	
-	-	-	-	356,662	356,662	-	356,662
-	-	-	-	10,130,462	10,130,462	-	10,130,462
<u>\$ 3,060,249</u>	<u>\$ 1,309,210</u>	<u>\$ 101,303,904</u>	<u>\$ 10,487,124</u>	<u>\$ 240,849,410</u>	<u>\$ 12,137,429</u>	<u>\$ 252,986,839</u>	
							(continued)

# CITY OF DUBUQUE, IOWA

## COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT

JUNE 30, 2000

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 331,068	\$ 287,986	\$ -	\$ 780,568	\$ 230,275
Accrued payroll	113,054	11,560	-	-	64,162
General obligation bonds payable - current	-	-	-	-	195,000
Revenue bonds payable - current	-	-	-	-	165,000
Accrued compensated absences	344,970	20,975	-	-	260,894
Due to employees	-	-	-	-	-
Intergovernmental payable	-	1,433,674	-	-	-
Due to other funds	125,554	-	-	-	-
Due to component unit	-	-	-	-	42,089
Payable from restricted assets					
Accrued interest payable	-	-	-	-	28,644
Advances from other funds	-	-	-	-	1,930,949
Advances from component unit	-	-	-	-	988,750
Notes payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	3,377,500
Revenue bonds payable	-	-	-	-	1,863,334
Landfill closure and postclosure care	-	-	-	-	-
Tax-increment financing bonds payable	-	-	-	-	-
Deferred revenue	11,064	439,889	1,593	-	-
<b>Total Liabilities</b>	<b>925,710</b>	<b>2,194,084</b>	<b>1,593</b>	<b>780,568</b>	<b>9,146,597</b>
<b>EQUITY AND OTHER CREDITS</b>					
Contributed capital	-	-	-	-	36,267,221
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved by State statute	-	-	-	-	-
Reserved by bond ordinance	-	-	-	-	553,006
Reserved for minority interests	-	-	-	-	-
Unreserved	-	-	-	-	28,086,192
Fund balances					
Reserved for long-term notes receivable	-	9,002,695	-	-	-
Reserved for encumbrances	2,346,597	527,553	-	1,905,338	-
Reserved for dog track	-	-	-	607,187	-
Reserved by franchise agreement	-	-	-	-	-
Reserved for endowments	-	-	-	-	-
Reserved for advances	1,930,949	-	-	-	-
Reserved for debt service	-	215,776	356,662	-	-
Unreserved, undesignated	14,958,393	10,576,642	-	4,306,160	-
<b>Total Equity and Other Credits</b>	<b>19,235,939</b>	<b>20,322,666</b>	<b>356,662</b>	<b>6,818,685</b>	<b>64,906,419</b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b>\$ 20,161,649</b>	<b>\$ 22,516,750</b>	<b>\$ 358,255</b>	<b>\$ 7,599,253</b>	<b>\$ 74,053,016</b>

See notes to financial statements.

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

Fund Types	Fiduciary		Account Groups		Totals	Component		Totals
	Fund Type	Trust and Agency	General Fixed Assets	General Long-Term Debt		Primary Government (Memorandum Only)	Unit	
Internal Service								
\$ 589,647	\$ -	\$ -	\$ -	\$ 2,219,544	\$ 336,930	\$ 2,556,474		
14,264	9,393			212,433	6,682	219,115		
-	-			195,000	-	195,000		
-	-			165,000	-	165,000		
-	-		1,613,455	2,240,294	41,404	2,281,698		
-	16,021			16,021	-	16,021		
-	-			1,433,674	58,039	1,491,713		
170,797	-			296,351	-	296,351		
-	-			42,089	-	42,089		
				28,644	-	28,644		
				1,930,949	-	1,930,949		
				988,750	-	988,750		
			2,415,500	2,415,500	-	2,415,500		
			4,495,000	7,872,500	-	7,872,500		
				1,863,334	-	1,863,334		
					1,236,129	1,236,129		
			1,963,169	1,963,169	-	1,963,169		
	390,600			843,146	-	843,146		
774,708	416,014		10,487,124	24,726,398	1,679,184	26,405,582		
24,233	-	-	-	36,291,454	-	36,291,454		
-	-	101,303,904	-	101,303,904	-	101,303,904		
-	-	-	-	-	560,898	560,898		
-	-	-	-	553,006	-	553,006		
-	-	-	-	-	2,246,698	2,246,698		
2,261,308	-	-	-	30,347,500	7,650,649	37,998,149		
-	-	-	-	9,002,695	-	9,002,695		
-	-	-	-	4,779,488	-	4,779,488		
-	-	-	-	607,187	-	607,187		
-	19,327	-	-	19,327	-	19,327		
-	204,766	-	-	204,766	-	204,766		
-	-	-	-	1,930,949	-	1,930,949		
-	-	-	-	572,438	-	572,438		
-	669,103	-	-	30,510,298	-	30,510,298		
2,285,541	893,196	101,303,904	-	216,123,012	10,458,245	226,581,257		
\$ 3,060,249	\$ 1,309,210	\$ 101,303,904	\$ 10,487,124	\$ 240,849,410	\$ 12,137,429	\$ 252,986,839		

**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, 2000**

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	Governmental	Special	Revenue
	General	Revenue	
<b>REVENUES</b>			
Taxes	\$ 21,121,428	\$ 2,641,031	
Special assessments	-	77,793	
Licenses and permits	612,872	-	
Intergovernmental	2,432,434	9,707,846	
Charges for services	7,882,053	-	
Fines and forfeits	340,551	-	
Miscellaneous	824,343	47,928	
Interest	<u>1,358,580</u>	<u>407,621</u>	
Total Revenues	<u>34,572,261</u>	<u>12,882,219</u>	
<b>EXPENDITURES</b>			
Current			
Policy and administration	4,409,560	526,637	
Community protection	13,907,034	193	
Home and community environment	6,536,143	8,446,780	
Human development	7,262,308	231,158	
Debt service			
Principal retirement	-	190,000	
Interest	-	146,904	
Capital outlay	-	-	
Total Expenditures	<u>32,115,045</u>	<u>9,541,672</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>2,457,216</u>	<u>3,340,547</u>	
<b>OTHER FINANCING SOURCES (USES)</b>			
Note proceeds	260,000	1,863,169	
Operating transfers in	2,317,211	325,554	
Operating transfers from component unit	26,549	-	
Operating transfers out	<u>(771,001)</u>	<u>(4,258,132)</u>	
Total Other Financing Sources (Uses)	<u>1,832,759</u>	<u>(2,069,409)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</b>			
<b>SOURCES OVER (UNDER) EXPENDITURES AND</b>			
<b>OTHER USES</b>	<u>4,289,975</u>	<u>1,271,138</u>	
<b>FUND BALANCES, BEGINNING</b>	<u>14,945,964</u>	<u>19,051,528</u>	
<b>FUND BALANCES, ENDING</b>	<u>\$ 19,235,939</u>	<u>\$ 20,322,666</u>	

See notes to financial statements.

Fund Types	Debt Service	Capital Projects	Fiduciary Fund Type	Totals	
			Expendable Trust	Primary Government	(Memorandum Only)
\$ 1,799,068	\$ 3,044,283	\$ -	\$ -	\$ 28,605,810	
-	-	-	-	77,793	
-	-	-	-	612,872	
-	2,641,062	-	-	14,781,342	
-	-	-	-	7,882,053	
-	-	-	-	340,551	
-	460,062	485,525	-	1,817,858	
46,516	305,787	-	-	2,118,504	
<u>1,845,584</u>	<u>6,451,194</u>	<u>485,525</u>	<u>56,236,783</u>		
 2,025	 -	 134,467	 -	 5,072,689	
-	-	-	-	13,907,227	
-	-	258,733	-	15,241,656	
-	-	-	-	7,493,466	
1,655,000	-	-	-	1,845,000	
320,271	-	-	-	467,175	
-	<u>12,744,554</u>	-	-	<u>12,744,554</u>	
<u>1,977,296</u>	<u>12,744,554</u>	<u>393,200</u>	<u>56,771,767</u>		
 <u>(131,712)</u>	 <u>(6,293,360)</u>	 <u>92,325</u>	 <u>(534,984)</u>		
 - -	 - -	 - -	 - -	 2,123,169	
35,584	2,659,534	-	-	5,337,883	
-	-	-	-	26,549	
-	<u>(183,584)</u>	-	-	<u>(5,212,717)</u>	
<u>35,584</u>	<u>2,475,950</u>	<u>-</u>	<u>-</u>	<u>2,274,884</u>	
 <u>(96,128)</u>	 <u>(3,817,410)</u>	 <u>92,325</u>	 <u>1,739,900</u>		
 <u>452,790</u>	 <u>10,636,095</u>	 <u>596,105</u>	 <u>45,682,482</u>		
 <u>\$ 356,662</u>	 <u>\$ 6,818,685</u>	 <u>\$ 688,430</u>	 <u>\$ 47,422,382</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, 2000**

	General Fund			Special Revenue	
	Budget	Actual	Variance	Budget	Actual
			Favorable (Unfavorable)		
<b>REVENUES</b>					
Taxes	\$ 17,232,483	\$ 21,166,680	\$ 3,934,197	\$ 8,863,534	\$ 2,640,056
Special assessments	-	-	-	655,000	203,224
Licenses and permits	583,137	612,871	29,734	-	-
Intergovernmental	6,499,668	2,258,493	(4,241,175)	13,985,903	12,733,869
Charges for services	7,139,809	8,208,837	1,069,028	-	-
Fines and forfeits	373,720	343,351	(30,369)	-	-
Miscellaneous	1,152,030	885,525	(266,505)	6,846,756	1,804,602
Interest	776,791	1,339,274	562,483	293,514	448,681
<b>Total Revenues</b>	<u>33,757,638</u>	<u>34,815,031</u>	<u>1,057,393</u>	<u>30,644,707</u>	<u>17,830,432</u>
<b>EXPENDITURES</b>					
Current					
Policy and administration	4,945,654	4,388,321	557,333	596,586	531,343
Community protection	15,269,524	13,843,358	1,426,166	710	-
Home and community environment	13,677,140	6,541,703	7,135,437	19,841,514	9,673,696
Human development	9,258,539	6,679,568	2,578,971	254,209	242,083
Debt service					
Principal retirement	-	-	-	190,000	190,000
Interest and fiscal charges	-	-	-	78,086	146,904
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>43,150,857</u>	<u>31,452,950</u>	<u>11,697,907</u>	<u>20,961,105</u>	<u>10,784,026</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,393,219)</u>	<u>3,362,081</u>	<u>12,755,300</u>	<u>9,683,602</u>	<u>7,046,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Note proceeds	-	-	-	4,360,000	1,863,169
Operating transfers in	5,485,059	2,343,760	(3,141,299)	279,565	345,554
Operating transfers out	(779,213)	(771,001)	8,212	(17,785,741)	(4,278,132)
<b>Total Other Financing Sources (Uses)</b>	<u>4,705,846</u>	<u>1,572,759</u>	<u>(3,133,087)</u>	<u>(13,146,176)</u>	<u>(2,069,409)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(4,687,373)</u>	<u>4,934,840</u>	<u>9,622,213</u>	<u>(3,462,574)</u>	<u>4,976,997</u>
<b>FUND BALANCES, BEGINNING</b>	<u>12,005,570</u>	<u>12,005,570</u>	<u>-</u>	<u>6,048,628</u>	<u>6,048,628</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 7,318,197</u>	<u>\$ 16,940,410</u>	<u>\$ 9,622,213</u>	<u>\$ 2,586,054</u>	<u>\$ 11,025,625</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)	
\$ (6,223,478)	\$ 1,826,837	\$ 1,797,968	\$ (28,869)	\$ -	\$ 3,097,175	\$ 3,097,175		
(451,776)	-	-	-	-	-	-	-	
	-	-	-	-	4,201,910	208,567	(3,993,343)	
(1,252,034)	-	-	-	-	393,612	291,167	(102,445)	
	-	-	-	-	-	-	-	
(5,042,154)	-	-	-	-	3,124,749	2,601,388	(523,361)	
155,167	<u>20,000</u>	<u>47,402</u>	<u>27,402</u>	<u>30,000</u>	<u>306,449</u>	<u>276,449</u>		
(12,814,275)	<u>1,846,837</u>	<u>1,845,370</u>	<u>(1,467)</u>	<u>7,750,271</u>	<u>6,504,746</u>	<u>(1,245,525)</u>		
65,243	2,150	2,025	125	-	-	-	-	
710	-	-	-	-	-	-	-	
10,167,818	-	-	-	-	-	-	-	
12,126	-	-	-	-	-	-	-	
	-	1,655,000	1,655,000	-	-	-	-	
(68,818)	320,271	320,271	-	-	-	-	-	
	-	-	-	-	29,376,843	12,494,479	16,882,364	
10,177,079	<u>1,977,421</u>	<u>1,977,296</u>	<u>125</u>	<u>29,376,843</u>	<u>12,494,479</u>	<u>16,882,364</u>		
(2,637,196)	<u>(130,584)</u>	<u>(131,926)</u>	<u>(1,342)</u>	<u>(21,626,572)</u>	<u>(5,989,733)</u>	<u>15,636,839</u>		
(2,496,831)	-	-	-	-	1,000,000	2,728,709	1,728,709	
65,989	35,584	35,584	-	-	13,025,220	2,831,625	(10,193,595)	
13,507,609	-	-	-	-	(263,561)	(3,084,384)	(2,820,823)	
11,076,767	<u>35,584</u>	<u>35,584</u>	<u>-</u>	<u>13,761,659</u>	<u>2,475,950</u>	<u>(11,285,709)</u>		
8,439,571	(95,000)	(96,342)	(1,342)	(7,864,913)	(3,513,783)	4,351,130		
	-	435,896	435,896	-	10,618,032	<u>10,618,032</u>	-	
\$ 8,439,571	<u>\$ 340,896</u>	<u>\$ 339,554</u>	<u>\$ (1,342)</u>	<u>\$ 2,753,119</u>	<u>\$ 7,104,249</u>	<u>\$ 4,351,130</u>		

**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, 2000**

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	Proprietary Fund Types	
	Enterprise	Internal Service
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 11,968,257	\$ 5,066,005
Other	505,510	-
Investment earnings	-	-
<b>Total Operating Revenues</b>	<u>12,473,767</u>	<u>5,066,005</u>
<b>OPERATING EXPENSES</b>		
Employee expense	4,620,975	1,171,905
Utilities	764,878	13,766
Repairs and maintenance	950,041	13,514
Supplies and services	2,878,707	283,664
Insurance	219,937	3,311,500
Landfill closure and postclosure care	-	-
Depreciation	2,648,894	12,494
<b>Total Operating Expenses</b>	<u>12,083,432</u>	<u>4,806,843</u>
<b>OPERATING INCOME (LOSS)</b>	<u>390,335</u>	<u>259,162</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest revenue	449,158	137,408
Interest expense	(266,783)	-
Operating grants	650,725	-
Taxes	579,620	-
Gain (loss) on disposal of assets	(2,924)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,409,796</u>	<u>137,408</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>1,800,131</u>	<u>396,570</u>
<b>OPERATING TRANSFERS</b>		
Operating transfers in	424,172	-
Operating transfers out	(549,338)	-
Operating transfers to primary government	-	-
<b>Total Operating Transfers</b>	<u>(125,166)</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<u>1,674,965</u>	<u>396,570</u>
<b>RETAINED EARNINGS/FUND BALANCES, BEGINNING</b>	<u>26,964,233</u>	<u>1,864,738</u>
<b>RETAINED EARNINGS/FUND BALANCES, ENDING</b>	<u>\$ 28,639,198</u>	<u>\$ 2,261,308</u>

See notes to financial statements.

Fiduciary Fund Type	Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area	Solid Waste Agency	
Nonexpendable Trust				
\$	\$ 17,034,262	\$ 2,429,142	\$ 19,463,404	
37,439	542,949	4,608	547,557	
(20,046)	(20,046)	-	(20,046)	
<u>17,393</u>	<u>17,557,165</u>	<u>2,433,750</u>	<u>19,990,915</u>	
	5,792,880	480,519	6,273,399	
	778,644	13,665	792,309	
	963,555	119,048	1,082,603	
32,397	3,194,768	733,141	3,927,909	
	3,531,437	30,157	3,561,594	
	-	(91,847)	(91,847)	
	<u>2,661,388</u>	<u>603,239</u>	<u>3,264,627</u>	
<u>32,397</u>	<u>16,922,672</u>	<u>1,887,922</u>	<u>18,810,594</u>	
(15,004)	<u>634,493</u>	<u>545,828</u>	<u>1,180,321</u>	
	586,566	376,165	962,731	
	(266,783)	-	(266,783)	
	650,725	51,111	701,836	
	579,620	-	579,620	
	<u>(2,924)</u>	<u>230,000</u>	<u>227,076</u>	
	<u>1,547,204</u>	<u>657,276</u>	<u>2,204,480</u>	
(15,004)	<u>2,181,697</u>	<u>1,203,104</u>	<u>3,384,801</u>	
	424,172	-	424,172	
	(549,338)	-	(549,338)	
	<u>-</u>	<u>(26,549)</u>	<u>(26,549)</u>	
	<u>(125,166)</u>	<u>(26,549)</u>	<u>(151,715)</u>	
(15,004)	2,056,531	1,176,555	3,233,086	
<u>219,770</u>	<u>29,048,741</u>	<u>9,281,690</u>	<u>38,330,431</u>	
\$ 204,766	<u>\$ 31,105,272</u>	<u>\$ 10,458,245</u>	<u>\$ 41,563,517</u>	

**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, 2000**

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	Proprietary Fund Types	
	Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 390,335	\$ 259,162
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Landfill closure and postclosure care	- -	- -
Depreciation	2,648,894	12,494
Investment earnings	- -	- -
Changes in assets and liabilities		
(AIncrease) decrease in accounts receivable	64,530	- -
Decrease in intergovernmental receivable	505,023	- -
Decrease in due from primary government	- -	- -
(AIncrease) decrease in inventory	2,221	(8,233)
Increase (decrease) in accounts payable	37,196	(9,638)
Decrease in accrued payroll	(80,442)	(30,436)
Increase (decrease) in accrued compensated absences	(17,150)	- -
Increase in intergovernmental payable	- -	- -
Increase in due to other funds	- -	46,680
Decrease in due to component unit	(6,005)	- -
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,544,602</b>	<b>270,029</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes received	579,309	- -
Operating grants received	650,725	- -
Operating transfers in	424,172	- -
Operating transfers out	(549,338)	- -
Operating transfers to primary government	- -	- -
Repayment of advances from other funds	(66,632)	- -
Advances from component unit	427,500	- -
Advances to primary government	- -	- -
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,465,736</b>	<b>- -</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of fixed assets	- -	- -
Acquisition and construction of fixed assets	(3,549,866)	(3,515)
Proceeds from sale of bonds	2,722,500	- -
Principal paid on bonds	(342,333)	- -
Interest paid on bonds	(254,505)	- -
Capital contributed by intergovernmental	9,830	- -
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,414,374)</b>	<b>(3,515)</b>

See notes to financial statements.

Fiduciary Fund Type	Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area	Solid Waste Agency	
Nonexpendable Trust				
	\$ (15,004)	\$ 634,493	\$ 545,828	\$ 1,180,321
	-	-	(91,847)	(91,847)
	-	2,661,388	603,239	3,264,627
20,046	20,046		-	20,046
	-	64,530	(20,441)	44,089
	-	505,023	-	505,023
	-	-	6,005	6,005
	-	(6,012)	-	(6,012)
	-	27,558	321,673	349,231
	-	(110,878)	(7,728)	(118,606)
	-	(17,150)	1,934	(15,216)
	-	-	5,631	5,631
	-	46,680	-	46,680
	-	(6,005)	-	(6,005)
5,042	3,819,673	1,364,294		5,183,967
	-	579,309	-	579,309
	-	650,725	51,111	701,836
	-	424,172	-	424,172
	-	(549,338)	-	(549,338)
	-	-	(26,549)	(26,549)
	-	(66,632)	-	(66,632)
	-	427,500	-	427,500
	-	-	(427,500)	(427,500)
	-	1,465,736	(402,938)	1,062,798
	-	-	230,000	230,000
	-	(3,553,381)	(975,467)	(4,528,848)
	-	2,722,500	-	2,722,500
	-	(342,333)	-	(342,333)
	-	(254,505)	-	(254,505)
	-	9,830	-	9,830
	-	(1,417,889)	(745,467)	(2,163,356)

(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, 2000**

	<u>Proprietary Fund Types</u>	
	<u>Internal</u>	<u>Service</u>
	<u>Enterprise</u>	<u>Enterprise</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	<u>\$ 429,082</u>	<u>\$ 132,684</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,025,046	399,198
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>9,649,962</u>	<u>2,562,671</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 13,675,008</u>	<u>\$ 2,961,869</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from developers and users	<u>\$ 1,219,022</u>	<u>\$ 24,233</u>

See notes to financial statements.

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

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Fiduciary Fund Type	Component Unit		Totals Reporting Entity
	Totals Primary Government	Dubuque Metropolitan Area	
Nonexpendable Trust	(Memorandum Only)	Solid Waste Agency	(Memorandum Only)
\$ (20,159)	\$ 541,607	\$ 388,610	\$ 930,217
(15,117)	4,409,127	604,499	5,013,626
219,494	12,432,127	7,355,824	19,787,951
\$ 204,377	\$ 16,841,254	\$ 7,960,323	\$ 24,801,577
\$ -	\$ 1,243,255	\$ -	\$ 1,243,255



**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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, 2000**

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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 generally accepted accounting principles, 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, 2000**

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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, 2000**

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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, 2000**

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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 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. Property taxes attach as an enforceable lien on July 1.

*Inventory and Prepaid Items*

Inventory of materials and supplies in the enterprise funds is determined by actual count and priced on the first-in, first-out (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.

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.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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.

*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.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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*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 generally accepted accounting principles. 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.

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, 2000, was amended three times during the year to allow the City to increase program expenditures by approximately \$45,520,000, 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.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**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 generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 2000, 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)	\$ 4,934,840	\$ 4,976,997	\$ (96,342)	\$ (3,513,783)
Adjustments:				
To adjust revenues for accruals	17,230	(4,968,213)	214	(2,954,352)
To adjust expenditures for accruals	(662,095)	1,262,354	-	2,650,725
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 4,289,975</u>	<u>\$ 1,271,138</u>	<u>\$ (96,128)</u>	<u>\$ (3,817,410)</u>

**Deficit Fund Equity**

The following funds had deficit retained earnings/fund balances amounts as of June 30, 2000:

Capital Projects	
Airport Construction	\$ 204,082
Enterprise	
Transit System	3,218,275
Internal Service	
General Service	178,766

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**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</u> <u>Favorable</u> <u>(Unfavorable)</u>
Policy and administration	\$ 6,632,823	\$ 5,550,835	\$ 1,081,988
Community protection	15,368,723	13,934,458	1,434,265
Home and community environment	94,554,785	46,012,507	48,542,278
Human development	<u>10,437,612</u>	<u>7,940,387</u>	<u>2,497,225</u>
Total	<u>\$ 126,993,943</u>	<u>\$ 73,438,187</u>	<u>\$ 53,555,756</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 \$18,000 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 \$15,762,846 and the bank balance was \$16,608,430. The City's deposits in banks at June 30, 2000, 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 \$622,187 and the bank balance was \$1,182,401. The Agency's deposits in banks at June 30, 2000, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

**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.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

---

The City's investments at June 30, 2000, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 20,211,516	\$ -	\$ -	\$ 20,211,516
Federal Agency Obligations	15,721,068	-	-	15,721,068
Corporate Stock	119,905	-	-	119,905
	<u>\$ 36,052,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>36,052,489</u>
Investment Pools:				
Mutual U.S. Government Bond Fund				<u>1,266,747</u>
Total Investments				<u>\$ 37,319,236</u>

The Dubuque Metropolitan Area Solid Waste Agency's investments at June 30, 2000, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 7,337,785	\$ -	\$ -	\$ 7,337,785
A reconciliation of cash and investments as shown on the combined balance sheet for the primary government follows:				
Cash on hand				\$ 18,000
Carrying amount of deposits				15,762,846
Carrying amount of investments				<u>37,319,236</u>
Total				<u>\$ 53,100,082</u>
Cash and pooled cash investments				\$ 52,306,351
Cash and pooled cash investments – nonexpendable trust				204,377
Insurance deposit				1,000
Cash and pooled cash investments – restricted				<u>588,354</u>
Total				<u>\$ 53,100,082</u>

**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 \$170,797.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**NOTE 5 – FIXED ASSETS**

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

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2000</u>
Land	\$ 12,774,060	\$ 1,041,203	\$ -	\$ 13,815,263
Buildings and improvements	38,744,768	277,297	-	39,022,065
Improvements other than buildings	4,157,406	354,562	-	4,511,968
Machinery and equipment	15,528,069	2,255,260	400,385	17,382,944
Construction in progress	<u>20,004,287</u>	<u>8,963,734</u>	<u>2,396,357</u>	<u>26,571,664</u>
Total General Fixed Assets	<u>\$ 91,208,590</u>	<u>\$ 12,892,056</u>	<u>\$ 2,796,742</u>	<u>\$ 101,303,904</u>

The following is a summary of proprietary fund type assets at June 30, 2000:

	<u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
Land	\$ 1,266,752	\$ -
Buildings and improvements	48,863,799	-
Improvements other than buildings	21,358,961	-
Machinery and equipment	35,215,844	177,519
Construction in progress	1,942,441	-
Accumulated depreciation	<u>(49,844,583)</u>	<u>(125,577)</u>
Net Fixed Assets	<u>\$ 58,803,214</u>	<u>\$ 51,942</u>

The following is a summary of proprietary fund type fixed assets for the Dubuque Metropolitan Area Solid Waste Agency at June 30, 2000:

Land	\$ 552,528
Buildings and improvements	4,032,498
Machinery and equipment	1,781,372
Construction in progress	274,676
Accumulated depreciation	<u>(3,668,766)</u>
Net Fixed Assets	<u>\$ 2,972,308</u>

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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	Internal Service Funds	
	General Service	\$ 164,502
	Garage Service	6,295
Special Revenue Funds		
Section VIII Housing	General	<u>125,554</u>
		<u>\$ 296,351</u>

Advance to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise Funds	
	Sewage Disposal Works	\$ 1,387,839
	Water Utility	<u>543,110</u>
		<u>\$ 1,930,949</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>\$ 42,089</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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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, 2000, 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>
Corporate purpose	03/01/87	05/01/88-05/01/01	5.60%	\$ 4,000,000	\$ 575,000
Corporate purpose	05/01/91	05/01/92-05/01/02	6.10	2,500,000	760,000
Corporate purpose	06/01/93	05/01/94-05/01/03	4.30-4.50	4,615,000	1,225,000
Corporate purpose	05/01/94	05/01/95-05/01/04	5.00-5.13	3,100,000	1,375,000
Corporate purpose	07/01/95	05/01/96-05/01/05	4.45-4.90	2,000,000	1,410,000
Corporate purpose	06/01/00	06/01/02-06/01/20	5.80-5.88	<u>2,750,000</u>	<u>2,750,000</u>
				<u>\$ 18,965,000</u>	<u>\$ 8,095,000</u>

Annual debt service requirements to maturity for general obligation bonds, including interest of \$2,590,051, are as follows:

<u>Fiscal Year Ending</u>	<u>General Long-Term Debt Account Group/Enterprise Funds</u>
<u>June 30</u>	
2001	\$ 2,377,965
2002	1,841,880
2003	1,384,468
2004	969,739
2005	505,679
2006-2020	<u>3,605,320</u>
Total	<u>\$ 10,685,051</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, 2000, 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>
Advanced Data-Comm	03/18/99	12/31/01-06/30/11	6.0-9.0%	\$ 900,000	\$ 900,000
Categoraph 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>703,169</u>	<u>703,169</u>
				<u>\$ 1,963,169</u>	<u>\$ 1,963,169</u>

(continued on next page)

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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Annual debt service requirements to maturity for tax-increment financing bonds, including interest of \$914,521, are as follows:

<b>Fiscal Year Ending</b> <b>June 30</b>	<b>Amount</b>
2001	\$ 160,918
2002	250,075
2003	455,833
2004	456,259
2005	456,724
2006-2011	<u>1,097,881</u>
 Total	 <u>\$ 2,877,690</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, 2000, are as follows:

<b>Purpose</b>	<b>Date of Issue</b>	<b>Maturity Dates</b>	<b>Interest Rates</b>	<b>Amount Originally Issued</b>	<b>Amount Outstanding End of Year</b>
Parking facilities	03/01/98	05/01/98-05/01/10	4.10-4.75%	<u>\$ 2,515,000</u>	<u>\$ 2,055,000</u>

Revenue bond debt service requirements to maturity, including interest of \$556,705, are as follows:

<b>Fiscal Year Ending</b> <b>June 30</b>	<b>Amount</b>
2001	\$ 257,530
2002	255,765
2003	258,625
2004	260,885
2005	262,525
2006-2010	<u>1,316,375</u>
 Total	 <u>\$ 2,611,705</u>

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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, 2000, 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	\$ 700,000
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	800,000
Land purchase	06/30/00	07/01/03	6.00	<u>260,000</u>	<u>260,000</u>
				<u>\$ 2,415,500</u>	<u>\$ 2,415,500</u>

Debt service requirements to maturity for notes payable, including interest of \$254,568, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2001	\$ 326,308
2002	341,909
2003	1,041,909
2004	<u>959,942</u>
Total	<u>\$ 2,670,068</u>

**Changes in Long-term Liabilities.** During the fiscal year ended June 30, 2000, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2000</u>
Accrued Compensated Absences	\$ 1,713,276	\$ -	\$ 99,821	\$ 1,613,455
Notes Payable – Long-Term	1,545,500	1,060,000	190,000	2,415,500
General Obligation Debt	6,150,000	-	1,655,000	4,495,000
Tax-Increment Financing Debt	900,000	1,063,169	-	1,963,169
Totals	<u>\$ 10,308,776</u>	<u>\$ 2,123,169</u>	<u>\$ 1,944,821</u>	<u>\$ 10,487,124</u>

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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	Refuse Collection	Transit System	Garage Service
Beginning balance, contributed capital	<u>\$ 25,663,433</u>	<u>\$ 2,434,045</u>	<u>\$ 336,354</u>	<u>\$ 6,604,537</u>	<u>\$ _____</u>
Contributions received:					
Government	-	-	-	-	24,233
Intergovernmental	-	-	-	9,830	-
Developers and users	<u>1,062,932</u>	<u>156,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions received	<u>1,062,932</u>	<u>156,090</u>	<u>-</u>	<u>9,830</u>	<u>24,233</u>
Contributions made:					
Government	-	-	-	-	-
Ending balance, contributed capital	<u>\$ 26,726,365</u>	<u>\$ 2,590,135</u>	<u>\$ 336,354</u>	<u>\$ 6,614,367</u>	<u>\$ 24,233</u>

**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 \$60,000, and an aggregate stop loss of approximately \$3,350,000 for 2000. 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 2000. 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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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 \$458,867 in the Health Insurance Reserve Fund and \$127,079 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, 1999 and 2000, are summarized as follows:

	<u>Health Insurance Reserve Fund</u>	<u>Workers' Compensation Reserve Fund</u>
Liabilities at June 30, 1998	\$ 364,115	\$ 101,421
Claims and changes in estimates during fiscal year 1999	2,795,276	254,323
Claim payments	(2,715,356)	(202,079)
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	(2,727,749)	(223,114)
Liabilities at June 30, 2000	<u>\$ 458,867</u>	<u>\$ 127,079</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 300 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 provide capital. 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. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

---

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, 2000, were \$356,224.

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, 2000, no liability has been recorded in the City's financial statements. As of June 30, 2000, 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 capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, 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 five enterprise funds which provide sewage disposal, water, parking, refuse, and transit services. Selected financial information for the fiscal year ended June 30, 2000, is as follows:

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

	<b>Sewage Disposal Works</b>	<b>Water Utility</b>	<b>Parking Facilities</b>	<b>Refuse Collection</b>	<b>Transit System</b>	<b>Total Enterprise Funds</b>
Operating revenues	\$ 4,958,043	\$ 4,277,531	\$ 1,199,760	\$ 1,797,262	\$ 241,171	\$ 12,473,767
Depreciation expense	967,482	978,555	317,443	91,869	293,545	2,648,894
Operating income (loss)	763,721	727,553	299,934	35,282	(1,436,155)	390,335
Operating grants	-	-	-	-	650,725	650,725
Operating transfers:						
In	294,417	114,361	-	-	15,394	424,172
Out	203,432	157,219	25,040	163,647	-	549,338
Tax revenues	-	-	-	-	579,620	579,620
Net Income (loss)	1,004,900	742,772	246,074	(128,365)	(190,416)	1,674,965
Current capital contributions	1,062,932	156,090	-	-	9,830	1,228,852
Fixed assets:						
Additions	2,013,880	1,105,701	1,623,161	-	26,148	4,768,890
Deletions	52,419	438,363	78,442	-	2,615	571,839
Net working capital	3,806,868	2,321,918	2,435,619	1,406,573	848,699	10,819,677
Total assets	36,747,868	21,094,337	10,975,704	1,762,450	3,472,657	74,053,016
Bonds payable from operating revenues	600,000	250,000	4,750,834	-	-	5,600,834
Total equity	33,593,128	20,172,975	6,092,669	1,651,555	3,396,092	64,906,419

**NOTE 11 – COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2000.

**Litigation**

The City's corporation counsel reported that as of June 30, 2000, various claims and lawsuits were on file against the City. The corporation counsel estimated that all potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**Construction Contracts**

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2000. The City has additional commitments for signed construction contracts of approximately \$4,100,000 as of June 30, 2000. These commitments will be funded by federal and state grants, cash reserves, and bond proceeds.

**NOTE 12 – POST-EMPLOYMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides certain health care benefits for retired disabled police officers and firefighters as mandated by the Code of Iowa. The cost of health care benefits for retired disabled police officers and firefighters is recognized as an expenditure as claims are paid. As of June 30, 2000, 56 retirees were eligible for these benefits, and the cost of the benefits for the fiscal year ended June 30, 2000, totaled \$26,055.

**NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS**

**MFPSI**

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan), which is a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees. The Plan provides retirement, disability, and death benefits which are established by State statute to plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Fire and Police Retirement System of Iowa, 2836 104<sup>th</sup> Street, Urbandale, Iowa, 50322.

Plan members are required to contribute 9.35% of their earnable compensation, and the City's contribution rate may not be less than 17% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 2000, 1999, and 1998, were \$1,280,060, \$1,186,840, and \$1,132,746, respectively, which met the required minimum contribution for each year.

**IPERS**

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

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, 2000, 1999, and 1998, were \$802,297, \$737,541, and \$716,207, respectively, equal to the required contributions for each year.

**CITY OF DUBUQUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**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, 2000, there were six series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$18,221,508.

**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 \$1,236,129 reported as landfill closure and postclosure care liability at June 30, 2000, represents the cumulative amount reported to date based on the use of 90 percent of the estimated capacity of cell 3 and the use of 90 percent of the estimated capacity of cell 4. The Agency will recognize the remaining estimated cost of closure and postclosure care of \$1,512,828 as the remaining capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 2000. 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, 2000, funds have been restricted for closure and postclosure costs in the amount of \$1,236,129, which equals the liability currently recognized.

**NOTE 16 – SUBSEQUENT EVENT**

In November 2000, the City issued \$6,265,000 of general obligation bonds to finance the construction of the Third Street parking ramp and construction of additional T-hangars at the Dubuque Regional Airport. The bonds bear interest rates ranging from 5.00% to 5.25% and mature in varying amounts from \$205,000 to \$510,000, with the final payment due in the fiscal year ending June 30, 2020. Funding sources to retire this issue will be Tax Increment Financing District property taxes and increased rental revenues from the T-hangars.

## **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, 2000**

**EXHIBIT A-1**

**ASSETS**

Cash and pooled cash investments	\$ 16,733,743
Receivables	
Taxes	104,381
Accounts	307,775
Accrued interest	156,500
Intergovernmental	757,504
Due from other funds	170,797
Advances to other funds	<u>1,930,949</u>
 Total Assets	 <u>\$ 20,161,649</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 331,068
Accrued payroll	113,054
Accrued compensated absences	344,970
Due to other funds	125,554
Deferred revenue	<u>11,064</u>
 Total Liabilities	 <u>925,710</u>

**FUND BALANCES**

Reserved for encumbrances	2,346,597
Reserved for advances	1,930,949
Unreserved, undesignated	<u>14,958,393</u>
 Total Fund Balances	 <u>19,235,939</u>
 Total Liabilities and Fund Balances	 <u>\$ 20,161,649</u>

**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, 2000****REVENUES**

Taxes	\$ 21,121,428
Licenses and permits	612,872
Intergovernmental	2,432,434
Charges for services	7,882,053
Fines and forfeits	340,551
Miscellaneous	824,343
Interest	<u>1,358,580</u>
Total Revenues	<u>34,572,261</u>

**EXPENDITURES**

Current	
Policy and administration	4,409,560
Community protection	13,907,034
Home and community environment	6,536,143
Human development	<u>7,262,308</u>
Total Expenditures	<u>32,115,045</u>

**EXCESS OF REVENUES OVER EXPENDITURES**2,457,216**OTHER FINANCING SOURCES (USES)**

Note proceeds	260,000
Operating transfers in	2,317,211
Operating transfers from component unit	26,549
Operating transfers out	<u>(771,001)</u>
Total Other Financing Sources (Uses)	<u>1,832,759</u>

**EXCESS OF REVENUES AND OTHER SOURCES**4,289,975**OVER EXPENDITURES AND OTHER USES****FUND BALANCES, BEGINNING**14,945,964**FUND BALANCES, ENDING**\$ 19,235,939

# 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.

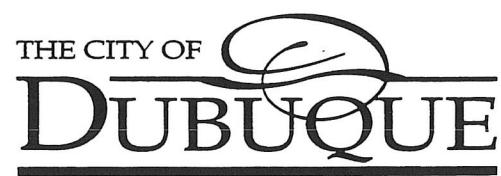
**Police and Fire Retirement Fund** - This fund is used to account for the balance of actuarially-determined excess pension funds as calculated when local retirement systems were terminated and combined into a statewide retirement system. The excess funds may be used to help fund the City's portion of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

**Law Enforcement Block Grant Fund** - This fund is used to account for the use of law enforcement block grants as received from governmental agencies.





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**CITY OF DUBUQUE, IOWA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

	<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	\$ 4,119,882	\$ 64,366	\$ 4,588,658	\$ 466,882
Receivables				
Taxes	-	11,214	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	59,499	-
Notes - current	-	-	671,582	1,500
Notes - long-term	-	-	8,987,705	14,990
Intergovernmental	368,536	-	110,152	649,225
Due from other funds	-	-	-	125,554
 Total Assets	<u>\$ 4,488,418</u>	<u>\$ 75,580</u>	<u>\$ 14,417,596</u>	<u>\$ 1,258,151</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 193,913	\$ -	\$ 1,114	\$ 33,186
Accrued payroll	3,657	-	5,486	2,417
Accrued compensated absences	-	-	5,206	15,769
Intergovernmental payable	-	-	599,894	833,589
Deferred revenue	-	1,190	-	-
 Total Liabilities	<u>197,570</u>	<u>1,190</u>	<u>611,700</u>	<u>884,961</u>
 <b>FUND BALANCES</b>				
Reserved for long-term notes receivable	-	-	8,987,705	14,990
Reserved for encumbrances	110,880	-	379,834	22,749
Reserved for debt service	-	-	-	-
Unreserved, undesignated	<u>4,179,968</u>	<u>74,390</u>	<u>4,438,357</u>	<u>335,451</u>
 Total Fund Balances	<u>4,290,848</u>	<u>74,390</u>	<u>13,805,896</u>	<u>373,190</u>
 Total Liabilities and Fund Balances	<u>\$ 4,488,418</u>	<u>\$ 75,580</u>	<u>\$ 14,417,596</u>	<u>\$ 1,258,151</u>

**EXHIBIT B-1**

<u>Tort Liability</u>	<u>Police and Fire Retirement</u>	<u>Special Assessments</u>	<u>Tax Increment Financing</u>	<u>Law Enforcement Block Grant</u>	<u>Total</u>
\$ 13,080	\$ 636,416	\$ 847,763	\$ 286,820	\$ 191	\$ 11,024,058
2,108	-	-	-	-	13,322
-	-	487,808	-	-	487,808
-	-	-	2,819	-	62,318
-	-	-	-	-	673,082
-	-	-	-	-	9,002,695
-	-	-	-	-	1,127,913
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,554</u>
<u>\$ 15,188</u>	<u>\$ 636,416</u>	<u>\$ 1,335,571</u>	<u>\$ 289,639</u>	<u>\$ 191</u>	<u>\$ 22,516,750</u>
\$ -	\$ -	\$ -	\$ 59,773	\$ -	\$ 287,986
-	-	-	-	-	11,560
-	-	-	-	-	20,975
-	-	-	-	191	1,433,674
<u>223</u>	<u>-</u>	<u>438,476</u>	<u>-</u>	<u>-</u>	<u>439,889</u>
<u>223</u>	<u>-</u>	<u>438,476</u>	<u>59,773</u>	<u>191</u>	<u>2,194,084</u>
-	-	-	-	-	9,002,695
-	-	-	14,090	-	527,553
-	-	-	215,776	-	215,776
<u>14,965</u>	<u>636,416</u>	<u>897,095</u>	<u>-</u>	<u>-</u>	<u>10,576,642</u>
<u>14,965</u>	<u>636,416</u>	<u>897,095</u>	<u>229,866</u>	<u>-</u>	<u>20,322,666</u>
<u>\$ 15,188</u>	<u>\$ 636,416</u>	<u>\$ 1,335,571</u>	<u>\$ 289,639</u>	<u>\$ 191</u>	<u>\$ 22,516,750</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, 2000**

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	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,239,992	\$ -	\$ -
Special assessments	- -	- -	- -	- -
Intergovernmental	4,719,061	- -	1,605,767	3,383,018
Miscellaneous	- -	- -	11,233	34,720
Interest	- -	- -	286,393	3,140
<b>Total Revenues</b>	<b>4,719,061</b>	<b>1,239,992</b>	<b>1,903,393</b>	<b>3,420,878</b>
<b>EXPENDITURES</b>				
Current				
Policy and administration	133,549	265	392,823	- -
Community protection	- -	- -	- -	- -
Home and community environment	1,957,406	- -	1,686,162	3,297,526
Human development	- -	- -	231,158	- -
Debt service				
Principal retirement	- -	- -	- -	- -
Interest	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>2,090,955</b>	<b>265</b>	<b>2,310,143</b>	<b>3,297,526</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,628,106</b>	<b>1,239,727</b>	<b>(406,750)</b>	<b>123,352</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Note proceeds	- -	- -	- -	- -
Operating transfers in	- -	225,554	100,000	- -
Operating transfers out	(900,236)	(1,462,813)	(148,589)	- -
<b>Total Other Financing Sources (Uses)</b>	<b>(900,236)</b>	<b>(1,237,259)</b>	<b>(48,589)</b>	<b>- -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,727,870</b>	<b>2,468</b>	<b>(455,339)</b>	<b>123,352</b>
<b>FUND BALANCES, BEGINNING</b>	<b>2,562,978</b>	<b>71,922</b>	<b>14,261,235</b>	<b>249,838</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 4,290,848</b>	<b>\$ 74,390</b>	<b>\$ 13,805,896</b>	<b>\$ 373,190</b>

Tort Liability	Police and Fire Retirement	Special Assessments	Tax Increment Financing	Law Enforcement Block Grant	Total
\$ 233,599	\$ -	\$ -	\$ 1,167,440	\$ -	\$ 2,641,031
-	-	77,793	-	-	77,793
-	-	-	-	-	9,707,846
-	-	-	1,975	-	47,928
-	-	57,837	60,251	-	407,621
<u>233,599</u>	<u>-</u>	<u>135,630</u>	<u>1,229,666</u>	<u>-</u>	<u>12,882,219</u>
-	-	-	-	-	526,637
-	-	-	-	193	193
-	-	-	1,505,686	-	8,446,780
-	-	-	-	-	231,158
-	-	-	190,000	-	190,000
-	-	-	146,904	-	146,904
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,842,590</u>	<u>193</u>	<u>9,541,672</u>
<u>233,599</u>	<u>-</u>	<u>135,630</u>	<u>(612,924)</u>	<u>(193)</u>	<u>3,340,547</u>
-	-	-	1,863,169	-	1,863,169
-	-	-	-	-	325,554
<u>(232,026)</u>	<u>(225,554)</u>	<u>(335,705)</u>	<u>(953,209)</u>	<u>-</u>	<u>(4,258,132)</u>
<u>(232,026)</u>	<u>(225,554)</u>	<u>(335,705)</u>	<u>909,960</u>	<u>-</u>	<u>(2,069,409)</u>
1,573	(225,554)	(200,075)	297,036	(193)	1,271,138
<u>13,392</u>	<u>861,970</u>	<u>1,097,170</u>	<u>(67,170)</u>	<u>193</u>	<u>19,051,528</u>
<u>\$ 14,965</u>	<u>\$ 636,416</u>	<u>\$ 897,095</u>	<u>\$ 229,866</u>	<u>\$ -</u>	<u>\$ 20,322,666</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, 2000**

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**EXHIBIT C-1**

**ASSETS**

Cash and pooled cash investments	\$ 338,390
Receivables	
Taxes	15,030
Accrued interest	<u>4,835</u>
 Total Assets	 <u>\$ 358,255</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Deferred revenue	\$ 1,593
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**FUND BALANCE**

Reserved for debt service	<u>356,662</u>
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Total Liabilities and Fund Balance	<u>\$ 358,255</u>
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**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, 2000**

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REVENUES	
Taxes	\$ 1,799,068
Interest	46,516
Total Revenues	<u>1,845,584</u>
EXPENDITURES	
Current	
Policy and administration	2,025
Debt service	
Principal retirement	1,655,000
Interest and fiscal charges	320,271
Total Expenditures	<u>1,977,296</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(131,712)
OTHER FINANCING SOURCES	
Operating transfers in	<u>35,584</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	(96,128)
FUND BALANCE, BEGINNING	<u>452,790</u>
FUND BALANCE, ENDING	<u>\$ 356,662</u>

# 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, 2000**

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 2,311,399	\$ 732,099	\$ 603,990
Receivables			
Accrued interest	12,812	4,244	3,197
Intergovernmental	<u>282,590</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,606,801</u>	<u>\$ 736,343</u>	<u>\$ 607,187</u>
<b>LIABILITIES AND FUND BALANCES (Deficit)</b>			
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 203,127</u>	<u>\$ 32,533</u>	<u>\$ -</u>
<b>FUND BALANCES (Deficit)</b>			
Reserved for encumbrances	948,816	-	-
Reserved for dog track	-	-	607,187
Unreserved, undesignated (deficit)	<u>1,454,858</u>	<u>703,810</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>2,403,674</u>	<u>703,810</u>	<u>607,187</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 2,606,801</u>	<u>\$ 736,343</u>	<u>\$ 607,187</u>

<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ 1,438,880	\$ 83,123	\$ 1,927,145	\$ 7,096,636
935	16	10,430	31,634
<u>-</u>	<u>-</u>	<u>188,393</u>	<u>470,983</u>
<u>\$ 1,439,815</u>	<u>\$ 83,139</u>	<u>\$ 2,125,968</u>	<u>\$ 7,599,253</u>
 <u>\$ 254,847</u>	<u>\$ 287,221</u>	<u>\$ 2,840</u>	<u>\$ 780,568</u>
688,684	-	267,838	1,905,338
-	-	-	607,187
<u>496,284</u>	<u>(204,082)</u>	<u>1,855,290</u>	<u>4,306,160</u>
<u>1,184,968</u>	<u>(204,082)</u>	<u>2,123,128</u>	<u>6,818,685</u>
<u>\$ 1,439,815</u>	<u>\$ 83,139</u>	<u>\$ 2,125,968</u>	<u>\$ 7,599,253</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, 2000**

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	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
<b>REVENUES</b>			
Taxes	\$ 1,826,570	\$ -	\$ -
Intergovernmental	28,923	-	-
Miscellaneous	50,491	-	18,198
Racing Association	-	-	120,000
Passenger facility charges	-	-	-
Interest	<u>143,824</u>	<u>39,762</u>	<u>29,276</u>
Total Revenues	2,049,808	39,762	167,474
<b>EXPENDITURES</b>			
Capital outlay	<u>5,078,037</u>	<u>325,026</u>	<u>223,900</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,028,229)</u>	<u>(285,264)</u>	<u>(56,426)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,072,117	-	-
Operating transfers out	<u>(66,692)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,005,425</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(2,022,804)</u>	<u>(285,264)</u>	<u>(56,426)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>4,426,478</u>	<u>989,074</u>	<u>663,613</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,403,674</u>	<u>\$ 703,810</u>	<u>\$ 607,187</u>

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<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ -	\$ -	\$ 1,217,713	\$ 3,044,283
179,645	2,432,494	-	2,641,062
83,808	-	16,398	168,895
15,000	-	-	135,000
-	156,167	-	156,167
7,811	2,035	83,079	305,787
<hr/>	<hr/>	<hr/>	<hr/>
286,264	2,590,696	1,317,190	6,451,194
<hr/>	<hr/>	<hr/>	<hr/>
3,495,897	2,799,543	822,151	12,744,554
<hr/>	<hr/>	<hr/>	<hr/>
(3,209,633)	(208,847)	495,039	(6,293,360)
<hr/>	<hr/>	<hr/>	<hr/>
1,577,417	10,000	-	2,659,534
(101,498)	-	(15,394)	(183,584)
<hr/>	<hr/>	<hr/>	<hr/>
1,475,919	10,000	(15,394)	2,475,950
<hr/>	<hr/>	<hr/>	<hr/>
(1,733,714)	(198,847)	479,645	(3,817,410)
<hr/>	<hr/>	<hr/>	<hr/>
2,918,682	(5,235)	1,643,483	10,636,095
<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,184,968	\$ (204,082)	\$ 2,123,128	\$ 6,818,685



# 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.

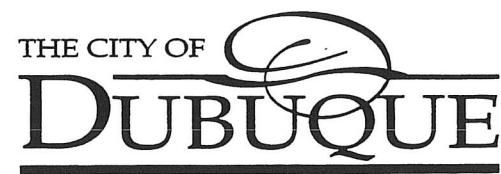
**Water Utility Fund** - This fund is used to account for the operations of the City's water facilities and services.

**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.





*Showing the Spirit.*

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

	<u>Sewage</u>	<u>Disposal</u>	<u>Water</u>	<u>Utility</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and pooled cash investments	\$ 5,856,557		\$ 2,338,028	
Receivables				
Property taxes				-
Accounts	607,107		480,492	
Accrued interest		32,907		12,808
Intergovernmental				-
Inventory			-	216,952
Prepaid items		5,037		-
Total Current Assets		<u>6,501,608</u>		<u>3,048,280</u>
<b>RESTRICTED ASSETS</b>				
Cash and pooled cash investments				-
<b>FIXED ASSETS</b>				
Land	175,671		144,066	
Buildings and improvements	31,558,924		6,434,671	
Improvements other than buildings	21,358,961		-	
Machinery and equipment	5,806,699		24,721,746	
Construction in progress	42,358		471,435	
Accumulated depreciation	(28,696,353)		(13,725,861)	
Net Fixed Assets	<u>30,246,260</u>		<u>18,046,057</u>	
Total Assets	<u>\$ 36,747,868</u>		<u>\$ 21,094,337</u>	

Parking Facilities	Refuse Collection	Transit System	Total
\$ 2,690,290	\$ 1,329,881	\$ 907,246	\$ 13,122,002
-	-	5,028	5,028
3,549	187,587	343	1,279,078
10,337	-	-	56,052
-	-	1,591	1,591
-	-	11,056	228,008
-	-	-	5,037
<u>2,704,176</u>	<u>1,517,468</u>	<u>925,264</u>	<u>14,696,796</u>
<u>553,006</u>	<u>-</u>	<u>-</u>	<u>553,006</u>
911,015	-	36,000	1,266,752
8,978,929	-	1,891,275	48,863,799
-	-	-	21,358,961
786,474	1,014,694	2,886,231	35,215,844
1,428,648	-	-	1,942,441
(4,386,544)	(769,712)	(2,266,113)	(49,844,583)
<u>7,718,522</u>	<u>244,982</u>	<u>2,547,393</u>	<u>58,803,214</u>
<u>\$ 10,975,704</u>	<u>\$ 1,762,450</u>	<u>\$ 3,472,657</u>	<u>\$ 74,053,016</u>

(continued)

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

	Sewage Disposal Works	Water Utility
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 89,825	\$ 41,174
Accrued payroll	18,878	15,891
General obligation bonds payable - current	140,000	55,000
Revenue bonds payable - current	-	-
Accrued compensated absences	69,448	71,187
Due to component unit	-	-
Advances from other funds	1,387,839	543,110
Advances from component unit	988,750	-
Total Current Liabilities	<u>2,694,740</u>	<u>726,362</u>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accrued interest payable	-	-
<b>NONCURRENT LIABILITIES</b>		
General obligation bonds payable (net of discount of \$27,500)	460,000	195,000
Revenue bonds payable (net of \$26,666 deferred amount on refunding)	-	-
Total Noncurrent Liabilities	<u>460,000</u>	<u>195,000</u>
Total Liabilities	<u>3,154,740</u>	<u>921,362</u>
<b>EQUITY</b>		
Contributed Capital		
Government	3,430,836	-
Intergovernmental	11,943,895	-
Developers and users	11,351,634	2,590,135
Total Contributed Capital	<u>26,726,365</u>	<u>2,590,135</u>
Retained Earnings (Deficit)		
Reserved by bond ordinance	-	-
Unreserved	6,866,763	17,582,840
Total Retained Earnings (Deficit)	<u>6,866,763</u>	<u>17,582,840</u>
Total Equity	<u>33,593,128</u>	<u>20,172,975</u>
Total Liabilities and Equity	<u>\$ 36,747,868</u>	<u>\$ 21,094,337</u>

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

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<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 68,943	\$ 5,683	\$ 24,650	\$ 230,275
5,471	13,610	10,312	64,162
-	-	-	195,000
165,000	-	-	165,000
29,143	49,513	41,603	260,894
-	42,089	-	42,089
-	-	-	1,930,949
-	-	-	988,750
<u>268,557</u>	<u>110,895</u>	<u>76,565</u>	<u>3,877,119</u>
 28,644	 -	 -	 28,644
 2,722,500	 -	 -	 3,377,500
<u>1,863,334</u>	<u>-</u>	<u>-</u>	<u>1,863,334</u>
<u>4,585,834</u>	<u>-</u>	<u>-</u>	<u>5,240,834</u>
<u>4,883,035</u>	<u>110,895</u>	<u>76,565</u>	<u>9,146,597</u>
 - 61,704	 1,408,710	 4,901,250	
<u>- 274,650</u>	<u>5,205,657</u>	<u>17,424,202</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,941,769</u>
<u>- 336,354</u>	<u>6,614,367</u>	<u>36,267,221</u>	
 553,006	 -	 -	 553,006
<u>5,539,663</u>	<u>1,315,201</u>	<u>(3,218,275)</u>	<u>28,086,192</u>
<u>6,092,669</u>	<u>1,315,201</u>	<u>(3,218,275)</u>	<u>28,639,198</u>
 6,092,669	 1,651,555	 3,396,092	 64,906,419
<u>\$ 10,975,704</u>	<u>\$ 1,762,450</u>	<u>\$ 3,472,657</u>	<u>\$ 74,053,016</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, 2000**

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	Sewage Disposal Works	Water Utility
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 4,757,546	\$ 4,025,295
Other	<u>200,497</u>	<u>252,236</u>
Total Operating Revenues	<u>4,958,043</u>	<u>4,277,531</u>
<b>OPERATING EXPENSES</b>		
Employee expense	1,253,647	1,234,367
Utilities	382,553	291,741
Repairs and maintenance	236,905	111,868
Supplies and services	1,289,697	885,727
Insurance	64,038	47,720
Depreciation	<u>967,482</u>	<u>978,555</u>
Total Operating Expenses	<u>4,194,322</u>	<u>3,549,978</u>
<b>OPERATING INCOME (LOSS)</b>	<u>763,721</u>	<u>727,553</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest revenue	265,989	104,523
Interest expense	(112,871)	(46,446)
Operating grants	-	-
Taxes	-	-
Loss on disposal of assets	<u>(2,924)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>150,194</u>	<u>58,077</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>913,915</u>	<u>785,630</u>
<b>OPERATING TRANSFERS</b>		
Operating transfers in	294,417	114,361
Operating transfers out	<u>(203,432)</u>	<u>(157,219)</u>
Total Operating Transfers	<u>90,985</u>	<u>(42,858)</u>
<b>NET INCOME (LOSS)</b>	<u>1,004,900</u>	<u>742,772</u>
<b>RETAINED EARNINGS (DEFICIT), BEGINNING</b>	<u>5,861,863</u>	<u>16,840,068</u>
<b>RETAINED EARNINGS (DEFICIT), ENDING</b>	<u>\$ 6,866,763</u>	<u>\$ 17,582,840</u>

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Parking Facilities	Refuse Collection	Transit System	Total
\$ 1,196,725	\$ 1,793,517	\$ 195,174	\$ 11,968,257
3,035	3,745	45,997	505,510
<u>1,199,760</u>	<u>1,797,262</u>	<u>241,171</u>	<u>12,473,767</u>
422,540	893,793	816,628	4,620,975
50,597	1,261	38,726	764,878
31,985	506,899	62,384	950,041
66,255	246,765	390,263	2,878,707
11,006	21,393	75,780	219,937
317,443	91,869	293,545	2,648,894
<u>899,826</u>	<u>1,761,980</u>	<u>1,677,326</u>	<u>12,083,432</u>
299,934	<u>35,282</u>	<u>(1,436,155)</u>	<u>390,335</u>
78,646	-	-	449,158
(107,466)	-	-	(266,783)
-	-	650,725	650,725
-	-	579,620	579,620
-	-	-	(2,924)
<u>(28,820)</u>	<u>-</u>	<u>1,230,345</u>	<u>1,409,796</u>
271,114	<u>35,282</u>	<u>(205,810)</u>	<u>1,800,131</u>
-	-	15,394	424,172
(25,040)	<u>(163,647)</u>	<u>-</u>	<u>(549,338)</u>
<u>(25,040)</u>	<u>(163,647)</u>	<u>15,394</u>	<u>(125,166)</u>
246,074	(128,365)	(190,416)	1,674,965
5,846,595	<u>1,443,566</u>	<u>(3,027,859)</u>	<u>26,964,233</u>
<u>\$ 6,092,669</u>	<u>\$ 1,315,201</u>	<u>\$ (3,218,275)</u>	<u>\$ 28,639,198</u>

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Sewage Disposal Works	Water Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 763,721	\$ 727,553
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	967,482	978,555
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	34,510	17,266
Decrease in intergovernmental receivable	-	-
(Increase) decrease in inventory	-	7,907
Increase (decrease) in accounts payable	19,141	(36,625)
Decrease in accrued payroll	(19,404)	(22,741)
Increase (decrease) in accrued compensated absences	(16,992)	(6,903)
Decrease in due to component unit	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>1,748,458</u></b>	<b><u>1,665,012</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes received	-	-
Operating grants received	-	-
Operating transfers in	294,417	114,361
Operating transfers out	(203,432)	(157,219)
Repayment of advances from other funds	(38,481)	(28,151)
Advances from component unit	<u>427,500</u>	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b><u>480,004</u></b>	<b><u>(71,009)</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of fixed assets	(950,948)	(949,610)
Proceeds from sale of bonds	-	-
Principal paid on bonds	(140,000)	(50,000)
Interest paid on bonds	(112,871)	(46,446)
Capital contributed by intergovernmental	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>(1,203,819)</u></b>	<b><u>(1,046,056)</u></b>

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<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 299,934	\$ 35,282	\$ (1,436,155)	\$ 390,335
317,443	91,869	293,545	2,648,894
3,856	8,940	(42)	64,530
-	-	505,023	505,023
-	-	(5,686)	2,221
58,465	3,113	(6,898)	37,196
(7,962)	(13,965)	(16,370)	(80,442)
4,239	2,307	199	(17,150)
<u>-</u>	<u>(6,005)</u>	<u>-</u>	<u>(6,005)</u>
<u>675,975</u>	<u>121,541</u>	<u>(666,384)</u>	<u>3,544,602</u>
-	-	579,309	579,309
-	-	650,725	650,725
-	-	15,394	424,172
(25,040)	(163,647)	-	(549,338)
-	-	-	(66,632)
<u>-</u>	<u>-</u>	<u>-</u>	<u>427,500</u>
<u>(25,040)</u>	<u>(163,647)</u>	<u>1,245,428</u>	<u>1,465,736</u>
(1,623,160)	-	(26,148)	(3,549,866)
2,722,500	-	-	2,722,500
(152,333)	-	-	(342,333)
(95,188)	-	-	(254,505)
<u>-</u>	<u>-</u>	<u>9,830</u>	<u>9,830</u>
<u>851,819</u>	<u>-</u>	<u>(16,318)</u>	<u>(1,414,374)</u>

(continued)

**CITY OF DUBUQUE, IOWA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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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>\$ 254,585</u>	<u>\$ 98,752</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,279,228	646,699
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,577,329</u>	<u>1,691,329</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,856,557</u>	<u>\$ 2,338,028</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from developers and users	<u>\$ 1,062,932</u>	<u>\$ 156,090</u>

EXHIBIT E-3  
(continued)

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<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
<u>\$ 75,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,082</u>
1,578,499	(42,106)	562,726	4,025,046
<u>1,664,797</u>	<u>1,371,987</u>	<u>344,520</u>	<u>9,649,962</u>
<u>\$ 3,243,296</u>	<u>\$ 1,329,881</u>	<u>\$ 907,246</u>	<u>\$ 13,675,008</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,022</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.

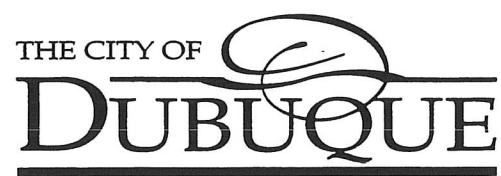
**Garage Service Fund** - This fund is used to account for the maintenance and repair services for the City's automotive equipment.

**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.





*Showing the Spirit.*

**CITY OF DUBUQUE, IOWA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

	<u>General</u>	<u>Garage</u>
	<u>Service</u>	<u>Service</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and pooled cash investments	\$ -	\$ -
Insurance deposit	-	-
Accrued interest receivable	-	-
Inventory	-	<u>25,238</u>
Total Current Assets	-	<u>25,238</u>
<b>FIXED ASSETS</b>		
Machinery and equipment	-	<u>177,519</u>
Accumulated depreciation	-	<u>(125,577)</u>
Net Fixed Assets	-	<u>51,942</u>
Total Assets	<u>\$ -</u>	<u>\$ 77,180</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 2,450
Accrued payroll	<u>14,264</u>	-
Due to other funds	<u>164,502</u>	<u>6,295</u>
Total Liabilities	<u>178,766</u>	<u>8,745</u>
<b>EQUITY</b>		
Contributed Capital - Government	-	<u>24,233</u>
Retained earnings (deficit), unreserved	<u>(178,766)</u>	<u>44,202</u>
Total Equity	<u>(178,766)</u>	<u>68,435</u>
Total Liabilities and Equity	<u>\$ -</u>	<u>\$ 77,180</u>

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Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 6,783	\$ 1,938,665	\$ 1,016,421	\$ 2,961,869
-	-	1,000	1,000
-	10,385	5,659	16,044
4,156	-	-	29,394
<u>10,939</u>	<u>1,949,050</u>	<u>1,023,080</u>	<u>3,008,307</u>
-	-	-	177,519
-	-	-	(125,577)
-	-	-	51,942
<u>\$ 10,939</u>	<u>\$ 1,949,050</u>	<u>\$ 1,023,080</u>	<u>\$ 3,060,249</u>
\$ 1,251	\$ 458,867	\$ 127,079	\$ 589,647
-	-	-	14,264
-	-	-	170,797
<u>1,251</u>	<u>458,867</u>	<u>127,079</u>	<u>774,708</u>
-	-	-	24,233
<u>9,688</u>	<u>1,490,183</u>	<u>896,001</u>	<u>2,261,308</u>
<u>9,688</u>	<u>1,490,183</u>	<u>896,001</u>	<u>2,285,541</u>
<u>\$ 10,939</u>	<u>\$ 1,949,050</u>	<u>\$ 1,023,080</u>	<u>\$ 3,060,249</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, 2000**

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	<u>General</u> <u>Service</u>	<u>Garage</u> <u>Service</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	<u>\$ 617,357</u>	<u>\$ 824,505</u>
<b>OPERATING EXPENSES</b>		
Employee expense	644,517	527,388
Utilities	-	13,766
Repairs and maintenance	-	13,514
Supplies and services	-	244,745
Insurance	-	6,007
Depreciation	-	12,494
Total Operating Expenses	<u>644,517</u>	<u>817,914</u>
<b>OPERATING INCOME (LOSS)</b>	<b>(27,160)</b>	<b>6,591</b>
<b>NONOPERATING REVENUES</b>		
Interest revenue	-	-
<b>NET INCOME (LOSS)</b>	<b>(27,160)</b>	<b>6,591</b>
<b>RETAINED EARNINGS (DEFICIT), BEGINNING</b>	<b>(151,606)</b>	<b>37,611</b>
<b>RETAINED EARNINGS (DEFICIT), ENDING</b>	<b><u>\$ (178,766)</u></b>	<b><u>\$ 44,202</u></b>

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Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 43,333	\$ 3,380,253	\$ 200,557	\$ 5,066,005
-	-	-	1,171,905
-	-	-	13,766
-	-	-	13,514
38,919	-	-	283,664
-	3,084,516	220,977	3,311,500
-	-	-	12,494
38,919	<u>3,084,516</u>	<u>220,977</u>	<u>4,806,843</u>
4,414	295,737	(20,420)	259,162
-	87,985	49,423	137,408
4,414	383,722	29,003	396,570
5,274	<u>1,106,461</u>	<u>866,998</u>	<u>1,864,738</u>
\$ 9,688	<u>\$ 1,490,183</u>	<u>\$ 896,001</u>	<u>\$ 2,261,308</u>

**CITY OF DUBUQUE, IOWA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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	<u>General</u> <u>Service</u>	<u>Garage</u> <u>Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (27,160)	\$ 6,591
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	- 12,494	
Depreciation	- 12,494	
Changes in assets and liabilities		
(Increase) decrease in inventory	- (9,527)	
Increase (decrease) in accounts payable	- 865	
Decrease in accrued payroll	(13,401) (17,035)	
Increase (decrease) in due to other funds	40,561 6,295	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>-</u>	<u>(317)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of fixed assets	<u>-</u>	<u>(3,515)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on cash and pooled cash investments	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>(3,832)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>-</u>	<u>3,832</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contributions of fixed assets from government	<u>\$ - 24,233</u>	

Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 4,414	\$ 295,737	\$ (20,420)	\$ 259,162
-	-	-	12,494
1,294	-	-	(8,233)
1,251	14,832	(26,586)	(9,638)
-	-	-	(30,436)
<u>(176)</u>	<u>-</u>	<u>-</u>	<u>46,680</u>
<u>6,783</u>	<u>310,569</u>	<u>(47,006)</u>	<u>270,029</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,515)</u>
<u>-</u>	<u>84,340</u>	<u>48,344</u>	<u>132,684</u>
6,783	394,909	1,338	399,198
<u>-</u>	<u>1,543,756</u>	<u>1,015,083</u>	<u>2,562,671</u>
<u>\$ 6,783</u>	<u>\$ 1,938,665</u>	<u>\$ 1,016,421</u>	<u>\$ 2,961,869</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,233</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, 2000**

**Exhibit G-1**

	Expendable Trust	Nonexpendable Trust	Agency	Totals
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 1,029,653	\$ 204,377	\$ -	\$ 1,234,030
Receivables				
Accounts	39,443	-	-	39,443
Accrued interest	-	389	-	389
Restricted assets				
Cash and pooled cash investments	<u>19,327</u>	<u>-</u>	<u>16,021</u>	<u>35,348</u>
Total Assets	<u>\$ 1,088,423</u>	<u>\$ 204,766</u>	<u>\$ 16,021</u>	<u>\$ 1,309,210</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accrued payroll	\$ 9,393	\$ -	\$ -	\$ 9,393
Due to employees	-	-	16,021	16,021
Deferred revenue	<u>390,600</u>	<u>-</u>	<u>-</u>	<u>390,600</u>
Total Liabilities	<u>399,993</u>	<u>-</u>	<u>16,021</u>	<u>416,014</u>
<b>FUND BALANCES</b>				
Reserved by franchise agreement	19,327	-	-	19,327
Reserved for endowments	-	204,766	-	204,766
Unreserved, undesignated	<u>669,103</u>	<u>-</u>	<u>-</u>	<u>669,103</u>
Total Fund Balances	<u>688,430</u>	<u>204,766</u>	<u>-</u>	<u>893,196</u>
Total Liabilities and Fund Balances	<u>\$ 1,088,423</u>	<u>\$ 204,766</u>	<u>\$ 16,021</u>	<u>\$ 1,309,210</u>

**CITY OF DUBUQUE, IOWA**  
**EXPENDABLE TRUST FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

**EXHIBIT G-2**

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 1,027,875	\$ 1,778	\$ 1,029,653
Accounts receivable	39,443	-	39,443
Restricted assets			
Cash and pooled cash investments	<u>19,327</u>	<u>-</u>	<u>19,327</u>
Total Assets	<u>\$ 1,086,645</u>	<u>\$ 1,778</u>	<u>\$ 1,088,423</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accrued payroll	\$ 9,393	\$ -	\$ 9,393
Deferred revenue	<u>390,600</u>	<u>-</u>	<u>390,600</u>
Total Liabilities	<u>399,993</u>	<u>-</u>	<u>399,993</u>
<b>FUND BALANCES</b>			
Reserved by franchise agreement	19,327	-	19,327
Unreserved, undesignated	<u>667,325</u>	<u>1,778</u>	<u>669,103</u>
Total Fund Balances	<u>686,652</u>	<u>1,778</u>	<u>688,430</u>
Total Liabilities and Fund Balances	<u>\$ 1,086,645</u>	<u>\$ 1,778</u>	<u>\$ 1,088,423</u>

**CITY OF DUBUQUE, IOWA**  
**EXPENDABLE TRUST FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**EXHIBIT G-3**

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
<b>REVENUES</b>			
Franchise fees	\$ 475,075	\$ -	\$ 475,075
Miscellaneous	10,450	-	10,450
<b>Total Revenues</b>	<b>485,525</b>	<b>-</b>	<b>485,525</b>
<b>EXPENDITURES</b>			
Current			
Policy and administration	134,467	-	134,467
Home and community environment	256,279	2,454	258,733
<b>Total Expenditures</b>	<b>390,746</b>	<b>2,454</b>	<b>393,200</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>94,779</b>	<b>(2,454)</b>	<b>92,325</b>
<b>FUND BALANCES, BEGINNING</b>	<b>591,873</b>	<b>4,232</b>	<b>596,105</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 686,652</b>	<b>\$ 1,778</b>	<b>\$ 688,430</b>

**CITY OF DUBUQUE, IOWA**  
**NONEXPENDABLE TRUST FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2000**

**EXHIBIT G-4**

	<u>Ella Lyons</u>	<u>Library</u>	
	<u>Peony Trail</u>	<u>Gifts</u>	
	<u>Trust</u>	<u>Trust</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 134,889	\$ 69,488	\$ 204,377
Accrued interest receivable	<u>-</u>	<u>389</u>	<u>389</u>
<b>Total Assets</b>	<b><u>\$ 134,889</u></b>	<b><u>\$ 69,877</u></b>	<b><u>\$ 204,766</u></b>
<b>FUND BALANCES</b>			
Reserved for endowments	<u>\$ 134,889</u>	<u>\$ 69,877</u>	<u>\$ 204,766</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, 2000**

**EXHIBIT G-5**

	<u>Ella Lyons</u>	<u>Library</u>	
	<u>Peony Trail</u>	<u>Gifts</u>	
	<u>Trust</u>	<u>Trust</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Miscellaneous	\$ -	\$ 37,439	\$ 37,439
Investment earnings	<u>(23,191)</u>	<u>3,145</u>	<u>(20,046)</u>
Total Operating Revenues	<u>(23,191)</u>	40,584	17,393
<b>OPERATING EXPENSES</b>			
Supplies and services	<u>890</u>	<u>31,507</u>	<u>32,397</u>
NET INCOME (LOSS)	(24,081)	9,077	(15,004)
FUND BALANCES, BEGINNING	<u>158,970</u>	<u>60,800</u>	<u>219,770</u>
FUND BALANCES, ENDING	<u>\$ 134,889</u>	<u>\$ 69,877</u>	<u>\$ 204,766</u>

**CITY OF DUBUQUE, IOWA**  
**NONEXPENDABLE TRUST FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**EXHIBIT G-6**

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ (24,081)	\$ 9,077	\$ (15,004)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities			
Investment earnings	<u>23,191</u>	<u>(3,145)</u>	<u>20,046</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(890)</b>	<b>5,932</b>	<b>5,042</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on cash and pooled cash investments	<u>(23,191)</u>	<u>3,032</u>	<u>(20,159)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(24,081)</b>	<b>8,964</b>	<b>(15,117)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>158,970</u></b>	<b><u>60,524</u></b>	<b><u>219,494</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 134,889</u></b>	<b><u>\$ 69,488</u></b>	<b><u>\$ 204,377</u></b>

**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, 2000**

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	Balance July 1 1999	Net Additions	Net Deductions	Balance June 30 2000
<b><u>Flexible Spending Fund</u></b>				
<b>ASSETS</b>				
Restricted cash and pooled cash investments	<u>\$ 16,867</u>	<u>\$ 143,587</u>	<u>\$ 144,433</u>	<u>\$ 16,021</u>
<b>LIABILITIES</b>				
Due to employees	<u>\$ 16,867</u>	<u>\$ 143,587</u>	<u>\$ 144,433</u>	<u>\$ 16,021</u>



**GENERAL FIXED ASSETS  
ACCOUNT GROUP**



**CITY OF DUBUQUE, IOWA****EXHIBIT H-1****COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE**  
**JUNE 30, 2000****GENERAL FIXED ASSETS**

Land	\$ 13,815,263
Buildings and improvements	39,022,065
Improvements other than buildings	4,511,968
Machinery and equipment	17,382,944
Construction in progress	<u>26,571,664</u>
 Total General Fixed Assets	 <u>\$ 101,303,904</u>

**INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE**

Investments in property acquired prior to July 1, 1983	\$ 1,440,960	*
General fund	66,358,676	
Special revenue funds	1,929,032	
Capital projects funds	29,113,306	
Donations	<u>2,461,930</u>	
 Total Investment in General Fixed Assets by Source	 <u>\$ 101,303,904</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, 2000**

PROGRAM AND DEPARTMENT	<u>Land</u>	Buildings and <u>Improvements</u>	
		\$	\$
<b>POLICY AND ADMINISTRATION</b>			
City Manager		\$	-
City Clerk		-	-
Finance		-	-
Legal		-	-
Information Services		-	-
Dog Track		-	9,070,894
Cable TV		-	-
City Council		-	-
Other - Unclassified		<u>3,559,675</u>	<u>4,418,364</u>
Total Policy and Administration		<u>3,559,675</u>	<u>13,489,258</u>
<b>COMMUNITY PROTECTION</b>			
Police	23,860	238,036	
Joint Communications	-	2,295	
Fire	161,100	2,106,284	
Disaster Services	-	-	
Human Rights	-	-	
Total Community Protection	<u>184,960</u>	<u>2,346,615</u>	
<b>HOME AND COMMUNITY ENVIRONMENT</b>			
Airport	1,021,201	5,661,945	
Engineering	85,000	-	
Street and Sewers	131,030	795,668	
Community Development	2,241,803	-	
Housing Services	-	-	
Planning Services	788,400	-	
Building Services	65,510	2,133,467	
Health Services	-	-	
Total Home and Community Environment	<u>4,332,944</u>	<u>8,591,080</u>	
<b>HUMAN DEVELOPMENT</b>			
Park	4,163,318	2,769,381	
Civic Center	172,246	4,874,196	
Recreation	1,335,160	3,802,075	
Library	66,960	3,149,460	
Total Human Development	<u>5,737,684</u>	<u>14,595,112</u>	
<b>CONSTRUCTION IN PROGRESS</b>			
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 13,815,263</u>	<u>\$ 39,022,065</u>	

Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
\$ -	\$ 101,310	\$ -	\$ 101,310
-	18,379	-	18,379
-	325,669	-	325,669
-	18,305	-	18,305
-	240,704	-	240,704
1,073,877	-	-	10,144,771
-	356,006	-	356,006
-	9,382	-	9,382
-	-	-	7,978,039
<u>1,073,877</u>	<u>1,069,755</u>	<u>-</u>	<u>19,192,565</u>
-	1,316,667	-	1,578,563
-	61,266	-	63,561
-	2,529,892	-	4,797,276
-	16,900	-	16,900
-	20,189	-	20,189
<u>-</u>	<u>3,944,914</u>	<u>-</u>	<u>6,476,489</u>
1,308,316	2,247,089	-	10,238,551
-	366,023	-	451,023
17,135	3,771,430	-	4,715,263
136,561	54,450	-	2,432,814
-	294,912	-	294,912
-	71,296	-	859,696
-	191,757	-	2,390,734
-	80,769	-	80,769
<u>1,462,012</u>	<u>7,077,726</u>	<u>-</u>	<u>21,463,762</u>
1,730,210	1,953,216	-	10,616,125
43,573	1,413,084	-	6,503,099
202,296	405,297	-	5,744,828
-	1,518,952	-	4,735,372
<u>1,976,079</u>	<u>5,290,549</u>	<u>-</u>	<u>27,599,424</u>
<u>-</u>	<u>-</u>	<u>26,571,664</u>	<u>26,571,664</u>
<u>\$ 4,511,968</u>	<u>\$ 17,382,944</u>	<u>\$ 26,571,664</u>	<u>\$ 101,303,904</u>

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS –**  
**BY PROGRAM AND DEPARTMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**EXHIBIT H-3**

PROGRAM AND DEPARTMENT	General Fixed Assets		General Fixed Assets	
	July 1 1999	Additions	Deductions	June 2000
<b>POLICY AND ADMINISTRATION</b>				
City Manager	\$ 108,208	\$ -	\$ 6,898	\$ 101,310
City Clerk	17,917	1,032	570	18,379
Finance	309,496	47,747	31,574	325,669
Legal	18,305	-	-	18,305
Information Services	149,967	90,737	-	240,704
Dog Track	10,144,771	-	-	10,144,771
Cable TV	299,641	68,906	12,541	356,006
City Council	9,382	-	-	9,382
Other - Unclassified	<u>7,978,039</u>	<u>-</u>	<u>-</u>	<u>7,978,039</u>
Total Policy and Administration	<u>19,035,726</u>	<u>208,422</u>	<u>51,583</u>	<u>19,192,565</u>
<b>COMMUNITY PROTECTION</b>				
Police	1,525,540	61,408	8,385	1,578,563
Joint Communications	69,991	-	6,430	63,561
Fire	4,599,448	278,926	81,098	4,797,276
Disaster Services	79,804	-	62,904	16,900
Human Rights	<u>20,189</u>	<u>-</u>	<u>-</u>	<u>20,189</u>
Total Community Protection	<u>6,294,972</u>	<u>340,334</u>	<u>158,817</u>	<u>6,476,489</u>
<b>HOME AND COMMUNITY ENVIRONMENT</b>				
Airport	9,923,914	360,793	46,156	10,238,551
Engineering	436,361	26,963	12,301	451,023
Street and Sewers	4,698,269	36,084	19,090	4,715,263
Community Development	2,109,870	322,944	-	2,432,814
Housing Services	312,788	17,688	35,564	294,912
Planning Services	621,296	238,400	-	859,696
Building Services	2,298,274	102,936	10,476	2,390,734
Health Services	<u>91,162</u>	<u>3,195</u>	<u>13,588</u>	<u>80,769</u>
Total Home and Community Environment	<u>20,491,934</u>	<u>1,109,003</u>	<u>137,175</u>	<u>21,463,762</u>
<b>HUMAN DEVELOPMENT</b>				
Park	9,159,550	1,481,656	25,081	10,616,125
Civic Center	6,029,238	481,023	7,162	6,503,099
Recreation	5,682,986	82,409	20,567	5,744,828
Library	<u>4,509,897</u>	<u>225,475</u>	<u>-</u>	<u>4,735,372</u>
Total Human Development	<u>25,381,671</u>	<u>2,270,563</u>	<u>52,810</u>	<u>27,599,424</u>
<b>CONSTRUCTION IN PROGRESS</b>				
	<u>20,004,287</u>	<u>8,963,734</u>	<u>2,396,357</u>	<u>26,571,664</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 91,208,590</b>	<b>\$ 12,892,056</b>	<b>\$ 2,796,742</b>	<b>\$101,303,904</b>

# **STATISTICAL SECTION**

## **(Unaudited)**



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

**Table 1**

<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>
1991	\$ 7,315	\$ 3,222	\$ 9,041	\$ 2,042	\$ 7,094	\$ 28,714
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

(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**

Fiscal Year	Licenses and Permits			Charges for Services					Total
	Taxes	Inter- Governmental	for Services	Fines	Interest	Miscellaneous			
1991	\$ 13,841	\$ 618	\$ 7,533	\$ 2,876	\$ 360	\$ 2,914	\$ 6,544	\$ 34,686	
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	

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

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

**Table 2A**

Fiscal Year	Property Tax	Money and Credits Replacement		Mobile Homes Tax	State Replacement		Sales Tax	Hotel Motel Tax	Total
		Replacement Tax	Personal Prop. Exemption						
1991	\$ 8,527	\$ 40	\$ 42	\$ 457	\$ 4,316	\$ 459	\$ 13,841		
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		



*Showing the Spirit.*

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

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<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>
1991	\$ 11,851	\$ 11,618	98.0%	\$ 383	\$ 12,001	101.3%
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

(1) Includes tax increment levy.

**Table 3**

---

Outstanding Delinquent Taxes	\$	Ratio of Delinquent Taxes to Total Tax Levy
	287	2.4%
	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

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

**Table 4**

Fiscal Year	Real Property		Exemptions		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Taxable Value	Assessed Actual Value	Real Property	Assessed Value	Estimated Actual Value		
1991	\$ 966,009	\$ 1,106,628	\$ 11,351	\$ 954,658	\$ 1,106,628		86.27%
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

**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>
1991	\$ 12.3004	\$ 12.8876	\$ .613	\$ .4515		\$ 6.2061	\$ 32.4586		37.90%
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

Source: Dubuque County Auditor's Office.

**CITY OF DUBUQUE, IOWA**  
**PRINCIPAL TAXPAYERS**  
**PAYABLE FISCAL YEAR 2000**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 6**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>1998 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Alliant Interstate Power Company	Utility	\$ 53,944	3.04%
Peoples Natural Gas Company	Utility	20,395	1.15
Kennedy Mall	Shopping Center	19,990	1.13
Nordstrom, Inc.	Warehouse Distributor	12,854	.72
Medical Associates Realty	Health Services	9,955	.56
U.S. West Communications	Telecommunications	9,199	.52
A.Y. McDonald Manufacturing Co.	Plumbing Supplies	8,150	.46
Plaza 20, Inc.	Shopping Plaza	7,861	.44
McGraw Hill	Publishing	7,366	.41
American Trust and Savings Bank	Bank	7,278	.41
<b>Totals</b>		<b>\$ 156,992</b>	<b>8.84%</b>

Source: Dubuque County Auditor's Office.

**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>
1991	\$ 72	\$ 373
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

(1) Includes prepayments.

**CITY OF DUBUQUE, IOWA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2000**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 8**

Actual Valuations		<u>\$ 1,990,428</u>
<b>Legal debt margin:</b>		
Debt limitation – 5% of actual valuations	\$	99,521
<b>Debt applicable to limitation:</b>		
Total bonded debt	\$	14,529
Less: Revenue bonds		(2,055)
Tax-increment financing bonds		<u>(1,963)</u>
Total debt applicable to limitation		<u>10,511</u>
Legal debt margin	\$	<u>89,010</u>

**CITY OF DUBUQUE, IOWA**  
**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)**

**Table 9**

Fiscal Year	Population (1)	Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value		Net Bonded Debt Per Capita
				Net Bonded Debt	Assessed Value	
1991	58	\$ 954,658	\$ 18,395	1.93%	\$ .317	
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	

(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**

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
1991	\$ 2,095	\$ 1,221	\$ 3,316	\$ 28,714	11.55%
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	1,335	43,634	3.06

(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, 2000**  
**(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>4,495</u> (1)	100.000%	\$ <u>4,495</u>
Total	\$ <u>4,495</u>		\$ <u>4,495</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	
1991	\$ 995	\$ 502	\$ 493	\$ -	\$ 216	\$ 216	2.28
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

(1) Total revenues (including interest).

(2) Total operating expenses exclusive of depreciation.

(3) Bond ordinance requires 1.3 coverage.

**CITY OF DUBUQUE, IOWA**  
**PROPERTY VALUE, CONSTRUCTION PERMITS, AND BANK DEPOSITS**  
**LAST TEN FISCAL YEARS**  
**(DOLLAR AMOUNTS EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

**Table 13**

Fiscal Year	Property Value (1)			Construction Permits		Bank Deposits (2)	
	Other (3)	Residential	Totals	Number of Permits	Value	Calendar Year	Total Deposits
1991	\$ 407,989	\$ 698,639	\$ 1,106,628	1,670	\$ 54,233	1990	\$ 714,000
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

(1) Estimated actual value from Table 4.

(2) Source: Federal Depository Insurance Corporation.

(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>
1990	\$ 506,139	6.04%
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)

Source: Iowa Department of Revenue and Finance.

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

**Table 15**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Per Capita Income</b>	<b>(3) Median Age</b>	<b>(4) School Enrollment</b>	<b>(5) Unemployment Rate</b>
1991	57,538	\$ 16,767	34	9,754	6.1%
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	*	34	9,697	2.7

**Data Sources:**

- (1) Bureau of Census, 1998 update of 1990 census.
- (2) Survey of Current Business, U.S. Department of Commerce.
- (3) Bureau of Census; 1990 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, 2000**

<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	7/1/00	Municipal General Liability Includes EMT's and Ambulance Service
Iowa Communities Assurance Pool	IP035901414000003	7/1/00	Municipal Auto Liability Includes Transit Liability
Iowa Communities Assurance Pool	IP015901414000003	7/1/00	Comprehensive & Collision
Iowa Communities Assurance Pool	IP039901414000003	7/1/00	Public Official Liability
Iowa Communities Assurance Pool	IP040891414000003	7/1/00	Police Professional
Great American Insurance Co.	15965	7/1/00	Airport Liability
St. Paul F & M Ins. Group	EM06649597	8/1/00	Professional Liability – Nurses
Transcontinental Insurance Co.	LLP1622436	8/1/00	Liquor Law Liability
<b><u>PROPERTY INSURANCE</u></b>			
The Cincinnati Insurance Co.	CAP 769 5890	7/1/00	Comprehensive Business Policy
<b><u>CRIME INSURANCE</u></b>			
Allied Group Insurance	BD7900557274	7/1/00	Public Official Bond
<b><u>BOILER INSURANCE</u></b>			
The Cincinnati Insurance Co.	BES 265 72 22	7/1/00	Boiler & Machinery

Table 16

Liability Limits			Annual Premium
\$ 5,000,000	Each Occurrence		\$ 133,603
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Occurrence		
\$ 5,000,000	Each Accident		101,968
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Accident		
	Per Scheduled Automobiles		58,911
\$ 5,000,000	Each Claim		25,228
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Claim		
\$ 5,000,000	Per Person/Agg.		36,513
\$ 100,000	Aggregate		
\$ 10,000	Deductible Per Claim		
\$ 20,000,000	Aggregate		35,413
\$ 1,000,000	Each Person		175
\$ 3,000,000	Total Limit		
\$ 1,000,000	Each Common Cause		1,872
\$ 97,641,730	Building & Contents		92,637
\$ 10,000	Deductible		
\$ 10,000,000	Earthquake		
\$ 547,940	Business Interruption		
\$ 747,307	EDP Equipment		
\$ 180,817	Mobile Equipment		
\$ 87,426	Communications Equipment		
\$ 16,000	Signing		
\$ 50,000	All Employees		3,836
\$ 1,000,000	City Manager		
\$ 1,000,000	Finance Director		
\$ 1,000,000	Deputy Finance Director		
\$ 1,000,000	Administrative Service Manager		
\$ 2,500,000	Per Accident		56,874
\$ 5,000	Deductible		
	Total		<u>\$ 547,030</u>

**CITY OF DUBUQUE, IOWA**  
**MISCELLANEOUS STATISTICS**  
**JUNE 30, 2000**  
**(UNAUDITED)**

**Table 17**

Date of Incorporation	1837
Form of Government	Council/Manager – Ward
Population – 1990 Census; 1998 update	56,467
Number of employees:	
Full Time	511
Part Time/Seasonal	270
Area in square miles	27
City of Dubuque facilities and services:	
Miles of streets	336
Number of street lights	3,991
Number of traffic signals	104
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	165
Miles of storm sewers	149
Number of treatment plants	1
Number of service connections	20,550
Daily average treatment in gallons	10,200,000
Maximum daily capacity of treatment plant in gallons	15,000,000
Water System:	
Miles of water mains	301
Number of service connections	21,130
Number of fire hydrants	2,635
Daily average consumption in gallons	8,000,000
Maximum daily capacity of plant in gallons	18,000,000
Public Transit System	Vehicles – 24
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
	90

## **COMPLIANCE SECTION**





Consultants • Certified Public Accountants

**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, 2000, and have issued our report thereon dated December 4, 2000. We conducted our audit in accordance with generally accepted auditing standards; 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*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2000, are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the City of Dubuque, Iowa, and are reported in Part IV of the accompanying Schedule of Findings and Questioned Costs. 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. Prior year statutory comments have been resolved.

**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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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. Reportable conditions are 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 conditions described above are not material weaknesses. 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 December 4, 2000. Prior year reportable condition II-B-00 has not been resolved.

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.

*Eide Bailly LLP*

Dubuque, Iowa  
December 4, 2000



Consultants • Certified Public Accountants

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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, 2000. 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 generally accepted auditing standards; 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, 2000. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in Part III of the accompanying Schedule of Findings and Questioned Costs.

**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 internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in Part III 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 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 that the reportable condition described above is not a material weakness.

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.

*Eide Bailly LLP*

Dubuque, Iowa  
December 4, 2000

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<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-19-0004	<u>\$ 2,408,279</u>
Community Development Block Grants/ Economic Development Initiative	14.246	B-99-SP-IA-0085	<u>371,135</u>
Fair Housing Assistance Program – State and Local	14.401	FF207K9870056	<u>60,000</u>
Section 8 Rental Voucher Program	14.855	KC-9004V	<u>1,308,912</u>
Section 8 Rental Certificate Program	14.857	KC-9004E	<u>1,602,694</u>
			<u>2,911,606</u>
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-007	29,436
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-005	268,882
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-003	3,747
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-002	15,231
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	KC-9004MR-001	<u>17,563</u>
			<u>334,859</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALAG0066-97	<u>707,791</u>
Department of Justice:			
Local Law Enforcement Block Grants Program	16.592	98LB-VX-2443	36,832
Local Law Enforcement Block Grants Program	16.592	97LB-VX-2443	<u>40,747</u>
			<u>77,579</u>
Federal Drug Task Force Grant	N/A	WC IAN 036	<u>1,311</u>
			(continued)

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Direct: (continued)			
Department of Transportation:			
Airport Improvement Program	20.106	3-19-0028-21	\$ 21,235
Airport Improvement Program	20.106	3-19-0028-22	762,280
Airport Improvement Program	20.106	3-19-0028-23	367,856
Airport Improvement Program	20.106	3-19-0028-24	<u>1,198,818</u>
			<u>2,350,189</u>
Federal Transit – Formula Grants	20.507	IA-90-X222	6,430
Federal Transit – Formula Grants	20.507	IA-90-X234	501,000
Federal Transit – Formula Grants	20.507	IA-90-X234	757
Federal Transit – Formula Grants	20.507	IA-90-X168	<u>2,643</u>
			<u>510,830</u>
Total Direct			<u>9,733,579</u>
Indirect:			
Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
HOME Investment Partnerships Program	14.239	98-HMS-135-21	66,000
HOME Investment Partnerships Program	14.239	97-LHAP-003	<u>68,000</u>
			<u>134,000</u>
Department of Justice:			
Dubuque County, Iowa:			
Byrne Formula Grant Program	16.579	99A-0215	<u>3,312</u>
Violence Against Women Formula Grants	16.588	97V0238	<u>7,784</u>
Local Law Enforcement Block Grants Program	16.592	99LE-0114	<u>1,922</u>
Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-E-2100(6) - 8V-31	71,091
Highway Planning and Construction	20.205	RT-MHER(43) - 9H-31	109,469
Highway Planning and Construction	20.205	STP-ES-2100(10) - 8I-31	42,925
Highway Planning and Construction	20.205	STP-E-2100(9) - 8V-31	<u>65,600</u>
			<u>289,085</u>
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 00-02, TASK 06	5,821
State and Community Highway Safety	20.600	PAP 99-12, TASK 03	<u>1,807</u>
			<u>7,628</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 00-410, TASK 12	<u>12,500</u>

(continued)

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Environmental Protection Agency:			
Iowa Department of Public Health and Linn County, Iowa: State Indoor Radon Grants	66.032	5889RC02	<u>\$ 2,320</u>
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Public Assistance Grants	83.544	DRIA1277	<u>243,511</u>
Hazard Mitigation Grant	83.548	HMGP	<u>104,449</u>
Department of Health and Human Services:			
Iowa Department of Public Health:			
Childhood Lead Poisoning Prevention Projects	93.197	5889LP08	<u>21,541</u>
HIV Prevention Activities – Health Department Based	93.940	5889AP21	<u>19,793</u>
Preventive Health and Health Services Block Grant	93.991	5889AS05	<u>10,863</u>
Tobacco Surveillance	N/A	5889TS19	<u>4,696</u>
Total indirect			<u>863,404</u>
Total			<u>\$ 10,596,983</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, 2000**

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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	\$ 191,133
Community Development Block Grants/ Economic Development Initiative	14.246	371,135
Federal Transit – Formula Grants	20.507	99,008
Childhood Lead Poisoning Prevention Projects	93.197	2,450

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements but were not considered material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A reportable condition in internal control over major programs was disclosed by the audit of the financial statements but was not considered a material weakness.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed 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 14.218 – Community Development Block Grants/Entitlement Grants
  - CFDA Number 14.246 – Community Development Block Grants/Economic Development Initiative
  - CFDA Number 20.106 – Airport Improvement Program
  - CFDA Number 20.507 – Federal Transit Formula Grants
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$317,910.
- (i) The City of Dubuque, Iowa, did qualify as a low-risk auditee.

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

**REPORTABLE CONDITIONS**

II-A-00      Segregation of Duties – One important aspect of internal control is the segregation of duties which are incompatible. We noted that the individual who prepares the bank reconciliations is also able to receipt in cash, has the ability to make journal entries, and approve some transfers of cash between bank accounts. In addition, it appears that there has not been appropriate oversight at certain times during the fiscal year.

Recommendation – The finance department should review the job responsibilities of all personnel and attempt to segregate those duties that are not compatible from an internal control standpoint. Specifically, the person reconciling bank accounts should not have the ability to make entries to the general ledger, receipt cash and authorize wire transfers. Also, someone in management should review the bank reconciliations on a regular basis.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Response – Finance Department management is in the process of reviewing job responsibilities of all finance personnel. Segregation of duties will be the main focus in this review. Bank reconciliation procedures are being updated which will include monthly review and preparation of some accounts by management.

Conclusion – Response accepted.

II-B-00

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

This is the second year the City has used the depreciation system from their Pentamation software. It appears the software is still having problems in computing the annual depreciation on some assets. Because of this, finance department staff have had to spend a large amount of time examining the schedules for errors and making adjustments manually.

Recommendation – 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.

Also, we recommend that finance department personnel work with the City's data processing department and the software provider, if necessary, in order to correct the problems with the depreciation program.

Response – The City has reduced the number of individual project and fixed asset expenditures that are allocated to more than one fund. The current budget continues to allocate some fixed asset and project expenditures to more than one fund. This practice will continue to be minimized in future budgets. Assets will be recorded using the fund with the largest amount of the expenditures as the source of funding.

Finance Department management will work with Information Services to resolve problems with the Pentamation software depreciation system.

Conclusion – Response accepted.

II-C-00

Notes Receivable – The City has several loan programs under which it loans money to individuals owning certain housing for the purpose of rehabilitating the property. The City uses a software program to track the amount of notes receivable under these various programs. We noted that loan amounts are entered in the software program as receivable amounts immediately upon the approval of the loan, regardless of whether the money has actually been paid out yet by the City. As a result, it is difficult to determine the City's notes receivable balance and to reconcile the loan amounts to the City's general ledger.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

Recommendation – The City has previously turned its record keeping for economic development loans over to a local financial institution. This has improved the information available to the finance department to reconcile loan records with the general ledger. We recommend that the City also consider having the financial institution do the record keeping for the various classes of housing rehabilitation loans if no other way to improve the reporting can be implemented internally.

Response – Finance Department personnel will work with Housing Department personnel to develop improved procedures relative to housing rehabilitation loans. Collaboration between the two departments will provide improved accounting information relative to the loans.

Conclusion – Response accepted.

**Part III: Findings and Questioned Costs for Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

**CFDA Number 20.507: Federal Transit Formula Grants**

**Agency Numbers: IA-90-X222, X234, and X168**

**Department of Transportation**

III-A-00      Report of Disadvantaged Business Enterprises (DBE) Awards and Commitments – The City is required to implement a DBE program. To monitor the progress of the DBE program, the City is required to submit quarterly reports based on a record keeping system.

Recommendation – The City does have a DBE program but they have not filed the required quarterly DBE reports. We recommend that the City file the required reports and design procedures to ensure that the reports are filed timely in the future.

Response – Changes in federal DBE requirements resulted in FTA's suspension of quarterly report filing and a delay in the City's filing of reports when the filing requirement was reinstated. The City has filed the required DBE reports affected and will file the reports quarterly beginning with the quarter ending December 31, 2000.

Conclusion – Response accepted.

**REPORTABLE CONDITION:**

**CFDA Number 14.218: Community Development Block Grants/Entitlement Grants**

**Agency Number: B-9X-MC-19-0004**

**Department of Housing and Urban Development**

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**Part III: Findings and Questioned Costs for Federal Awards: (continued)**

**CFDA Number 14.246: Community Development Block Grants/Economic Development Initiative**

**Agency Number: B-99-SP-IA-0085**

**Department of Housing and Urban Development**

**CFDA Number 20.106: Airport Improvement Program**

**Agency Numbers: 3-19-0028-21, 22, 23, and 24**

**Department of Transportation**

**CFDA Number 20.507: Federal Transit Formula Grants**

**Agency Numbers: IA-90-X222, X234, and X168**

**Department of Transportation**

III-B-00      Segregation of Duties over Federal Revenues – The City finance department did not properly segregate custody, record keeping, and reconciling functions for revenues, including those related to federal programs. See audit finding II-A-00.

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

IV-A-00      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, 2000.

IV-B-00      Certified Budget - Program disbursements during the year ended June 30, 2000, did not exceed the amounts budgeted.

IV-C-00      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.

IV-D-00      Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-E-00      Business Transactions - No business transactions between the City and its officials or employees that appear to represent a conflict of interest were noted.

IV-F-00      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.

IV-G-00      Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.

IV-H-00      Revenue Bonds - No instances of non-compliance with the provisions of the City's revenue bond resolutions were noted.

**CITY OF DUBUQUE, IOWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

IV-I-00      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.

IV-J-00      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.

