

**CITY OF DUBUQUE, IOWA**

**Comprehensive Annual  
Financial Report**

**For the fiscal year ended  
June 30, 1998**

**Prepared by:  
Department of Finance**



## **INTRODUCTORY SECTION**



## CITY OF DUBUQUE, IOWA

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December 5, 1998

TO THE CITIZENS OF DUBUQUE, IOWA:

The comprehensive annual financial report of the City of Dubuque, Iowa, for the fiscal year ended June 30, 1998, 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 single audit. 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 59,084. As the largest City in the tri-state area, Dubuque serves as the hub of a trade area with a population estimated at 246,290.

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 area economy has remained strong with unemployment at record low levels. Employment has been strong in all sectors of the labor force with steady growth in manufacturing and construction jobs. To attract qualified workers to support growth, a coalition of local organizations; including the Greater Dubuque Development Corporation, the *Telegraph Herald*, Woodward InterNet Services, the Tri-State Human Resources Association, Northeast Iowa Community College, Iowa Workforce Development, and the City of Dubuque, joined together to develop an innovative workforce recruitment program called "Come Back To Your Future, Come Home to Dubuque." This ongoing program, based primarily on Internet technology, has been very successful and has gained national media attention including short features on CNN and ABC's *Good Morning America* as well as an article in the *Wall Street Journal*.

The first phase of the Dubuque Technology Center was completed on the south side of the City and sites were sold to CatéGraph Systems, Inc. and McLeod USA. CatéGraph Systems is a leading provider of asset management/GIS software for the public works industry and is based in Dubuque. Assisted by a State of Iowa Community Economic Betterment Account (CEBA) loan, CatéGraph will be expanding their business and adding over 100 new employees. McLeod USA began construction on a digital telecommunications switching facility in the Technology Center. The McLeod facility will add state of the art telecommunications and data transmission capabilities to Dubuque and the surrounding area. Advanced Data-Comm, Inc., a Dubuque based provider of Tele-services, purchased a 15-acre parcel in the Technology Park and will construct a new 60,000 square foot corporate headquarters. Advanced Data-Comm intends to add about 50 new employees after completion of the new facility.

Other businesses experiencing growth include: Swiss Valley Farms Company, a farmer owned dairy cooperative, which began a \$5.5 million expansion of their dairy plant in Dubuque. Assisted by state Enterprise Zone incentives, the project will increase processing capacity by over 45 percent and will add at least 20 new jobs. Dubuque Data Services, Inc. (DDS) received a CEBA loan to assist in its move to a new 18,000 square foot facility. DDS develops and markets management software for automobile, farm implement, and heavy-truck dealers and plans to add over 40 new employees to support their growing customer base. Morrison Brothers Company, a Dubuque based manufacturer of nozzles, valves, and fittings for the petroleum industry completed construction on a new 32,000 square foot assembly and distribution facility replacing an older facility destroyed by fire in 1996. Assisted by Urban Renewal Tax Increment Financing, Morrison Brothers was able to improve efficiency by locating the new facility next to their existing foundry. Morrison Brothers plans to create 60 new jobs as a result of the project. The Barnstead/Thermolyne Corporation, a Dubuque maker of laboratory equipment, acquired a California based manufacturer of sterilizers for the dental, medical and scientific markets. The production of the acquired products was moved to Dubuque adding about 35 jobs in the Dubuque manufacturing facility.

Dubuque's largest employer, John Deere Dubuque Works, celebrated its 50<sup>th</sup> anniversary this year and is looking ahead to a bright future. The Dubuque plant employs approximately 2,200 people and makes engines, crawlers, and backhoe loaders for the construction industry. The Dubuque facility is also the location of the John Deere Construction Division center for engineering. Production is up approximately 15 percent and sales and profitability have continued to be strong in the construction products industry. A new multi-year two-tiered labor contract with new employees hired at a lower wage level has helped spur the hiring of new production employees for the first time in years.

Assisted by low mortgage lending rates, new housing units doubled over fiscal 1997 with 71 single-family units and 69 multi-family units completed during the year. Retail expansion included the start of construction on a 70,000 square foot Hy-Vee Supermarket at 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 450,000 square feet of new commercial or industrial construction was begun during the year.

## MAJOR INITIATIVES

**For the Year.** The City of Dubuque staff, following specific directives of the Mayor, City Council and City Manager, have 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.

Development of industrial land progressed rapidly over the past year with over 900 acres of property acquired and under various stages of development. A Greater Dubuque Development Corporation study had cited lack of industrial land for expansion as the greatest barrier for economic growth. Based on a detailed analysis completed through a multi-year comprehensive planning process, it was determined that the recent acquisitions should support growth for the next several years. Over \$20 million is budgeted to be spent on the industrial parks in a two-year period.

The street rehabilitation program continued as a top priority for the City. In 1993 the City Council more than doubled the annual funding level of the Street Program from \$2.1 million per year to an average of well over \$5.0 million per year. In the past five years over 110 miles of streets have been reconstructed or received an asphalt overlay. This comprises nearly 35% of the Dubuque street system. The current five year capital improvement plan continues a funding rate averaging \$6.0 million per year and will include reconstruction or overlay of another 65 miles of City streets. City officials have also been working closely with the Dubuque Metropolitan Transportation System and state and federal transportation departments to improve inter-city surface transportation links. The U.S. Highway 61 four-lane link to the Quad Cities and Interstate 80 is scheduled to be complete by the end of calendar 1998. A study was undertaken to evaluate expansion of the Julien Dubuque Bridge to four lanes or adding a new 4-lane bridge. This would greatly improve transportation to Illinois, including Rockford and Chicago.

The Dubuque Regional Airport completed property acquisition for the extension and reconstruction of runway 18-36 at a cost of \$8,225,000. Ninety percent of the funding for the runway extension will be provided by the FAA. 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. As part of the U.S. Highway 61 four-lane conversion, the Airport received a new access road funded by the Iowa State Department of Transportation. The new access road and improvements to the on-site water and sewer systems have opened approximately 50 acres for industrial development on the Airport site.

Renovation of City park areas and development of new parks has progressed as part of the City Council's Neighborhood Reinvestment Strategy. Renovation work and installation of modern play units were completed in eleven City parks. The remaining parks are scheduled for renovation in the five-year Capital Improvement Plan. Land was acquired and development work was begun on six new neighborhood parks. The Park Division will also develop and maintain extensive landscaping on the three major gateways to the downtown area. Close to \$7 million will be spent on the park system between 1994 and 2005 to meet the council's goals to expand and improve recreational opportunities in Dubuque's neighborhoods.

The City continued programs to extend water and sewer utilities to promote development and provide annexation opportunities. The two largest projects begun this year include the extension of sewer utilities to the west along Highway 20 and a sewer line extension to the south along Highway 61-151. Water utilities are also being extended to these areas for industrial park development. These projects will make utility service available for almost 10,000 acres of privately owned land and allow for development of commercial and residential projects.

Riverfront development received a boost when President Clinton designated the Upper Mississippi River as one of fourteen American Heritage Rivers. Communities along the designated rivers, including Dubuque, will receive help over the next five years in tapping federal resources to carry out plans to revitalize their rivers and riverfronts. This will help fund the *America's River* project in Dubuque. 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 \$25 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. New additions planned for the area include the following:

- Mississippi River Discovery Center  
A multi-building 70,000 square foot interactive, interpretive museum with aquariums, wetland, living history exhibits, historic steamboat and more.
- Heritage Trail Riverfront System  
A seven and one-half mile extension of the Heritage Trail from the north end of Dubuque through downtown to the Ice Harbor, and then south to the Mines of Spain State Recreation Area. The complete 18-mile bike/hike trail system, with links to riverfront parks and attractions, will create a major recreational facility.
- Star Brewery Amphitheater  
A public amphitheater for festivals and events with seating for 1,000 people and a 7,500 square foot plaza constructed at the historic Star Brewery.
- Mississippi Riverwalk  
A 2,000 foot promenade along the Fourth Street Peninsula with decorative paving, landscaping, historic lighting, and river overlooks.
- River's Edge Plaza  
A 5,000 square foot plaza around the floodwall gate to the historic Ice Harbor.
- Harborwalk and Boat Docks  
A 500 foot walkway around the Ice Harbor from the Iowa Welcome Center to the U. S. Coast Guard station, with docks for visiting boaters, benches and historical lighting.

City gaming-related revenue has increased substantially due to a \$5 million increase in slot machine revenue at the Dubuque Greyhound Park and Casino. The distribution to the City and local charities increased 43 percent over the prior year. This increase in revenue will be used to fund capital improvements and will be part of a program to eliminate the regular issuance of essential corporate purpose general obligation bonds. The elimination of all outstanding G.O. debt over the next seven years will save the City approximately \$1,000,000 per year in interest expense. In addition to profit distributions and lease payments to the City, local charities will receive over \$1.5 million in grants from the Dubuque Racing Association.

**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. 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:

- Diversified and balanced economy with expanding job opportunities.
- Community of viable neighborhoods with expanding job opportunities.
- Quality services at lowest cost.
- User friendly and attractive riverfront area.
- Quality streets and effective transportation system.
- Planned and orderly growth.

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

- Industrial Park Development – Lack of industrial land has been cited as one of the primary barriers to economic growth in Dubuque. The City has acquired industrial land and will work in coming years to develop the industrial sites and to attract new businesses or meet the expansion needs of current businesses.
- 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 funding is being put in place for improvements. Construction of a hike/bike trail system to tie the riverfront area to neighborhoods will begin in 1999.

- 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 effect quality of life improvements at the neighborhood level.
- Street Program – The average annual budget Street Program for the next five years has been increased by nearly three times the level of the early 1990's from just over \$2 million per year to just over \$6 million per year. The budget increases, along with an aggressive street maintenance program, will provide significant improvement to City streets.
- 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.

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

### **Department Focus – Police Department**

When the Town of Dubuque elected its first Board of Trustees in April 1837, they appointed a Town Marshal. Marshals and an irregular corps of watchmen and concerned citizens provided law enforcement for the City until 1858, when the first Captain of Police was appointed and the City was divided into three police districts, each overseen by a sergeant.

Shortly thereafter the City disbanded the Police Department. It was written that “the disbanding of the police force in the spring of 1859 was followed by an increase of all manner of crimes in Dubuque – fires, burglaries, pickpockets, etc. During three months in the spring of 1859 there were stolen in Dubuque alone twenty-five cows.”

Again a Marshal provided the official law enforcement. A private police company was formed and provided protection to those who paid, but it didn't continue in business for very long. During the 1860s, the police department was reassembled, and in 1873, the City appointed a Chief of Police and passed an ordinance regulating the dress to be worn by officers and adopting a badge of office.

In 1907 the first form of civil service came to the police department. It set up qualifications and standards for joining the Department and prevented one from being dismissed without cause. Although officers received some training and the department grew in professionalism in the following years, there were no legal requirements for training or certification for officers until 1968, when Iowa passed minimum training standards and began certifying officers. The Iowa Law Enforcement Academy now trains and certifies those entering the profession as peace

officers and they complete a field-training program before working without having a senior officer present.

In December 1974, the Police Department was moved to its present location in the Dubuque Law Enforcement Center, sharing quarters for the first time with the Dubuque County Sheriff's Department. At the same time, the police gave up responsibility of keeping prisoners in a city jail and started turning persons arrested over to the county jail for detention. Sharing the same building and facilities has fostered a higher level of cooperation between the two departments and has resulted in greater efficiency for both.

The Commission for Accreditation of Law Enforcement Agencies recognized the Department as meeting national professional standards in July, 1993, by granting fully accredited status after an on-site review of policies, procedures, and practices. Accreditation was given for a five-year period, and the Department was reaccredited on August 1, 1998.

The Police Department is currently authorized 84 sworn officers, 6 full-time civilians and 4 part-time civilians. It has a fleet of 17 marked patrol cars, 6 unmarked cars, and 3 parking enforcement vehicles. New communications systems acquired in recent years allow both data communications with computers in the cars and voice communications between officers of all public safety agencies in Dubuque County. The hard work and dedication of the police department has helped to maintain the safety and security of both citizens and visitors to the City.

## **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, 1998, 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 reappropriated 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, 1998, 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 1997 (000's)	Percent of Increase (Decrease)
Taxes	\$ 24,848	53.17%	\$ 76	0.31%
Special assessments	791	1.69%	409	107.07%
Licenses and permits	507	1.08%	-	0.00%
Intergovernmental	10,301	22.04%	(1,153)	(10.07%)
Charges for services	7,106	15.20%	469	7.07%
Fines and forfeits	371	0.79%	13	3.63%
Miscellaneous	828	1.77%	(659)	(44.32%)
Interest	1,989	4.26%	393	24.62%
<b>Total Revenues</b>	<b>\$ 46,741</b>	<b>100.00%</b>	<b>\$ (452)</b>	<b>(0.96%)</b>

The increase in special assessments revenue is due to an increase in completion of special assessment projects and early payment of assessments due to low market interest rates during the prior year.

Intergovernmental receipts were reduced due to FAA funding for a large runway overlay project in the prior year.

The decrease in miscellaneous revenue was due to non-recurring land sales in the prior year.

The increase in interest revenue was due to higher average cash balances and increased rates of return on investments.

The tax rate of \$5.8916 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 \$.2888 increase from FY 1997 is primarily a result of shifting expense from the Road Use Tax Fund to the General Fund.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 1998, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount (000's)	Percent of Total	Increase (Decrease) from 1997 (000's)	Percent of Increase (Decrease)
<b>Current:</b>				
Policy & Administration	\$ 4,386	11.76%	\$ 494	12.69%
Community Protection	12,827	34.39%	745	6.17%
Home & Community Enviror	10,986	29.46%	(64)	(0.58%)
Human Development	6,200	16.62%	344	5.87%
<b>Debt Service:</b>				
Principal	2,325	6.23%	(453)	(16.31%)
Interest and fiscal charges	573	1.54%	(141)	(19.75%)
Capital outlay	-	0.00%	-	0.00%
<b>Total Expenditures</b>	<b>\$ 37,297</b>	<b>100.00%</b>	<b>\$ 925</b>	<b>0.74%</b>

Changes in expenditure amounts for the Policy and Administration program was primarily related to capital improvement programs including implementation of a Geographical Information System.

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

**General Fund Balance.** The State of Iowa recommends that a working cash balance for the subsequent year be maintained in an amount equivalent to either (a) anticipated revenues, less anticipated expenditures, for the first three months, or (b) five percent of the budget provision.

The five-percent method employed by the City of Dubuque required a reserve amount of approximately \$1,500,000 as of June 30, 1998, and this amount was available. The Dubuque City Council has set a budget guideline of maintaining a general fund balance at ten percent of the budget provision. The Council budget guideline requires a reserve amount of approximately \$3,000,000, and this amount was 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, 1998, the City of Dubuque had a number of debt issues outstanding. These issues included \$9,440,000 of general obligation bonds, \$175,000 of tax increment financing debt, and \$2,328,000 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, 1998, the government's net general obligation bonded debt of \$9,440,000 was well below the legal limit of \$87,541,000, and debt per capita equaled \$198.95.

**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 \$2,557,307 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. The government's deferred compensation mutual fund is included in this section.

**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 \$907,879 as of June 30, 1998. 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 \$601,945 as of June 30, 1998. All self-insured health plans are certified as actuarially sound and certificates of compliance have been filed with the State of Iowa.

**Year 2000 Preparation.** The possible problems arising due to errors in electronic processing of date information has been well publicized. The City of Dubuque is addressing problems related to Year 2000 date processing by forming an organization-wide task force to identify and resolve potential problems. The task force is reviewing computer programs which involve date processing, control systems and equipment with embedded microchips which may involve date processing, and the readiness of external service providers to continue to support the uninterrupted essential operations of the City of Dubuque. Systems evaluated include water and wastewater systems, communication systems, airport, traffic control, various medical equipment, elevators and security systems as well as financial and administrative information processing. Financial and administrative information processing systems were upgraded in 1995 and minor upgrades have been completed to make these systems year 2000 compliant.

City of Dubuque staff has issued an Administrative Policy giving year 2000 compliance language for contracts and requests for proposal. This document requires that products or services acquired be Year 2000 compliant, as well as requiring that vendors be compliant in their business practices. The group drafted and mailed letters to all key City vendors querying their year 2000 compliance status. A sub-group was formed to focus on issues surrounding systems with embedded microchips. Specifically this group:

1. Developed a testing process/criteria for systems with embedded microchips;
2. Is assisting departments in completion of their Y2K inventories and problem identification;
3. Will conduct a selected audit/review of embedded microchip systems testing; and
4. Continues to keep updated on the compliance status of local utilities.

Representatives from City and County departments including Police, Fire, Sheriff, Emergency Communications, Water Utility, Wastewater Utility, Public Works, Housing and Legal Services have convened to pursue Year 2000 contingency planning for the City. This group is working to address the issue of how the City will respond if citizens are without key services for both short and extended periods of time. It is anticipated that the Year 2000 will be viewed as a type of "disaster" to be fit into the City's Multi-Hazard Plan.

At this point the total cost for Year 2000 remediation is not available. Early indications show that due to the age of some of our equipment at critical plants such as Water and Wastewater, these systems will show minimal problems. For desktop and vendor provided computer systems, most upgrades are being provided through normal maintenance agreements, the only cost to the City will be installation and testing. Overall impact to the City's budget for remediation of Year 2000 problems is not expected to be material.

Although minor problems will undoubtedly remain, the City of Dubuque expects to resolve all of its critical year 2000 problems before January 1, 2000. The City does not expect year 2000 problems to have a material adverse effect on its financial health or its ability to meet its financial obligations in a timely manner. Nevertheless, the City of Dubuque has no control over the year 2000 remediation efforts of external third parties. It is possible, therefore, that even if the City of Dubuque were fully year-2000 compliant, and even if the City of Dubuque were to pay all of its obligations on time, the noncompliance of external third parties involved in the transfer of principal and interest payments could adversely affect the timeliness or amount of payments to bondholders.

## 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.

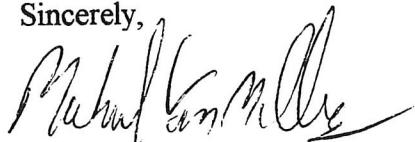
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dubuque, Iowa, for its comprehensive annual financial report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Dubuque has received a Certificate of Achievement for the last eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Acknowledgments.** We compliment the staff of the finance department for their help 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,



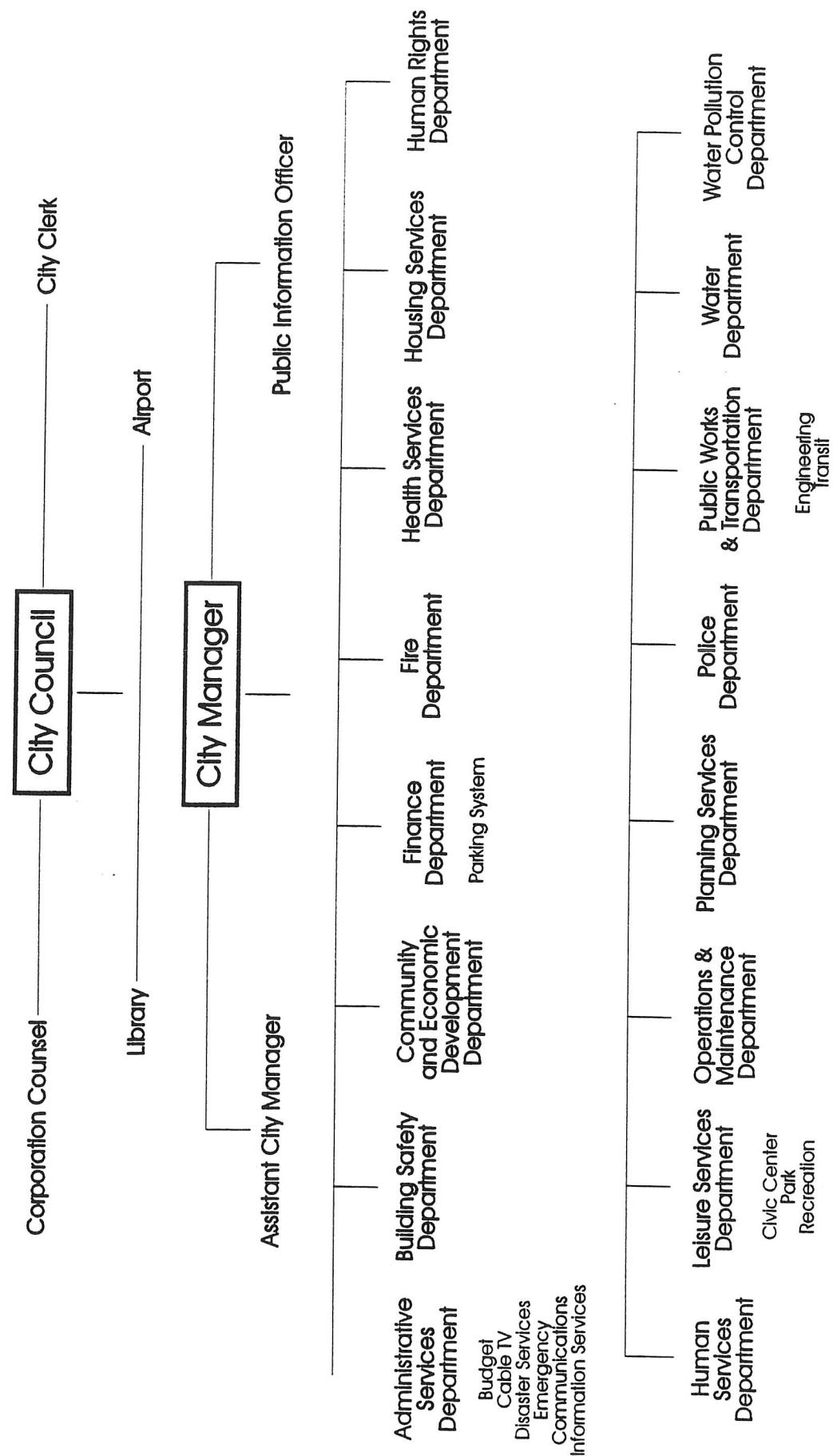
Michael C. Van Milligen  
City Manager



Duane R. Pitcher  
Finance Director



## ORGANIZATIONAL CHART



CITY OF DUBUQUE, IOWA

OFFICIALS

June 30, 1998

CITY COUNCIL

TERRANCE M. DUGGAN  
DANIEL E. NICHOLSON  
ANN MICHALSKI  
JOHN MARKHAM  
ROY BUOL  
JOSEPH T. ROBBINS  
DIRK K. VOETBERG

MAYOR  
COUNCIL MEMBER - AT LARGE  
COUNCIL MEMBER - AT LARGE  
COUNCIL MEMBER - 1ST WARD  
COUNCIL MEMBER - 2ND WARD  
COUNCIL MEMBER - 3RD WARD  
COUNCIL MEMBER - 4TH WARD

COUNCIL APPOINTED OFFICIALS

MICHAEL C. VAN MILLIGEN  
BARRY A. LINDAHL  
WILLIAM G. BLUM  
JAMES A. O'BRIEN  
MARY A. DAVIS

CITY MANAGER  
CORPORATION COUNSEL  
CITY SOLICITOR  
ASSISTANT CITY ATTORNEY  
CITY CLERK

DEPARTMENT MANAGERS

JAMES D. BURKE  
  
LAURA B. CARSTENS  
MARY ROSE CORRIGAN  
WILLIAM G. BLUM  
BOB GREEN  
DAVID W. HARRIS, JR.  
PAUL HORSFALL  
PAULINE J. JOYCE  
MICHAEL A. KOCH  
JOHN J. MAUSS  
DANIEL E. BROWN  
RANDALL K. PECK  
DUANE PITCHER  
STEVE NEYENS  
GIL D. SPENCE  
THOMAS MORAN  
DONALD J. VOGT

COMMUNITY/ECONOMIC DEVELOPMENT  
DIRECTOR  
PLANNING SERVICES MANAGER  
PUBLIC HEALTH MANAGER  
ACTING HUMAN RIGHTS DIRECTOR  
WATER PLANT MANAGER  
HOUSING SERVICES MANAGER  
WATER POLLUTION CONTROL PLANT MANAGER  
ADMINISTRATIVE SERVICES MANAGER  
PUBLIC WORKS DIRECTOR/CITY ENGINEER  
POLICE CHIEF  
FIRE CHIEF  
HUMAN SERVICES MANAGER  
FINANCE DIRECTOR  
ACTING BUILDING SAFETY MANAGER  
LEISURE SERVICES MANAGER  
LIBRARY DIRECTOR  
OPERATIONS AND MAINTENANCE 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, 1997

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.



*Douglas R Ellsworth*  
President

*Jeffrey L. Euer*  
Executive Director



## **FINANCIAL SECTION**





Consultants • Certified Public Accountants

#### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council:

We have audited the accompanying general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 1998, 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.

Except as discussed in the following paragraph, 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of Dubuque, Iowa, has included such disclosures in Note 17. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City's disclosures with respect to the year 2000 issue made in Note 17. Further, we do not provide assurance that the City of Dubuque is and will be year 2000 ready, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Dubuque does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, 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, 1998, 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, 1998, 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.

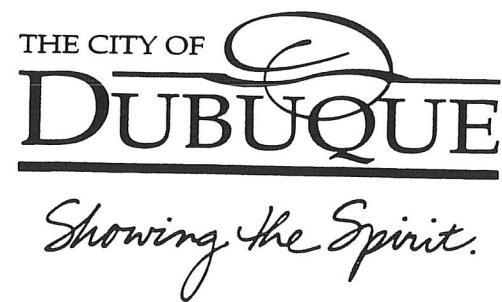
Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules, statistical data, and the Schedule of Expenditures of Federal Awards required by the U.S. Office 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 the audit of the general purpose financial statements; and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Eide Bailly LLP*

Dubuque, Iowa  
December 4, 1998

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**





## CITY OF DUBUQUE, IOWA

Combined Balance Sheet - All Fund Types, Account Groups, and  
Discretely Presented Component Unit

June 30, 1998

	Governmental Fund Types				Proprietary	
	General		Special Revenue	Debt Service	Capital Projects	Enterprise
	Assets and Other Debits					
<b>Assets:</b>						
Cash and pooled cash investments	\$ 13,975,474	\$ 7,108,831	\$ 474,960	\$ 11,291,214	\$ 8,303,126	
Cash and pooled cash investments - nonexpendable trust	0	0	0	0	0	0
Investments	0	0	0	0	0	0
Insurance deposit	0	0	0	0	0	0
<b>Receivables:</b>						
Taxes	98,179	11,669	23,199	0	5,371	
Accounts	304,494	0	0	0	1,075,257	
Special assessments	0	673,328		0	0	
Accrued interest	107,471	107,199	1,969	30,930	28,456	
Notes - current	0	1,058,050	0	0	0	
Notes - long-term	0	11,285,551	0	0	0	
Intergovernmental	596,881	763,835	0	248,619	241,476	
Due from other funds	119,976	0	0	0	0	
Due from primary government	0	0	0	0	0	
Inventory	0	0	0	0	256,988	
Prepaid items	0	0	0	0	5,037	
Advances to other funds	1,873,760	0	0	0	0	
Advances to primary government	0	0	0	0	0	
<b>Restricted assets:</b>						
Cash and pooled cash investments	0	0	0	0	552,401	
Land	0	0	0	0	1,151,521	
Buildings and improvements	0	0	0	0	41,411,781	
Improvements other than buildings	0	0	0	0	15,159,500	
Machinery and equipment	0	0	0	0	30,149,862	
Construction in progress	0	0	0	0	14,206,449	
Accumulated depreciation	0	0	0	0	(46,598,340)	
<b>Other Debits:</b>						
Amount available in debt service funds	0	0	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$ 17,076,235</b>	<b>\$ 21,008,463</b>	<b>\$ 500,128</b>	<b>\$ 11,570,763</b>	<b>\$ 65,948,885</b>	

Fund Types	Fiduciary		Account Groups		Totals Primary Government (Memorandum Only)	Component		Totals Reporting Entity (Memorandum Only)
	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		Unit	Dubuque Metropolitan Area Solid Waste Agency	
\$ 1,966,203	\$ 475,775	\$ 0	\$ 0	\$ 43,595,583	\$ 4,045,465	\$ 47,641,048		
0	81,400	0	0	81,400	0	81,400		
0	10,060,633	0	0	10,060,633	0	10,060,633		
1,000	0	0	0	1,000	0	1,000		
0	0	0	0	138,418	0	138,418		
0	28,449	0	0	1,408,200	100,670	1,508,870		
0	0	0	0	673,328	0	673,328		
8,157	261	0	0	284,443	0	284,443		
0	0	0	0	1,058,050	0	1,058,050		
0	0	0	0	11,285,551	0	11,285,551		
0	0	0	0	1,850,811	0	1,850,811		
0	0	0	0	119,976	0	119,976		
0	0	0	0	0	45,540	45,540		
18,815	0	0	0	275,803	0	275,803		
0	0	0	0	5,037	0	5,037		
0	0	0	0	1,873,760	0	1,873,760		
0	0	0	0	0	561,250	561,250		
0	33,704	0	0	586,105	2,156,265	2,742,370		
0	0	10,798,606	0	11,950,127	552,528	12,502,655		
0	0	37,920,820	0	79,332,601	3,961,365	83,293,966		
0	0	4,648,050	0	19,807,550	0	19,807,550		
150,055	0	14,663,939	0	44,963,856	1,423,581	46,387,437		
0	0	7,344,789	0	21,551,238	0	21,551,238		
(111,872)	0	0	0	(46,710,212)	(2,674,340)	(49,384,552)		
0	0	0	496,272	496,272	0	496,272		
0	0	0	11,054,771	11,054,771	0	11,054,771		
\$ 2,032,358	\$ 10,680,222	\$ 75,376,204	\$ 11,551,043	\$ 215,744,301	\$ 10,172,324	\$ 225,916,625		

(continued)

## CITY OF DUBUQUE, IOWA

Combined Balance Sheet - All Fund Types, Account Groups, and  
Discretely Presented Component Unit

June 30, 1998

	Governmental Fund Types			Proprietary	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, Equity, and Other Credits					
Liabilities:					
Accounts payable	\$ 200,304	\$ 58,602	\$ 0	\$ 431,064	\$ 360,431
Accrued payroll	649,364	74,056	0	0	134,034
General obligation bonds payable - current	0	0	0	0	190,000
Revenue bonds payable - current	0	0	0	0	150,000
Accrued compensated absences	283,060	17,577	0	0	284,164
Due to employees	0	0	0	0	0
Intergovernmental payable	0	172,957	0	0	85,353
Due to other funds	0	0	0	0	45,540
Due to component unit	0	0	0	0	
Payable from restricted assets:					
Accrued interest payable	0	0	0	0	17,323
Advances from other funds	0	0	0	0	1,873,760
Advances from component unit	0	0	0	0	561,250
Notes payable	0	0	0	0	0
General obligation bonds payable	0	0	0	0	1,040,000
Revenue bonds payable	0	0	0	0	2,178,000
Landfill closure and postclosure care	0	0	0	0	0
Tax-increment financing bonds payable	0	0	0	0	0
Deferred revenue	16,321	805,792	3,856	0	893
Total Liabilities	1,149,049	1,128,984	3,856	431,064	6,920,748
Equity and Other Credits:					
Contributed capital	0	0	0	0	34,603,160
Investment in general fixed assets	0	0	0	0	0
Retained earnings:					
Reserved by State statute	0	0	0	0	0
Reserved by bond ordinance	0	0	0	0	552,401
Reserved for minority interests	0	0	0	0	0
Unreserved	0	0	0	0	23,872,576
Fund Balances:					
Reserved for long-term notes receivable	0	11,285,551	0	0	0
Reserved for encumbrances	1,064,851	320,787	0	6,377,920	0
Reserved for dog track	0	0	0	903,029	0
Reserved by franchise agreement	0	0	0	0	0
Reserved for endowments	0	0	0	0	0
Reserved for advances	1,873,760	0	0	0	0
Reserved for debt service	0	0	496,272	0	0
Unreserved, undesignated	12,988,575	8,273,141	0	3,858,750	0
Total Equity and Other Credits	15,927,186	19,879,479	496,272	11,139,699	59,028,137
Total Liabilities, Equity, and Other Credits	\$ 17,076,235	\$ 21,008,463	\$ 500,128	\$ 11,570,763	\$ 65,948,885

See notes to financial statements.

Fund Types	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)	
		Internal Service	Trust and Agency		General Fixed Assets	General Long-Term Debt		
\$ 465,580	\$ 0	\$ 41,485	\$ 5,799	\$ 0	\$ 0	\$ 1,515,981	\$ 38,387	\$ 1,554,368
						\$ 904,738	\$ 13,103	\$ 917,841
0	0	0	0	0	0	190,000	0	190,000
0	0	0	0	0	0	150,000	0	150,000
0	0	0	0	1,620,543	0	2,205,344	44,374	2,249,718
0	10,075,010	0	0	0	0	10,075,010	0	10,075,010
0	0	0	0	0	0	172,957	47,075	220,032
34,623	0	0	0	0	0	119,976	0	119,976
0	0	0	0	0	0	45,540	0	45,540
0	0	0	0	0	0	17,323	0	17,323
0	0	0	0	0	0	1,873,760	0	1,873,760
0	0	0	0	0	0	561,250	0	561,250
0	0	0	0	1,545,500	0	1,545,500	0	1,545,500
0	0	0	0	8,210,000	0	9,250,000	0	9,250,000
0	0	0	0	0	0	2,178,000	0	2,178,000
0	0	0	0	0	0	0	1,081,434	1,081,434
0	0	0	0	175,000	0	175,000	0	175,000
0	0	0	0	0	0	826,862	0	826,862
<u>541,688</u>	<u>10,080,809</u>			<u>0</u>	<u>11,551,043</u>	<u>31,807,241</u>	<u>1,224,373</u>	<u>33,031,614</u>
0	0	0	0	0	34,603,160	0	34,603,160	
0	0	75,376,204	0	0	75,376,204	0	75,376,204	
0	0	0	0	0	0	484,672	484,672	
0	0	0	0	0	552,401	0	552,401	
0	0	0	0	0	0	1,921,164	1,921,164	
1,490,670	0	0	0	0	25,363,246	6,542,115	31,905,361	
0	0	0	0	0	11,285,551	0	11,285,551	
0	0	0	0	0	7,763,558	0	7,763,558	
0	0	0	0	0	903,029	0	903,029	
0	19,327	0	0	0	19,327	0	19,327	
0	81,661	0	0	0	81,661	0	81,661	
0	0	0	0	0	1,873,760	0	1,873,760	
0	0	0	0	0	496,272	0	496,272	
0	498,425	0	0	0	25,618,891	0	25,618,891	
<u>1,490,670</u>	<u>599,413</u>	<u>75,376,204</u>		<u>0</u>	<u>183,937,060</u>	<u>8,947,951</u>	<u>192,885,011</u>	
\$ 2,032,358	\$ 10,680,222	\$ 75,376,204	\$ 11,551,043	\$ 215,744,301	\$ 10,172,324	\$ 225,916,625		

## 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, 1998

	Governmental	
	General	Special Revenue
<b>Revenues:</b>		
Taxes	\$ 18,768,511	\$ 3,426,379
Special assessments	0	790,854
Licenses and permits	506,958	0
Intergovernmental	1,188,919	9,112,230
Charges for services	7,105,527	0
Fines and forfeits	370,739	0
Miscellaneous	699,150	129,112
Interest	<u>1,451,704</u>	<u>475,787</u>
<b>Total Revenues</b>	<b><u>30,091,508</u></b>	<b><u>13,934,362</u></b>
<b>Expenditures:</b>		
<b>Current:</b>		
Policy and administration	3,690,325	693,483
Community protection	12,808,488	18,629
Home and community environment	3,561,919	7,423,828
Human development	5,950,820	249,654
Non-program	0	0
<b>Debt service:</b>		
Principal retirement	0	175,000
Interest and fiscal charges	0	22,330
Capital outlay	0	0
<b>Total Expenditures</b>	<b><u>26,011,552</u></b>	<b><u>8,582,924</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>4,079,956</u></b>	<b><u>5,351,438</u></b>
<b>Other Financing Sources (Uses):</b>		
Note proceeds	0	655,500
Operating transfers in	2,313,235	537,309
Operating transfers from component unit	24,241	0
Operating transfers out	<u>(2,532,423)</u>	<u>(9,389,059)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(194,947)</u></b>	<b><u>(8,196,250)</u></b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b><u>3,885,009</u></b>	<b><u>(2,844,812)</u></b>
<b>Fund Balances, Beginning</b>	<b><u>12,042,177</u></b>	<b><u>22,724,291</u></b>
<b>Fund Balances, Ending</b>	<b><u>\$ 15,927,186</u></b>	<b><u>\$ 19,879,479</u></b>

See notes to financial statements.

Fund Types		Fiduciary Fund Type	Totals	
Debt Service	Capital Projects	Expendable Trust	Primary Government	(Memorandum Only)
\$ 2,652,949	\$ 1,214,099	\$ 0	\$ 26,061,938	
0	0	0	790,854	
0	0	0	506,958	
0	896,898	0	11,198,047	
0	0	0	7,105,527	
0	0	0	370,739	
0	393,874	401,160	1,623,296	
<u>61,616</u>	<u>361,880</u>	<u>0</u>	<u>2,350,987</u>	
<u>2,714,565</u>	<u>2,866,751</u>	<u>401,160</u>	<u>50,008,346</u>	
1,950	0	141,516	4,527,274	
0	0	171,193	12,998,310	
0	0	0	10,985,747	
0	0	0	6,200,474	
0	0	6	6	
2,150,000	0	0	2,325,000	
550,984	0	0	573,314	
<u>0</u>	<u>10,110,777</u>	<u>0</u>	<u>10,110,777</u>	
<u>2,702,934</u>	<u>10,110,777</u>	<u>312,715</u>	<u>47,720,902</u>	
<u>11,631</u>	<u>(7,244,026)</u>	<u>88,445</u>	<u>2,287,444</u>	
0	0	0	655,500	
33,742	11,892,737	0	14,777,023	
0	0	0	24,241	
0	(729,848)	0	(12,651,330)	
<u>33,742</u>	<u>11,162,889</u>	<u>0</u>	<u>2,805,434</u>	
45,373	3,918,863	88,445	5,092,878	
<u>450,899</u>	<u>7,220,836</u>	<u>429,307</u>	<u>42,867,510</u>	
<u>\$ 496,272</u>	<u>\$ 11,139,699</u>	<u>\$ 517,752</u>	<u>\$ 47,960,388</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, 1998

	General Fund			Special Revenue	
	Budget	Actual	Variance	Budget	Actual
			Favorable (Unfavorable)		
<b>Revenues:</b>					
Taxes	\$13,292,886	\$19,211,732	\$ 5,918,846	\$ 7,391,254	\$ 3,671,808
Special assessments	0	0	0	0	763,614
Licenses and permits	608,475	506,955	(101,520)	0	0
Intergovernmental	2,916,717	1,226,265	(1,690,452)	16,287,779	10,020,893
Charges for services	6,315,245	7,065,616	750,371	0	0
Fines and forfeits	338,342	368,821	30,479	0	0
Miscellaneous	680,475	729,763	49,288	2,783,578	1,026,001
Interest	752,000	1,535,581	783,581	298,616	458,170
<b>Total Revenues</b>	<b>24,904,140</b>	<b>30,644,733</b>	<b>5,740,593</b>	<b>26,761,227</b>	<b>15,940,486</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Policy and administration	4,304,804	3,710,289	594,515	3,036,002	711,877
Community protection	13,474,478	12,746,383	728,095	52,612	18,910
Home and community environment	6,912,475	3,531,720	3,380,755	17,824,477	8,083,381
Human development	6,514,665	5,930,872	583,793	279,998	250,218
<b>Debt service:</b>					
Principal retirement	0	0	0	185,000	175,000
Interest & fiscal charges	0	0	0	22,330	22,330
<b>Capital outlay</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>31,206,422</b>	<b>25,919,264</b>	<b>5,287,158</b>	<b>21,400,419</b>	<b>9,261,716</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(6,302,282)</b>	<b>4,725,469</b>	<b>11,027,751</b>	<b>5,360,808</b>	<b>6,678,770</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	5,293,614	2,337,476	(2,956,138)	339,334	537,310
Operating transfers out	(4,084,281)	(4,101,523)	(17,242)	(15,157,022)	(9,389,060)
<b>Total Other Financing Sources (Uses)</b>	<b>1,209,333</b>	<b>(1,764,047)</b>	<b>(2,973,380)</b>	<b>(14,817,688)</b>	<b>(8,851,750)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(5,092,949)</b>	<b>2,961,422</b>	<b>8,054,371</b>	<b>(9,456,880)</b>	<b>(2,172,980)</b>
<b>Fund Balances, Beginning</b>	<b>11,014,052</b>	<b>11,014,052</b>	<b>0</b>	<b>9,281,811</b>	<b>9,281,811</b>
<b>Fund Balances, Ending</b>	<b>\$ 5,921,103</b>	<b>\$13,975,474</b>	<b>\$ 8,054,371</b>	<b>\$ (175,069)</b>	<b>\$ 7,108,831</b>

See notes to financial statements.

Funds		Debt Service Funds			Capital Projects Funds		
Variance	Favorable	Variance	Favorable	Variance	Favorable	Variance	
(Unfavorable)	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)	
\$ (3,719,446)	\$ 2,595,693	\$ 2,663,919	\$ 68,226	\$ 0	\$ 0	\$ 0	\$ 0
763,614	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(6,266,886)	0	0	0	2,265,563	1,797,844	(467,719)	0
0	0	0	0	282,500	242,407	(40,093)	0
0	0	0	0	0	0	0	0
(1,757,577)	0	0	0	3,932,482	708,469	(3,224,013)	0
159,554	0	0	0	37,550	416,430	378,880	(3,352,945)
(10,820,741)	<u>2,595,693</u>	<u>2,728,670</u>	<u>132,977</u>	<u>6,518,095</u>	<u>3,165,150</u>	<u>3,352,945</u>	
2,324,125	3,150	1,950	1,200	0	0	0	0
33,702	0	0	0	0	0	0	0
9,741,096	0	0	0	0	0	0	0
29,780	0	0	0	0	0	0	0
10,000	2,175,000	2,125,000	50,000	0	0	0	0
0	551,285	551,285	0	0	0	0	0
0	0	0	0	25,517,891	12,210,723	13,307,168	0
12,138,703	<u>2,729,435</u>	<u>2,678,235</u>	<u>51,200</u>	<u>25,517,891</u>	<u>12,210,723</u>	<u>13,307,168</u>	<u>13,307,168</u>
1,317,962	(133,742)	50,435	184,177	(18,999,796)	(9,045,573)	9,954,223	
197,976	33,742	33,742	0	15,999,005	13,444,595	(2,554,410)	
5,767,962	0	0	0	(736,604)	(729,849)	6,755	
5,965,938	33,742	33,742	0	15,262,401	12,714,746	(2,547,655)	
7,283,900	(100,000)	84,177	184,177	(3,737,395)	3,669,173	7,406,568	
0	390,783	390,783	0	7,622,041	7,622,041	0	
\$ 7,283,900	<u>\$ 290,783</u>	<u>\$ 474,960</u>	<u>\$ 184,177</u>	<u>\$ 3,884,646</u>	<u>\$ 11,291,214</u>	<u>\$ 7,406,568</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, 1998

## Operating Revenues:

Charges for sales and services	\$ 11,187,181	\$ 4,171,968
Other	423,992	0
Investment earnings	0	0
Total Operating Revenues	<u>11,611,173</u>	<u>4,171,968</u>

## Operating Expenses:

Employee expense	4,317,503	1,153,857
Utilities	804,398	12,336
Repairs and maintenance	1,011,594	11,666
Supplies and services	3,648,616	235,894
Insurance	255,980	2,881,510
Landfill closure and postclosure care	0	0
Depreciation	<u>2,114,926</u>	<u>12,269</u>
Total Operating Expenses	<u>12,153,017</u>	<u>4,307,532</u>

Operating Loss

(541,844) (135,564)

## Nonoperating Revenues (Expenses):

Interest revenue	400,041	104,383
Interest expense	(385,822)	0
Operating grants	571,868	0
Taxes	610,734	0
Loss on disposal of assets	(52,144)	0
Total Nonoperating Revenues (Expenses)	<u>1,144,677</u>	<u>104,383</u>

Income (Loss) Before Operating Transfers

602,833 (31,181)

## Operating Transfers:

Operating transfers in	3,067,080	0
Operating transfers out	(5,192,772)	0
Operating transfers to primary government	0	0
Total Operating Transfers	<u>(2,125,692)</u>	<u>0</u>

Net Income (Loss)

(1,522,859) (31,181)

Retained Earnings/Fund Balances, Beginning

25,947,836 1,521,851

Retained Earnings/Fund Balances, Ending

\$ 24,424,977 \$ 1,490,670

See notes to financial statements.

Fiduciary Fund Type	Component Unit		
	Totals Primary Government (Memorandum Only)	Dubuque Metropolitan Area Solid Waste Agency	Totals Reporting Entity (Memorandum Only)
\$ 0	\$ 15,359,149	\$ 1,843,334	\$ 17,202,483
2,397	426,389	7,322	433,711
<u>5,391</u>	<u>5,391</u>	<u>0</u>	<u>5,391</u>
<u>7,788</u>	<u>15,790,929</u>	<u>1,850,656</u>	<u>17,641,585</u>
 0	 5,471,360	 424,085	 5,895,445
0	816,734	12,118	828,852
0	1,023,260	80,768	1,104,028
9,186	3,893,696	598,350	4,492,046
0	3,137,490	27,453	3,164,943
0	0	132,994	132,994
0	2,127,195	662,277	2,789,472
<u>9,186</u>	<u>16,469,735</u>	<u>1,938,045</u>	<u>18,407,780</u>
 (1,398)	 (678,806)	 (87,389)	 (766,195)
 0	 504,424	 311,397	 815,821
0	(385,822)	0	(385,822)
0	571,868	97,868	669,736
0	610,734	0	610,734
0	(52,144)	0	(52,144)
<u>0</u>	<u>1,249,060</u>	<u>409,265</u>	<u>1,658,325</u>
 (1,398)	 570,254	 321,876	 892,130
 0	 3,067,080	 0	 3,067,080
0	(5,192,772)	0	(5,192,772)
0	0	(24,241)	(24,241)
0	(2,125,692)	(24,241)	(2,149,933)
 (1,398)	 (1,555,438)	 297,635	 (1,257,803)
 83,059	 27,552,746	 8,650,316	 36,203,062
 \$ 81,661	 \$ 25,997,308	 \$ 8,947,951	 \$ 34,945,259

## 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, 1998

	<u>Proprietary Fund Types</u>	
	<u>Internal</u>	<u>Service</u>
	<u>Enterprise</u>	<u>Enterprise</u>
<b>Cash Flows from Operating Activities:</b>		
Operating loss	\$ (541,844)	\$ (135,564)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Landfill closure and postclosure care	0	0
Depreciation	2,114,926	12,269
Investment earnings	0	0
Changes in assets and liabilities:		
Decrease in accounts receivable	163,860	0
(Increase) in intergovernmental receivable	(238,546)	0
(Increase) in due from primary government	0	0
(Increase) in inventory	(22,341)	(1,866)
(Decrease) in accounts payable	(5,770)	(27,601)
Increase in accrued payroll	13,105	26,931
Increase in accrued compensated absences	4,837	0
(Decrease) in intergovernmental payable	0	0
Increase in due to other funds	85,353	33,566
Increase in due to component unit	11,941	0
(Decrease) in deferred revenue	(2,556)	0
Net cash provided (used) by operating activities	<u>1,582,965</u>	<u>(92,265)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes received	615,879	0
Operating grants received	571,868	0
Operating transfers in	3,067,080	0
Operating transfers out	(5,192,772)	0
Operating transfers to primary government	0	0
Advances from other funds	1,555,966	0
Advances from component unit	561,250	0
Advances to primary government	0	0
Net cash provided (used) by noncapital financing activities	<u>1,179,271</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of fixed assets	(4,012,297)	(18,622)
Principal paid on bonds	(2,760,690)	0
Proceeds from sale of bonds	2,497,869	0
Interest paid on bonds	(398,267)	0
Capital contributed by intergovernmental	562,851	0
Net cash (used) by capital and related financing activities	<u>(4,110,534)</u>	<u>(18,622)</u>

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area	Solid Waste Agency	
Nonexpendable Trust				
\$	\$	\$	\$	\$
(1,398)	(678,806)	(87,389)		(766,195)
0	0	132,994		132,994
0	2,127,195	662,277		2,789,472
(5,391)	(5,391)	0		(5,391)
0	163,860	14,217		178,077
0	(238,546)	0		(238,546)
0	0	(11,941)		(11,941)
0	(24,207)	0		(24,207)
0	(33,371)	(13,900)		(47,271)
0	40,036	1,782		41,818
0	4,837	2,466		7,303
0	0	(441)		(441)
0	118,919	0		118,919
0	11,941	0		11,941
0	(2,556)	0		(2,556)
<u>(6,789)</u>	<u>1,483,911</u>	<u>700,065</u>		<u>2,183,976</u>
0	615,879	0		615,879
0	571,868	97,868		669,736
0	3,067,080	0		3,067,080
0	(5,192,772)	0		(5,192,772)
0	0	(24,241)		(24,241)
0	1,555,966	0		1,555,966
0	561,250	0		561,250
0	0	(561,250)		(561,250)
<u>0</u>	<u>1,179,271</u>	<u>(487,623)</u>		<u>691,648</u>
0	(4,030,919)	(93,182)		(4,124,101)
0	(2,760,690)	0		(2,760,690)
0	2,497,869	0		2,497,869
0	(398,267)	0		(398,267)
0	562,851	0		562,851
<u>0</u>	<u>(4,129,156)</u>	<u>(93,182)</u>		<u>(4,222,338)</u>

(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, 1998

	<u>Proprietary Fund Types</u>	
	<u>Internal</u>	<u>Service</u>
	<u>Enterprise</u>	<u>Enterprise</u>
<b>Cash Flows from Investing Activities:</b>		
Interest on cash and pooled cash investments	\$ 465,949	\$ 121,777
Net increase (decrease) in cash and cash equivalents	(882,349)	10,890
Cash and cash equivalents at beginning of year	9,737,876	1,955,313
Cash and cash equivalents at end of year	<u>\$ 8,855,527</u>	<u>\$ 1,966,203</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>		
Contributions of fixed assets from developers and users	\$ 185,469	\$ 0

See notes to financial statements.

EXHIBIT 5  
(continued)

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area	Solid Waste Agency	
Nonexpendable Trust				
	<u>\$ 6,200</u>	<u>\$ 593,926</u>	<u>\$ 399,360</u>	<u>\$ 993,286</u>
	(589)	(872,048)	518,620	(353,428)
	<u>81,989</u>	<u>11,775,178</u>	<u>5,683,110</u>	<u>17,458,288</u>
	<u>\$ 81,400</u>	<u>\$ 10,903,130</u>	<u>\$ 6,201,730</u>	<u>\$ 17,104,860</u>
	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF DUBUQUE, IOWA

Notes to Financial Statements

June 30, 1998

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. Deferred Compensation Plan
13. Post-Employment Health Care Benefits
14. Employee Retirement Systems
15. Conduit Debt
16. Landfill Closure and Postclosure Care
17. Year 2000 Issue

CITY OF DUBUQUE, IOWA

Notes to the Financial Statements

June 30, 1998

**Note 1. Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Dubuque, Iowa, is a municipal corporation governed by an elected mayor and 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 for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. 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.

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 collectible within the current period or 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. A one-year availability period is used for revenue recognition for all other governmental fund revenues. 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.

*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 and its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council and the Treasurer of the State of Iowa; 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."

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.

## 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, 1998, was amended once during the year to allow the City to increase program expenditures by approximately \$6,450,000, primarily for the carry-forward of unfinished capital improvement projects, expenditure of additional grants for capital improvements, and the expenditure of additional intergovernmental revenue for community development projects.

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

### Budget/GAAP Reconciliation

The accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Governmental Fund Types" presents comparisons of the legally adopted budget with actual data on a budgetary basis for the general, special revenue, debt service, and capital projects fund types. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with 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, 1998, is presented as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 2,961,422	\$ (2,172,980)	\$ 84,177	\$ 3,669,173
Adjustments:				
To adjust revenues for accruals	(553,225)	(1,350,625)	(14,105)	(1,850,257)
To adjust expenditures for accruals	<u>1,476,812</u>	<u>678,793</u>	<u>(24,699)</u>	<u>2,099,947</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 3,885,009</u>	<u>\$ (2,844,812)</u>	<u>\$ 45,373</u>	<u>\$ 3,918,863</u>

#### **Deficit Fund Equity**

The following funds had deficit retained earnings amounts as of June 30, 1998:

Enterprise:		
Transit System		\$ 2,948,038
Internal Service:		
General Service		52,914
Stores/Printing		1,114

#### **Comparison of Actual Expenditures with Budget (Cash Basis)**

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

<u>Program</u>	<u>Appropriations</u>	<u>Actual Disbursements</u>	<u>Variance Favorable (Unfavorable)</u>
Policy and administration	\$ 7,021,537	\$ 5,039,345	\$ 1,982,192
Community protection	13,660,032	13,060,313	599,719
Home and community environment	72,652,287	40,671,603	31,980,684
Human development	<u>8,224,882</u>	<u>7,377,780</u>	<u>847,102</u>
Total	<u>\$101,558,738</u>	<u>\$66,149,041</u>	<u>\$35,409,697</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 \$18,517.

**Deposits.** At year end, the City's carrying amount of deposits was \$7,970,962 and the bank balance was \$8,703,329. Of the bank balance, \$400,000 was covered by depository insurance. The balance was collateralized with securities or letters of credit held by the City or its agent in the City's name, or by a multiple financial institution collateral pool 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 \$832,140 and the bank balance was \$831,312. Of the bank balance, \$200,000 was covered by depository insurance. The balance was collateralized with securities or letters of credit held by the Agency or its agent in the Agency's name, or by a multiple financial institution collateral pool 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.

The City's investments at June 30, 1998, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$22,803,858	\$ 0	\$ 0	\$22,803,858
Federal Agency Obligations	9,685,443	0	0	9,685,443
Corporate Stock	96,941	0	0	96,941
	<u>\$32,586,242</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,586,242</u>

**Investment Pools:**

Mutual U.S. Government Bond Fund	3,688,366
Deferred Compensation Mutual Fund	10,060,633
<u>\$46,335,241</u>	

**Total Investments**

The Dubuque Metropolitan Area Solid Waste Agency's investments at June 30, 1998, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 5,369,590	\$ 0	\$ 0	\$ 5,369,590

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

Cash on hand	\$ 18,517
Carrying amount of deposits	7,970,962
Carrying amount of investments	<u>46,335,241</u>
 Total	<u>\$54,324,720</u>

Cash and pooled cash investments	\$43,595,582
Cash and pooled cash investments - nonexpendable trust	81,400
Investments	10,060,633
Insurance deposit	1,000
Cash and pooled cash investments - restricted	<u>586,105</u>
 Total	<u>\$54,324,720</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 \$34,623.

**Note 5. Fixed Assets**

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

	Balance July 1, 1997	Additions	Retirements	Balance June 30, 1998
Land	\$10,143,106	\$ 655,500	\$ 0	\$10,798,606
Buildings and improvements	37,626,869	554,034	260,083	37,920,820
Improvements other than buildings	4,626,646	21,404	0	4,648,050
Machinery and equipment	13,857,531	1,934,007	1,127,599	14,663,939
Construction in progress	3,111,619	7,344,789	3,111,619	7,344,789
 Total General Fixed Assets	<u>\$69,365,771</u>	<u>\$10,509,734</u>	<u>\$ 4,499,301</u>	<u>\$75,376,204</u>

The following is a summary of proprietary fund type assets at June 30, 1998:

	Internal Enterprise Funds	Service Funds
Land	\$ 1,151,521	\$ 0
Buildings and improvements	41,411,781	0
Improvements other than buildings	15,159,500	0
Machinery and equipment	30,149,862	150,055
Construction in progress	14,206,449	0
Accumulated depreciation	(46,598,340)	(111,872)
 Net Fixed Assets	<u>\$55,480,773</u>	<u>\$ 38,183</u>

The following is a summary of proprietary fund type fixed assets for the Dubuque Metropolitan Area Solid Waste Agency at June 30, 1998:

Land	\$ 552,528
Buildings and improvements	3,961,365
Machinery and equipment	1,423,581
Accumulated depreciation	<u>(2,674,340)</u>
Net Fixed Assets	<u>\$ 3,263,134</u>

**Note 6. Interfund Receivables and Payables**

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Enterprise Funds Sewage Disposal Works Water Utility	\$ 54,745 30,608
	Internal Service Funds General Service Garage Service Stores/Printing	27,218 3,594 <u>3,811</u>
		<u>\$ 119,976</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Enterprise Funds Sewage Disposal Works Water Utility	\$ 1,317,260 <u>556,500</u>
		<u>\$ 1,873,760</u>

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Component unit - Dubuque Metropolitan Area Solid Waste Agency	Primary government - refuse collection fund	<u>\$ 45,540</u>

Advances to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Component unit - Dubuque Metropolitan Area Solid Waste Agency	Primary government - sewage disposal works	<u>\$ 561,250</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.

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, 1998, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Corporate purpose	03/01/87	05/01/88-05/01/01	4.40-5.60%	\$ 4,000,000	\$ 1,650,000
Corporate purpose	06/01/89	05/01/91-05/01/00	6.50-6.70	3,500,000	795,000
Corporate purpose	05/15/90	05/01/91-05/01/00	6.50-6.80	1,965,000	490,000
Corporate purpose	05/01/91	05/01/92-05/01/02	5.50-6.10	2,500,000	1,295,000
Corporate purpose	06/01/93	05/01/94-05/01/03	2.65-4.50	4,615,000	1,460,000
Corporate purpose	05/01/94	05/01/95-05/01/04	3.50-5.13	3,100,000	1,980,000
Corporate purpose	07/01/95	05/01/96-05/01/05	4.10-4.90	2,000,000	1,770,000
				<u>\$21,680,000</u>	<u>\$ 9,440,000</u>

Annual debt service requirements to maturity for general obligation bonds, including interest of \$1,461,078, are as follows:

Fiscal Year Ending June 30	General Long-Term Debt Account Group/ Enterprise Funds
1999	\$ 2,751,141
2000	2,216,361
2001	2,218,296
2002	1,592,211
2003	1,135,019
2004-2005	988,050
Total	<u>\$10,901,078</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, 1998, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Nordstrom	07/18/91	08/01/93-08/01/98	7.13-8.56%	<u>\$ 1,000,000</u>	<u>\$ 175,000</u>

Annual debt service requirements to maturity for tax-increment financing bonds, including interest of \$7,490, are as follows:

Fiscal Year Ending June 30	Amount
1999	<u>\$ 182,490</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, 1998, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Parking facilities	03/01/98	05/01/98-05/01/10	3.60-4.75%	<u>\$ 2,515,000</u>	<u>\$ 2,360,000</u>

Revenue bond debt service requirements to maturity, including interest of \$759,940, are as follows:

Fiscal Year Ending June 30	Amount
1999	\$ 254,505
2000	253,730
2001	257,530
2002	255,765
2003	258,625
2004-2010	<u>1,839,785</u>
Total	<u>\$ 3,119,940</u>

**Notes Payable.** Notes payable have been issued to provide funds for economic development. Notes payable at June 30, 1998, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Economic development	11/30/90	10/01/99	None	\$ 190,000	\$ 190,000
Economic development	04/15/97	05/01/03	4.40%	700,000	700,000
Economic development	02/27/98	03/01/04	4.40%	<u>655,500</u>	<u>655,500</u>
				<u>\$ 1,545,500</u>	<u>\$ 1,545,500</u>

Debt service requirements to maturity for notes payable, including interest of \$314,241, are as follows:

Fiscal Year Ending June 30	Amount
1999	\$ 46,831
2000	249,642
2001	59,642
2002	59,642
2003	759,642
2004	<u>684,342</u>
Total	<u>\$ 1,859,741</u>

**Changes in Long-term Liabilities.** During the fiscal year ended June 30, 1998, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 1997	Additions	Reductions	Balance June 30, 1998
Accrued Compensated Absences	\$ 1,566,300	\$ 54,243	\$ 0	\$ 1,620,543
Notes Payable - Long-Term	915,000	655,500	25,000	1,545,500
General Obligation Debt	10,335,000	0	2,125,000	8,210,000
Tax-Increment Financing Debt	350,000	0	175,000	175,000
Totals	<u>\$13,166,300</u>	<u>\$ 709,743</u>	<u>\$ 2,325,000</u>	<u>\$11,551,043</u>

**Current Refundings.** During the year ended June 30, 1998, the City issued \$2,515,000 of parking revenue refunding bonds for a current refunding of \$2,435,000 of the outstanding 1990 series parking revenue bonds. The refunding was undertaken to reduce future debt service payments of the parking facilities fund. The reacquisition price exceeded the net carrying amount of the old debt by \$34,666. This amount is being netted against the new debt and amortized over 13 years, which is the life of the new debt. The transaction also resulted in an economic gain of \$380,023 and a reduction of \$470,272 in future debt service payments.

#### Note 8. Contributed Capital

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

Sources	Sewage Disposal Works	Water Utility	Refuse Collection	Transit System
Beginning balance contributed capital	\$25,267,693	\$ 2,385,346	\$ 336,354	\$ 5,865,447
Contributions received:				
Government	0	0	0	0
Intergovernmental	0	0	0	562,851
Developers and users	154,339	31,130	0	0
Total contributions received	154,339	31,130	0	562,851
Contributions made:				
Government	0	0	0	0
Ending balance, contributed capital	\$25,422,032	\$ 2,416,476	\$ 336,354	\$ 6,428,298

#### 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 \$2,846,000 for 1998. 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.

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 1998. 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.

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 \$364,115 in the Health Insurance Reserve Fund and \$101,421 in the Workers' Compensation Reserve Fund are 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, 1997 and 1998, are summarized as follows:

	Health Insurance Reserve Fund	Workers' Compensation Reserve Fund
Liabilities at June 30, 1996	\$ 393,313	\$ 149,683
Claims and changes in estimates during fiscal year 1997	2,696,635	(33,399)
Claim payments	(2,668,130)	(45,026)
Liabilities at June 30, 1997	421,818	71,258
Claims and changes in estimates during fiscal year 1998	2,369,730	(142,363)
Claim payments	(2,427,433)	172,526
Liabilities at June 30, 1998	<u>\$ 364,115</u>	<u>\$ 101,421</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 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 members' 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.

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, 1998, were \$461,132.

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, 1998, no liability has been recorded in the City's financial statements. As of June 30, 1998, 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. 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, 1998, is as follows:

	<u>Sewage</u>	<u>Water</u>	<u>Parking</u>
	<u>Disposal</u>	<u>Utility</u>	<u>Facilities</u>
	<u>Works</u>		
Operating revenues	\$ 4,816,624	\$ 3,693,456	\$ 1,187,291
Depreciation expense	623,507	799,757	296,785
Operating income (loss)	1,134,196	(535,607)	320,810
Operating grants	0	0	0
Operating transfers:			
In	1,662,080	1,185,000	220,000
Out	2,672,448	2,083,843	264,333
Tax revenues	0	0	0
Net income (loss)	182,866	(1,402,816)	162,608
Current capital contributions	154,339	31,130	0
Fixed assets:			
Additions	204,061	300,920	32,129
Deletions	62,454	139,954	9,828
Net working capital	2,172,412	1,224,133	717,796
Total assets	32,387,307	20,024,817	7,967,823
Bonds payable from operating revenues	880,000	350,000	2,328,000
Total equity	29,288,209	18,909,257	5,550,750

	Refuse Collection	Transit System	Total Enterprise Funds
Operating revenues	\$ 1,704,138	\$ 209,664	\$ 11,611,173
Depreciation expense	118,507	276,370	2,114,926
Operating income (loss)	(142,208)	(1,319,035)	(541,844)
Operating grants	0	571,868	571,868
Operating transfers:			
In	0	0	3,067,080
Out	160,298	11,850	5,192,772
Tax revenues	0	610,734	610,734
Net income (loss)	(311,956)	(153,561)	(1,522,859)
Current capital contributions	0	562,851	748,320
Fixed assets:			
Additions	259,877	678,488	1,475,475
Deletions	204,586	381,619	798,441
Net working capital	1,480,666	635,279	6,230,286
Total assets	1,991,231	3,577,707	65,948,885
Bonds payable from operating revenues	0	0	3,558,000
Total equity	1,799,661	3,480,260	59,028,137

#### **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, 1998.

##### **Litigation**

The City's corporation counsel reported that as of June 30, 1998, 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.

##### **Construction Contracts**

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 1998. The City has additional commitments for signed construction contracts of approximately \$10,937,000 as of June 30, 1998. Of these commitments, approximately \$144,000 will be funded by federal and state grants, \$4,261,000 by cash reserves, and \$6,532,000 by transfers from other funds.

#### **Note 12. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Investments are managed by the plan's trustee under one of eight investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

#### **Note 13. 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, 1998, 56 retirees were eligible for these benefits, and the cost of the benefits for the fiscal year ended June 30, 1998, totaled \$100,159.

#### **Note 14. Employee Retirement Systems**

##### **MFPRSI**

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 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, 1998, 1997, and 1996, were \$1,132,746, \$1,112,226, and \$1,113,118, 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 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, 1998, 1997, and 1996, were \$716,207, \$678,752, and \$657,720, respectively, equal to the required contributions for each year.

### **Note 15. 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, 1998, there were seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$24,349,412.

During 1996 the Iowa Department of Economic Development (IDED) issued a \$5,000,000 loan to a local industry which was passed through the City. The loan is to be repaid to IDED in one lump-sum payment twenty-four months after its issuance. This repayment is also to be passed through the City. Per the loan agreement, the City's liability for repayment of the loan is limited to any amounts collected from the company. The City is not responsible for repayment of the loan should the company default on its payment. Accordingly, no loan receivable or loan payable is reported in the accompanying financial statements.

### **Note 16. 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 \$1,081,434 reported as landfill closure and postclosure care liability at June 30, 1998, represents the cumulative amount reported to date based on the use of 50 percent of the estimated capacity of cell 3 and the use of 50 percent of the estimated capacity of cell 4. The Agency will recognize the remaining estimated cost of closure and postclosure care of \$1,363,498 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 1998. The Agency expects to close cell 3 in 2002 and to close the entire landfill in 2015. 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, 1998, funds have been restricted for closure and post closure costs in the amount of \$1,671,593, which exceeds the liability currently recognized.

**Note 17. Year 2000 Issue**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations during or after the change of the millennium in Fiscal Year 2000.

The City of Dubuque has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary for conducting City operations. Based on this inventory, the City is in the remediation stage of becoming year 2000 compliant. The City of Dubuque has not identified any year 2000 data processing discrepancies that will have a material adverse affect on the City's budget or financial condition. Several systems have been upgraded or are in the process of being upgraded. Testing and validation has been completed on some upgraded systems, but additional testing and validation will be required as additional system upgrades are implemented.

Because of the unprecedented nature of the Year 2000 issue, its affects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City of Dubuque is or will be Year 2000 ready, that the City of Dubuque's remediation efforts will be successful in whole or in part, or that parties with whom the City of Dubuque does business will be year 2000 ready. Although minor problems will undoubtedly remain, the City of Dubuque expects to resolve all of its critical year 2000 problems before January 1, 2000. The City does not expect year 2000 problems to have a material adverse effect on its financial health or its ability to meet its financial obligations in a timely manner.



## **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, 1998

## ASSETS

Cash and pooled cash investments	\$ 13,975,474
Receivables:	
Taxes	98,179
Accounts	304,494
Accrued interest	107,471
Intergovernmental	596,881
Due from other funds	119,976
Advances to other funds	<u>1,873,760</u>
 Total Assets	 <u>\$ 17,076,235</u>

## LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 200,304
Accrued payroll	649,364
Accrued compensated absences	283,060
Deferred revenue	<u>16,321</u>
 Total Liabilities	 <u>1,149,049</u>
Fund Balances:	
Reserved for encumbrances	1,064,851
Reserved for advances	1,873,760
Unreserved, undesignated	<u>12,988,575</u>
 Total Fund Balances	 <u>15,927,186</u>
 Total Liabilities and Fund Balances	 <u>\$ 17,076,235</u>

CITY OF DUBUQUE, IOWA  
GENERAL FUNDStatement of Revenues, Expenditures, and  
Changes in Fund Balances

For the fiscal year ended June 30, 1998

Revenues:	
Taxes	\$ 18,768,511
Licenses and permits	506,958
Intergovernmental	1,188,919
Charges for services	7,105,527
Fines and forfeits	370,739
Miscellaneous	699,150
Interest	<u>1,451,704</u>
 Total Revenues	 <u>30,091,508</u>
Expenditures:	
Current:	
Policy and administration	3,690,325
Community protection	12,808,488
Home and community environment	3,561,919
Human development	<u>5,950,820</u>
 Total Expenditures	 <u>26,011,552</u>
 Excess of Revenues Over Expenditures	 <u>4,079,956</u>
Other Financing Sources (Uses):	
Operating transfers in	2,313,235
Operating transfers from component unit	24,241
Operating transfers out	<u>(2,532,423)</u>
 Total Other Financing Sources (Uses)	 <u>(194,947)</u>
 Excess of Revenues and Other Sources Over Expenditures and Other Uses	 3,885,009
Fund Balances, Beginning	<u>12,042,177</u>
Fund Balances, Ending	<u>\$ 15,927,186</u>

## 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 account for the administration and payment of damage claims against the City.

**Sales Tax Fund** - This fund is used to account for local option sales tax revenues.

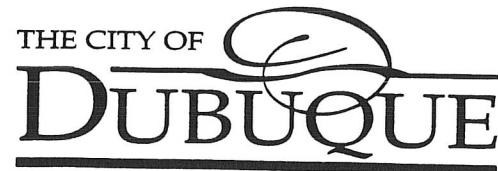
**Police and Fire Retirement Fund** - This fund is used to account for the balance of actuarially-determined excess pension funds as calculated when local retirement systems were terminated and combined into a statewide retirement system. The excess funds may be used to help fund the city portion of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





*Showing the Spirit.*

CITY OF DUBUQUE, IOWA  
SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1998

	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 2,200,979	\$ 49,128	\$ 1,296,204	\$ 415,281
Receivables:				
Taxes	0	9,565	0	0
Special assessments	0	0	0	0
Accrued interest	0	0	100,895	0
Notes - current	0	0	1,058,050	0
Notes - long-term	0	0	11,262,228	23,323
Intergovernmental	<u>358,295</u>	<u>0</u>	<u>78,191</u>	<u>4,554</u>
Total Assets	<u><u>\$ 2,559,274</u></u>	<u><u>\$ 58,693</u></u>	<u><u>\$ 13,795,568</u></u>	<u><u>\$ 443,158</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 37,665	\$ 0	\$ 395	\$ 20,542
Accrued payroll	<u>34,634</u>	<u>0</u>	<u>26,995</u>	<u>11,008</u>
Accrued compensated absences	0	0	5,716	11,861
Intergovernmental payable	0	0	0	172,957
Deferred revenue	<u>0</u>	<u>1,591</u>	<u>136,742</u>	<u>0</u>
Total Liabilities	<u><u>72,299</u></u>	<u><u>1,591</u></u>	<u><u>169,848</u></u>	<u><u>216,368</u></u>
Fund Balances:				
Reserved for long-term notes receivable	0	0	11,262,228	23,323
Reserved for encumbrances	<u>115,968</u>	<u>0</u>	<u>135,928</u>	<u>6,983</u>
Unreserved, undesignated	<u>2,371,007</u>	<u>57,102</u>	<u>2,227,564</u>	<u>196,484</u>
Total Fund Balances	<u><u>2,486,975</u></u>	<u><u>57,102</u></u>	<u><u>13,625,720</u></u>	<u><u>226,790</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 2,559,274</u></u>	<u><u>\$ 58,693</u></u>	<u><u>\$ 13,795,568</u></u>	<u><u>\$ 443,158</u></u>

Tort Liability	Sales Tax	Police and Fire Retirement	Special Assessments	Tax Increment Financing	Law Enforcement Block Grant	Total
\$ 9,175	\$ 1,120,175	\$ 945,933	\$ 672,280	\$ 359,367	\$ 40,309	\$ 7,108,831
2,104	0	0	0	0	0	11,669
0	0	0	673,328	0	0	673,328
0	4,645	0	0	1,492	167	107,199
0	0	0	0	0	0	1,058,050
0	0	0	0	0	0	11,285,551
0	322,795	0	0	0	0	763,835
<u>\$ 11,279</u>	<u>\$ 1,447,615</u>	<u>\$ 945,933</u>	<u>\$ 1,345,608</u>	<u>\$ 360,859</u>	<u>\$ 40,476</u>	<u>\$ 21,008,463</u>
0	0	0	0	0	0	58,602
0	0	0	0	0	1,419	74,056
0	0	0	0	0	0	17,577
0	0	0	0	0	0	172,957
350	0	0	633,055	0	34,054	805,792
350	0	0	633,055	0	35,473	1,128,984
0	0	0	0	0	0	11,285,551
0	0	0	0	60,953	955	320,787
10,929	1,447,615	945,933	712,553	299,906	4,048	8,273,141
10,929	1,447,615	945,933	712,553	360,859	5,003	19,879,479
<u>\$ 11,279</u>	<u>\$ 1,447,615</u>	<u>\$ 945,933</u>	<u>\$ 1,345,608</u>	<u>\$ 360,859</u>	<u>\$ 40,476</u>	<u>\$ 21,008,463</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, 1998

	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
<b>Revenues:</b>				
Taxes	\$ 0	\$ 1,046,264	\$ 0	\$ 0
Special assessments	0	0	0	0
Intergovernmental	3,925,687	0	2,053,192	3,123,605
Miscellaneous	57	0	95,337	33,075
Interest	0	0	320,591	2,001
 Total Revenues	 3,925,744	 1,046,264	 2,469,120	 3,158,681
 <b>Expenditures:</b>				
Current:				
Policy and administration	81,812	183	601,798	0
Community protection	7,784	1,379	0	0
Home and community environment	2,412,741	0	1,172,457	3,159,159
Human development	0	0	249,654	0
Debt service:				
Principal retirement	0	0	0	0
Interest	0	0	0	0
 Total Expenditures	 2,502,337	 1,562	 2,023,909	 3,159,159
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 1,423,407	 1,044,702	 445,211	 (478)
 <b>Other Financing Sources (Uses):</b>				
Note proceeds	0	0	0	0
Operating transfers in	95,616	228,128	213,565	0
Operating transfers out	(2,253,538)	(1,326,772)	(1,350,226)	0
 Total Other Financing Sources (Uses)	 (2,157,922)	 (1,098,644)	 (1,136,661)	 0
 Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 (734,515)	 (53,942)	 (691,450)	 (478)
 Fund Balances, Beginning	 3,221,490	 111,044	 14,317,170	 227,268
 Fund Balances, Ending	 \$ 2,486,975	 \$ 57,102	 \$ 13,625,720	 \$ 226,790

Tort Liability	Sales Tax	Police and Fire Retirement	Special Assessments	Tax Increment Financing	Law Enforcement Block Grant	Total
\$ 230,231	\$ 1,821,149	\$ 0	\$ 0	\$ 328,735	\$ 0	\$ 3,426,379
0	0	0	790,854	0	0	790,854
0	0	0	0	0	9,746	9,112,230
0	0	0	0	0	643	129,112
0	90,520	0	41,047	19,217	2,411	475,787
<u>230,231</u>	<u>1,911,669</u>	<u>0</u>	<u>831,901</u>	<u>347,952</u>	<u>12,800</u>	<u>13,934,362</u>
0	0	0	0	9,690	0	693,483
0	0	0	0	0	9,466	18,629
0	0	0	0	679,471	0	7,423,828
0	0	0	0	0	0	249,654
0	0	0	0	175,000	0	175,000
0	0	0	0	22,330	0	22,330
0	0	0	0	886,491	9,466	8,582,924
<u>230,231</u>	<u>1,911,669</u>	<u>0</u>	<u>831,901</u>	<u>(538,539)</u>	<u>3,334</u>	<u>5,351,438</u>
0	0	0	0	655,500	0	655,500
0	0	0	0	0	0	537,309
<u>(228,480)</u>	<u>(2,570,000)</u>	<u>(228,128)</u>	<u>(1,132,524)</u>	<u>(299,391)</u>	<u>0</u>	<u>(9,389,059)</u>
<u>(228,480)</u>	<u>(2,570,000)</u>	<u>(228,128)</u>	<u>(1,132,524)</u>	<u>356,109</u>	<u>0</u>	<u>(8,196,250)</u>
1,751	(658,331)	(228,128)	(300,623)	(182,430)	3,334	(2,844,812)
9,178	2,105,946	1,174,061	1,013,176	543,289	1,669	22,724,291
<u>\$ 10,929</u>	<u>\$ 1,447,615</u>	<u>\$ 945,933</u>	<u>\$ 712,553</u>	<u>\$ 360,859</u>	<u>\$ 5,003</u>	<u>\$ 19,879,479</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, 1998

## ASSETS

Cash and pooled cash investments	\$ 474,960
Receivables:	
Taxes	23,199
Accrued interest	<u>1,969</u>
 Total Assets	 \$ <u>500,128</u>

## LIABILITIES AND FUND BALANCE

Liabilities:	
Deferred revenue	\$ 3,856
Fund Balance:	
Reserved for debt service	<u>496,272</u>
 Total Liabilities and Fund Balance	 \$ <u>500,128</u>

CITY OF DUBUQUE, IOWA  
DEBT SERVICE FUNDStatement of Revenues, Expenditures, and  
Changes in Fund Balance

For the fiscal year ended June 30, 1998

Revenues:	
Taxes	\$ 2,652,949
Interest	<u>61,616</u>
Total Revenues	<u>2,714,565</u>
Expenditures:	
Current:	
Policy and administration	1,950
Debt service:	
Principal retirement	2,150,000
Interest and fiscal charges	<u>550,984</u>
Total Expenditures	<u>2,702,934</u>
Excess of Revenues Over Expenditures	11,631
Other Financing Sources:	
Operating transfers in	<u>33,742</u>
Excess of Revenues and Other Financing Sources Over Expenditures	45,373
Fund Balance, Beginning	<u>450,899</u>
Fund Balance, Ending	<u>\$ 496,272</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.

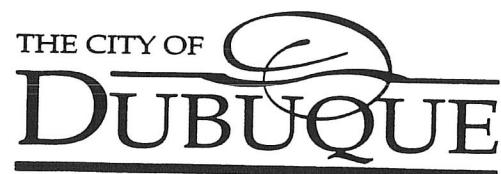
**Dog Track Depreciation Fund** - This fund is used to account for the resources and costs related to capital improvements and maintenance at the greyhound racing facility.

**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.





*Showing the Spirit.*

CITY OF DUBUQUE, IOWA  
CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1998

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 3,114,250	\$ 1,142,550	\$ 925,154
Receivables:			
Accrued interest	12,914	4,738	3,836
Intergovernmental	0	0	0
<b>Total Assets</b>	<b>\$ 3,127,164</b>	<b>\$ 1,147,288</b>	<b>\$ 928,990</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 336,966	\$ 0	\$ 0
Fund Balances:			
Reserved for encumbrances	2,116,913	20,508	25,961
Reserved for dog track	0	0	903,029
Unreserved, undesignated	673,285	1,126,780	0
<b>Total Fund Balances</b>	<b>2,790,198</b>	<b>1,147,288</b>	<b>928,990</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,127,164</b>	<b>\$ 1,147,288</b>	<b>\$ 928,990</b>

<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
---------------------------------	---------------------------------	-----------------------------------	--------------

\$ 3,958,283	\$ 329,909	\$ 1,821,068	\$ 11,291,214
523	1,368	7,551	30,930
0	33,422	215,197	248,619
<u>\$ 3,958,806</u>	<u>\$ 364,699</u>	<u>\$ 2,043,816</u>	<u>\$ 11,570,763</u>

\$ 928	\$ 0	\$ 93,170	\$ 431,064
--------	------	-----------	------------

3,957,878	25,959	230,701	6,377,920
0	0	0	903,029
0	338,740	1,719,945	3,858,750
<u>3,957,878</u>	<u>364,699</u>	<u>1,950,646</u>	<u>11,139,699</u>
<u>\$ 3,958,806</u>	<u>\$ 364,699</u>	<u>\$ 2,043,816</u>	<u>\$ 11,570,763</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, 1998

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
<b>Revenues:</b>			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	419,864	0	0
Miscellaneous	83,651	1,654	20,895
Racing Association	0	0	120,000
Passenger facility charges	0	0	0
Interest	<u>118,300</u>	<u>67,082</u>	<u>56,250</u>
 Total Revenues	 621,815	 68,736	 197,145
 <b>Expenditures:</b>			
Capital outlay	<u>4,155,888</u>	<u>149,595</u>	<u>510,088</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(3,534,073)</u>	 <u>(80,859)</u>	 <u>(312,943)</u>
 <b>Other Financing Sources (Uses):</b>			
Operating transfers in	5,176,477	0	0
Operating transfers out	<u>(375,692)</u>	<u>(158,656)</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>4,800,785</u>	 <u>(158,656)</u>	 <u>0</u>
 Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 1,266,712	 (239,515)	 (312,943)
 Fund Balances, Beginning	 <u>1,523,486</u>	 <u>1,386,803</u>	 <u>1,241,933</u>
 Fund Balances, Ending	 <u>\$ 2,790,198</u>	 <u>\$ 1,147,288</u>	 <u>\$ 928,990</u>

	General Construction	Airport Construction	Sales Tax Construction	Total
\$	0	\$ 0	\$ 1,214,099	\$ 1,214,099
	0	477,034	0	896,898
27,179		0	18,088	151,467
15,000		0	0	135,000
0	107,407		0	107,407
<u>6,673</u>	<u>14,194</u>		<u>99,381</u>	<u>361,880</u>
	48,852	598,635	1,331,568	2,866,751
	<u>3,508,693</u>	<u>599,916</u>	<u>1,186,597</u>	<u>10,110,777</u>
	<u>(3,459,841)</u>	<u>(1,281)</u>	<u>144,971</u>	<u>(7,244,026)</u>
	6,440,760	275,500	0	11,892,737
	0	(195,500)	0	(729,848)
	<u>6,440,760</u>	<u>80,000</u>	<u>0</u>	<u>11,162,889</u>
	2,980,919	78,719	144,971	3,918,863
	<u>976,959</u>	<u>285,980</u>	<u>1,805,675</u>	<u>7,220,836</u>
	<u>\$ 3,957,878</u>	<u>\$ 364,699</u>	<u>\$ 1,950,646</u>	<u>\$ 11,139,699</u>



# ENTERPRISE FUNDS

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

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

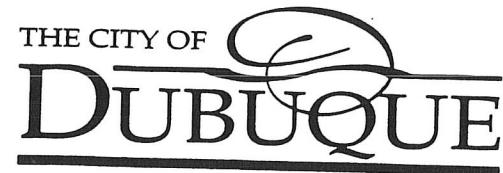
**Water Utility Fund** - This fund is used to account for the operations of the City's water facilities and services.

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

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

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





*Showing the Spirit.*

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1998

	Sewage Disposal Works	Water Utility
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and pooled cash investments	\$ 3,982,639	\$ 1,398,925
<b>Receivables:</b>		
Property taxes	0	0
Accounts	527,319	381,753
Accrued interest	16,515	5,801
Intergovernmental	0	0
<b>Inventory</b>		
Prepaid items	0	253,214
	<u>5,037</u>	<u>0</u>
<b>Total Current Assets</b>	<u>4,531,510</u>	<u>2,039,693</u>
<b>Restricted Assets:</b>		
Cash and pooled cash investments	<u>0</u>	<u>0</u>
<b>Fixed Assets:</b>		
Land	60,440	144,066
Buildings and improvements	24,716,979	5,878,334
Improvements other than buildings	15,159,500	0
Machinery and equipment	1,697,009	23,711,464
Construction in progress	13,404,079	747,213
Accumulated depreciation	<u>(27,182,210)</u>	<u>(12,495,953)</u>
<b>Net Fixed Assets</b>	<u>27,855,797</u>	<u>17,985,124</u>
<b>Total Assets</b>	<u>\$ 32,387,307</u>	<u>\$ 20,024,817</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 928,174	\$ 1,511,538	\$ 481,850	\$ 8,303,126
0	0	5,371	5,371
5,232	160,698	255	1,075,257
6,140	0	0	28,456
0	0	241,476	241,476
0	0	3,774	256,988
0	0	0	5,037
<u>939,546</u>	<u>1,672,236</u>	<u>732,726</u>	<u>9,915,711</u>
<u>552,401</u>	<u>0</u>	<u>0</u>	<u>552,401</u>
911,015	0	36,000	1,151,521
8,861,039	0	1,955,429	41,411,781
0	0	0	15,159,500
510,580	1,026,501	3,204,308	30,149,862
55,157	0	0	14,206,449
(3,861,915)	(707,506)	(2,350,756)	(46,598,340)
<u>6,475,876</u>	<u>318,995</u>	<u>2,844,981</u>	<u>55,480,773</u>
<u>\$ 7,967,823</u>	<u>\$ 1,991,231</u>	<u>\$ 3,577,707</u>	<u>\$ 65,948,885</u>

(continued)

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1998

	Sewage Disposal Works	Water Utility
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 167,057	\$ 68,051
Accrued payroll	33,684	35,857
General obligation bonds payable - current	140,000	50,000
Revenue bonds payable - current	0	0
Accrued compensated absences	85,102	74,544
Due to other funds	54,745	30,608
Due to component unit	0	0
Deferred revenue	0	0
Advances from other funds	1,317,260	556,500
Advances from component unit	561,250	0
 Total Current Liabilities	 2,359,098	 815,560
 <b>Current Liabilities Payable from Restricted Assets:</b>	 0	 0
Accrued interest payable		
 <b>Noncurrent Liabilities:</b>	 740,000	 300,000
General obligation bonds payable		
Revenue bonds payable (net of \$32,000 deferred amount on refunding)	0	0
 Total Noncurrent Liabilities	 740,000	 300,000
 Total Liabilities	 3,099,098	 1,115,560
 <b>Equity:</b>		
Contributed Capital:		
Government	3,430,836	0
Intergovernmental	11,943,895	0
Developers and users	10,047,301	2,416,476
 Total Contributed Capital	 25,422,032	 2,416,476
 <b>Retained Earnings (Deficit):</b>		
Reserved by bond ordinance	0	0
Unreserved	3,866,177	16,492,781
 Total Retained Earnings (Deficit)	 3,866,177	 16,492,781
 Total Equity	 29,288,209	 18,909,257
 Total Liabilities and Equity	 \$ 32,387,307	 \$ 20,024,817

<u>Parking</u>	<u>Refuse</u>	<u>Transit</u>	
<u>Facilities</u>	<u>Collection</u>	<u>System</u>	<u>Total</u>
\$ 27,933	\$ 70,417	\$ 26,973	\$ 360,431
14,899	25,025	24,569	134,034
0	0	0	190,000
150,000	0	0	150,000
28,918	50,588	45,012	284,164
0	0	0	85,353
0	45,540	0	45,540
0	0	893	893
0	0	0	1,873,760
0	0	0	561,250
<u>221,750</u>	<u>191,570</u>	<u>97,447</u>	<u>3,685,425</u>
<u>17,323</u>	<u>0</u>	<u>0</u>	<u>17,323</u>
0	0	0	1,040,000
<u>2,178,000</u>	<u>0</u>	<u>0</u>	<u>2,178,000</u>
<u>2,178,000</u>	<u>0</u>	<u>0</u>	<u>3,218,000</u>
<u>2,417,073</u>	<u>191,570</u>	<u>97,447</u>	<u>6,920,748</u>
0	61,704	1,408,710	4,901,250
0	274,650	5,019,588	17,238,133
0	0	0	12,463,777
0	336,354	6,428,298	34,603,160
552,401	0	0	552,401
4,998,349	1,463,307	(2,948,038)	23,872,576
5,550,750	1,463,307	(2,948,038)	24,424,977
5,550,750	1,799,661	3,480,260	59,028,137
\$ 7,967,823	\$ 1,991,231	\$ 3,577,707	\$ 65,948,885

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses,  
and Changes in Retained Earnings

For the fiscal year ended June 30, 1998

	Sewage Disposal Works	Water Utility
<b>Operating Revenues:</b>		
Charges for sales and services	\$ 4,624,380	\$ 3,488,363
Other	<u>192,244</u>	<u>205,093</u>
 Total Operating Revenues	 <u>4,816,624</u>	 <u>3,693,456</u>
 <b>Operating Expenses:</b>		
Employee expense	1,208,313	1,152,984
Utilities	378,151	341,840
Repairs and maintenance	270,376	137,418
Supplies and services	1,133,347	1,744,746
Insurance	68,734	52,318
Depreciation	<u>623,507</u>	<u>799,757</u>
 Total Operating Expenses	 <u>3,682,428</u>	 <u>4,229,063</u>
 Operating Income (Loss)	 <u>1,134,196</u>	 <u>(535,607)</u>
 <b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	221,817	97,565
Interest expense	(140,917)	(50,377)
Operating grants	0	0
Taxes	0	0
Loss on disposal of assets	<u>(21,862)</u>	<u>(15,554)</u>
 Total Nonoperating Revenues (Expenses)	 <u>59,038</u>	 <u>31,634</u>
 Income (Loss) Before Operating Transfers	 <u>1,193,234</u>	 <u>(503,973)</u>
 <b>Operating Transfers:</b>		
Operating transfers in	1,662,080	1,185,000
Operating transfers out	<u>(2,672,448)</u>	<u>(2,083,843)</u>
 Total Operating Transfers	 <u>(1,010,368)</u>	 <u>(898,843)</u>
 Net Income (Loss)	 <u>182,866</u>	 <u>(1,402,816)</u>
 Retained Earnings (Deficit), Beginning	 <u>3,683,311</u>	 <u>17,895,597</u>
 Retained Earnings (Deficit), Ending	 <u>\$ 3,866,177</u>	 <u>\$ 16,492,781</u>

Parking Facilities	Refuse Collection	Transit System	Total
\$ 1,186,619	\$ 1,697,136	\$ 190,683	\$ 11,187,181
672	7,002	18,981	423,992
<u>1,187,291</u>	<u>1,704,138</u>	<u>209,664</u>	<u>11,611,173</u>
386,521	834,449	735,236	4,317,503
45,124	406	38,877	804,398
27,432	521,451	54,917	1,011,594
97,789	344,525	328,209	3,648,616
12,830	27,008	95,090	255,980
296,785	118,507	276,370	2,114,926
<u>866,481</u>	<u>1,846,346</u>	<u>1,528,699</u>	<u>12,153,017</u>
<u>320,810</u>	<u>(142,208)</u>	<u>(1,319,035)</u>	<u>(541,844)</u>
80,659	0	0	400,041
(194,528)	0	0	(385,822)
0	0	571,868	571,868
0	0	610,734	610,734
0	(9,450)	(5,278)	(52,144)
<u>(113,869)</u>	<u>(9,450)</u>	<u>1,177,324</u>	<u>1,144,677</u>
<u>206,941</u>	<u>(151,658)</u>	<u>(141,711)</u>	<u>602,833</u>
220,000	0	0	3,067,080
(264,333)	(160,298)	(11,850)	(5,192,772)
<u>(44,333)</u>	<u>(160,298)</u>	<u>(11,850)</u>	<u>(2,125,692)</u>
162,608	(311,956)	(153,561)	(1,522,859)
<u>5,388,142</u>	<u>1,775,263</u>	<u>(2,794,477)</u>	<u>25,947,836</u>
<u>\$ 5,550,750</u>	<u>\$ 1,463,307</u>	<u>\$ (2,948,038)</u>	<u>\$ 24,424,977</u>

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1998

	Sewage Disposal Works	Water Utility
<b>Cash Flows from Operating Activities:</b>		
Operating income (loss)	\$ 1,134,196	\$ (535,607)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	623,507	799,757
Changes in assets and liabilities:		
Decrease in accounts receivable	18,964	99,248
(Increase) in intergovernmental receivable	0	0
(Increase) decrease in inventory	0	(23,921)
Increase (decrease) in accounts payable	25,697	(134,524)
Increase (decrease) in accrued payroll	(2,756)	5,370
Increase (decrease) in accrued compensated absences	1,750	639
Increase in due to other funds	54,745	30,608
Increase in due to component unit	0	0
(Decrease) in deferred revenue	0	0
Net cash provided (used) by operating activities	<u>1,856,103</u>	<u>241,570</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes received	0	0
Operating grants received	0	0
Operating transfers in	1,662,080	1,185,000
Operating transfers out	(2,672,448)	(2,083,843)
Advances from other funds	999,466	556,500
Advances from component unit	561,250	0
Net cash provided (used) by noncapital financing activities	<u>550,348</u>	<u>(342,343)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of fixed assets	(2,747,870)	(250,800)
Principal paid on bonds	(140,000)	(50,000)
Proceeds from sale of bonds	0	0
Interest paid on bonds	(140,917)	(50,377)
Capital contributed by intergovernmental	0	0
Net cash (used) by capital and related financing activities	<u>(3,028,787)</u>	<u>(351,177)</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 320,810	\$ (142,208)	\$ (1,319,035)	\$ (541,844)
296,785	118,507	276,370	2,114,926
1,981	43,559	108	163,860
0	0	(238,546)	(238,546)
0	0	1,580	(22,341)
23,346	65,618	14,093	(5,770)
4,048	2,169	4,274	13,105
(2,199)	2,433	2,214	4,837
0	0	0	85,353
0	11,941	0	11,941
0	0	(2,556)	(2,556)
<u>644,771</u>	<u>102,019</u>	<u>(1,261,498)</u>	<u>1,582,965</u>
0	0	615,879	615,879
0	0	571,868	571,868
220,000	0	0	3,067,080
(264,333)	(160,298)	(11,850)	(5,192,772)
0	0	0	1,555,966
0	0	0	561,250
<u>(44,333)</u>	<u>(160,298)</u>	<u>1,175,897</u>	<u>1,179,271</u>
(75,261)	(259,878)	(678,488)	(4,012,297)
(2,570,690)	0	0	(2,760,690)
2,497,869	0	0	2,497,869
(206,973)	0	0	(398,267)
0	0	562,851	562,851
<u>(355,055)</u>	<u>(259,878)</u>	<u>(115,637)</u>	<u>(4,110,534)</u>

(continued)

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1998

	Sewage Disposal Works	Water Utility
<b>Cash Flows from Investing Activities:</b>		
Interest on cash and pooled cash investments	\$ 262,024	\$ 114,443
Net increase (decrease) in cash and cash equivalents	(360,312)	(337,507)
Cash and cash equivalents at beginning of year	<u>4,342,951</u>	<u>1,736,432</u>
Cash and cash equivalents at end of year	<u>\$ 3,982,639</u>	<u>\$ 1,398,925</u>
 <b>Noncash Investing, Capital, and Financing Activities:</b>		
Contributions of fixed assets from developers and users	\$ 154,339	\$ 31,130

EXHIBIT E-3  
(continued)

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 89,482	\$ 0	\$ 0	\$ 465,949
334,865	(318,157)	(201,238)	(882,349)
<u>1,145,710</u>	<u>1,829,695</u>	<u>683,088</u>	<u>9,737,876</u>
<u>\$ 1,480,575</u>	<u>\$ 1,511,538</u>	<u>\$ 481,850</u>	<u>\$ 8,855,527</u>
\$ 0	\$ 0	\$ 0	\$ 185,469



## 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.

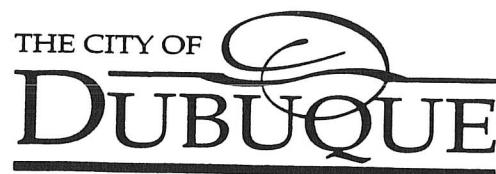
**Garage Service Fund** - This fund is used to account for the maintenance and repair services for the City's automotive equipment.

**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, 1998

	<u>General Service</u>	<u>Garage Service</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and pooled cash investments	\$ 0	\$ 0
Insurance deposit	0	0
Accrued interest receivable	0	0
Inventory	<u>0</u>	<u>16,118</u>
<b>Total Current Assets</b>	<u>0</u>	<u>16,118</u>
<b>Fixed Assets:</b>		
Machinery and equipment	0	150,055
Accumulated depreciation	<u>0</u>	<u>(111,872)</u>
<b>Net Fixed Assets</b>	<u>0</u>	<u>38,183</u>
<b>Total Assets</b>	<u><u>\$ 0</u></u>	<u><u>\$ 54,301</u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 0	\$ 44
Accrued payroll	25,696	15,789
Due to other funds	<u>27,218</u>	<u>3,594</u>
<b>Total Liabilities</b>	<u>52,914</u>	<u>19,427</u>
<b>Equity:</b>		
Retained earnings (deficit), unreserved	<u>(52,914)</u>	<u>34,874</u>
<b>Total Liabilities and Equity</b>	<u><u>\$ 0</u></u>	<u><u>\$ 54,301</u></u>

Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 0	\$ 962,071	\$ 1,004,132	\$ 1,966,203
0	0	1,000	1,000
0	3,989	4,168	8,157
<u>2,697</u>	<u>0</u>	<u>0</u>	<u>18,815</u>
<u>2,697</u>	<u>966,060</u>	<u>1,009,300</u>	<u>1,994,175</u>
0	0	0	150,055
0	0	0	(111,872)
0	0	0	38,183
<u>\$ 2,697</u>	<u>\$ 966,060</u>	<u>\$ 1,009,300</u>	<u>\$ 2,032,358</u>
\$ 0	\$ 364,115	\$ 101,421	\$ 465,580
0	0	0	41,485
<u>3,811</u>	<u>0</u>	<u>0</u>	<u>34,623</u>
3,811	364,115	101,421	541,688
<u>(1,114)</u>	<u>601,945</u>	<u>907,879</u>	<u>1,490,670</u>
<u>\$ 2,697</u>	<u>\$ 966,060</u>	<u>\$ 1,009,300</u>	<u>\$ 2,032,358</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, 1998

	General Service	Garage Service
<b>Operating Revenues:</b>		
Charges for sales and services	<u>\$ 616,581</u>	<u>\$ 735,321</u>
<b>Operating Expenses:</b>		
Employee expense	668,183	485,674
Utilities	0	12,336
Repairs and maintenance	0	11,666
Supplies and services	0	202,602
Insurance	0	7,738
Depreciation	<u>0</u>	<u>12,269</u>
 Total Operating Expenses	 <u>668,183</u>	 <u>732,285</u>
 Operating Income (Loss)	 (51,602)	 3,036
 Nonoperating Revenues:		
Interest Revenue	<u>0</u>	<u>0</u>
 Net Income (Loss)	 (51,602)	 3,036
 Retained Earnings (Deficit), Beginning	 <u>(1,312)</u>	 <u>31,838</u>
 Retained Earnings (Deficit), Ending	 <u>\$ (52,914)</u>	 <u>\$ 34,874</u>

Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 29,641	\$ 2,542,251	\$ 248,174	\$ 4,171,968
0	0	0	1,153,857
0	0	0	12,336
0	0	0	11,666
33,292	0	0	235,894
0	2,628,013	245,759	2,881,510
0	0	0	12,269
33,292	2,628,013	245,759	4,307,532
(3,651)	(85,762)	2,415	(135,564)
0	55,944	48,439	104,383
(3,651)	(29,818)	50,854	(31,181)
2,537	631,763	857,025	1,521,851
\$ (1,114)	\$ 601,945	\$ 907,879	\$ 1,490,670

CITY OF DUBUQUE, IOWA  
INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1998

	General Service	Garage Service
<b>Cash Flows from Operating Activities:</b>		
Operating income (loss)	\$ (51,602)	\$ 3,036
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	0	12,269
Changes in assets and liabilities:		
(Increase) decrease in inventory	0	(2,763)
Increase (decrease) in accounts payable	0	(61)
Increase in accrued payroll	24,384	2,547
Increase in due to other funds	<u>27,218</u>	<u>3,594</u>
Net cash provided (used) by operating activities	<u>0</u>	<u>18,622</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of fixed assets	<u>0</u>	<u>(18,622)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest on cash and pooled cash investments	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year	<u>0</u>	<u>0</u>
Cash and cash equivalents at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ (3,651)	\$ (85,762)	\$ 2,415	\$ (135,564)
0	0	0	12,269
897	0	0	(1,866)
0	(57,703)	30,163	(27,601)
0	0	0	26,931
<u>2,754</u>	<u>0</u>	<u>0</u>	<u>33,566</u>
<u>0</u>	<u>(143,465)</u>	<u>32,578</u>	<u>(92,265)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,622)</u>
<u>0</u>	<u>65,538</u>	<u>56,239</u>	<u>121,777</u>
0	(77,927)	88,817	10,890
0	1,039,998	915,315	1,955,313
<u>\$ 0</u>	<u>\$ 962,071</u>	<u>\$ 1,004,132</u>	<u>\$ 1,966,203</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.

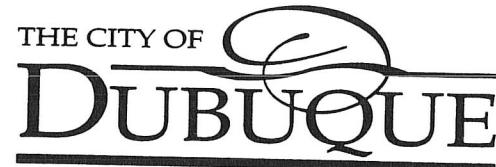
**Library Gifts Trust Fund** - This fund is used to account for testamentary gifts to the City library.

## AGENCY FUNDS

**Deferred Compensation Fund** - This fund is used to account for the accumulation and disbursement of deferred wages under a deferred compensation plan between the City of Dubuque and the International City Management Association Retirement Corporation.

**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.





*Showing the Spirit.*

CITY OF DUBUQUE, IOWA  
TRUST AND AGENCY FUNDS

Combining Balance Sheet

June 30, 1998

	Expendable Trust	Nonexpendable Trust
<b>ASSETS</b>		
Cash and pooled cash investments	\$ 475,775	\$ 81,400
Investments	0	0
Receivables:		
Accounts	28,449	0
Accrued interest	0	261
Restricted assets:		
Cash and pooled cash investments	<u>19,327</u>	0
Total Assets	<u>\$ 523,551</u>	<u>\$ 81,661</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accrued payroll	\$ 5,799	0
Due to employees	0	0
Total Liabilities	<u>5,799</u>	0
Fund Balances:		
Reserved by franchise agreement	19,327	0
Reserved for endowments	0	81,661
Unreserved, undesignated	<u>498,425</u>	0
Total Fund Balances	<u>517,752</u>	<u>81,661</u>
Total Liabilities and Fund Balances	<u>\$ 523,551</u>	<u>\$ 81,661</u>

<u>Agency</u>	<u>Totals</u>
\$ 0	\$ 557,175
<u>10,060,633</u>	<u>10,060,633</u>
0	28,449
0	261
<u>14,377</u>	<u>33,704</u>
<u>\$ 10,075,010</u>	<u>\$ 10,680,222</u>

\$ 0	\$ 5,799
<u>10,075,010</u>	<u>10,075,010</u>
<u>10,075,010</u>	<u>10,080,809</u>
0	19,327
0	81,661
<u>0</u>	<u>498,425</u>
<u>0</u>	<u>599,413</u>
<u>\$ 10,075,010</u>	<u>\$ 10,680,222</u>

CITY OF DUBUQUE, IOWA  
EXPENDABLE TRUST FUNDS

## Combining Balance Sheet

June 30, 1998

	Cable TV	Respiratory Disease Trust	Total
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 471,543	\$ 4,232	\$ 475,775
Accounts receivable	28,449	0	28,449
Restricted assets:			
Cash and pooled cash investments	19,327	0	19,327
<b>Total Assets</b>	<b>\$ 519,319</b>	<b>\$ 4,232</b>	<b>\$ 523,551</b>

## LIABILITIES AND FUND BALANCES

Liabilities:			
Accrued payroll	\$ 5,799	\$ 0	\$ 5,799
<b>Fund Balances:</b>			
Reserved by franchise agreement	19,327	0	19,327
Unreserved, undesignated	494,193	4,232	498,425
<b>Total Fund Balances</b>	<b>513,520</b>	<b>4,232</b>	<b>517,752</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 519,319</b>	<b>\$ 4,232</b>	<b>\$ 523,551</b>

CITY OF DUBUQUE, IOWA  
EXPENDABLE TRUST FUNDSCombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances

For the fiscal year ended June 30, 1998

	Cable TV	Respiratory Disease Trust	Total
Revenues:			
Franchise fees	\$ 400,511	\$ 0	\$ 400,511
Miscellaneous	649	0	649
Total Revenues	<u>401,160</u>	0	<u>401,160</u>
Expenditures:			
Current:			
Policy and administration	141,516	0	141,516
Community protection	171,193	0	171,193
Non-program	0	6	6
Total Expenditures	<u>312,709</u>	6	<u>312,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,451	(6)	88,445
Fund Balances, Beginning	<u>425,069</u>	<u>4,238</u>	<u>429,307</u>
Fund Balances, Ending	<u>\$ 513,520</u>	<u>\$ 4,232</u>	<u>\$ 517,752</u>

CITY OF DUBUQUE, IOWA  
NONEXPENDABLE TRUST FUNDS

## Combining Balance Sheet

June 30, 1998

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 18,406	\$ 62,994	\$ 81,400
Accrued interest receivable	0	261	261
<b>Total Assets</b>	<b>\$ 18,406</b>	<b>\$ 63,255</b>	<b>\$ 81,661</b>
 <b>FUND BALANCES</b>			
<b>Fund Balances:</b>			
Reserved for endowments	<u>\$ 18,406</u>	<u>\$ 63,255</u>	<u>\$ 81,661</u>

CITY OF DUBUQUE, IOWA  
NONEXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenses, and  
Changes in Fund Balances

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
<b>Operating Revenues:</b>			
Miscellaneous	\$ 0	\$ 2,397	\$ 2,397
Investment earnings	<u>1,852</u>	<u>3,539</u>	<u>5,391</u>
 Total Operating Revenues	 1,852	 5,936	 7,788
<b>Operating Expenses:</b>			
Supplies and services	<u>2,708</u>	<u>6,478</u>	<u>9,186</u>
Net Loss	(856)	(542)	(1,398)
 Fund Balances, Beginning	 <u>19,262</u>	 <u>63,797</u>	 <u>83,059</u>
 Fund Balances, Ending	 <u>\$ 18,406</u>	 <u>\$ 63,255</u>	 <u>\$ 81,661</u>

CITY OF DUBUQUE, IOWA  
NONEXPENDABLE TRUST FUNDS

EXHIBIT G-6

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1998

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
<b>Cash Flows from Operating Activities:</b>			
Net loss	\$ (856)	\$ (542)	\$ (1,398)
Adjustments to reconcile net loss to net cash (used) by operating activities:			
Investment earnings	<u>(1,852)</u>	<u>(3,539)</u>	<u>(5,391)</u>
Net cash (used) by operating activities	<u>(2,708)</u>	<u>(4,081)</u>	<u>(6,789)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on cash and pooled cash investments	<u>2,100</u>	<u>4,100</u>	<u>6,200</u>
Net increase (decrease) in cash and cash equivalents	<u>(608)</u>	<u>19</u>	<u>(589)</u>
Cash and cash equivalents at beginning of year	<u>19,014</u>	<u>62,975</u>	<u>81,989</u>
Cash and cash equivalents at end of year	<u>\$ 18,406</u>	<u>\$ 62,994</u>	<u>\$ 81,400</u>

CITY OF DUBUQUE, IOWA  
ALL AGENCY FUNDS

EXHIBIT G-7

Combining Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 1998

	Balance July 1 1997	Net Additions	Net Deductions	Balance June 30 1998
<u>Deferred Compensation</u>				
ASSETS				
Investments	\$ 8,251,361	\$ 2,051,897	\$ 242,625	\$ 10,060,633
LIABILITIES				
Due to employees	\$ 8,251,361	\$ 2,051,897	\$ 242,625	\$ 10,060,633
<u>Flexible Spending</u>				
Restricted cash and pooled cash investments	\$ 12,228	\$ 135,241	\$ 133,092	\$ 14,377
Due to employees	\$ 12,228	\$ 135,241	\$ 133,092	\$ 14,377
<u>Totals</u>				
ASSETS				
Investments	\$ 8,251,361	\$ 2,051,897	\$ 242,625	\$ 10,060,633
Restricted cash and pooled cash investments	\$ 12,228	\$ 135,241	\$ 133,092	\$ 14,377
Total assets	\$ 8,263,589	\$ 2,187,138	\$ 375,717	\$ 10,075,010
LIABILITIES				
Due to employees	\$ 8,263,589	\$ 2,187,138	\$ 375,717	\$ 10,075,010



**GENERAL FIXED ASSETS  
ACCOUNT GROUP**



## CITY OF DUBUQUE, IOWA

## EXHIBIT H-1

## Comparative Schedules of General Fixed Assets by Source

June 30, 1998

## General Fixed Assets:

Land	\$10,798,606
Buildings and improvements	37,920,820
Improvements other than buildings	4,648,050
Machinery and equipment	14,663,939
Construction in progress	<u>7,344,789</u>
Total General Fixed Assets	<u>\$75,376,204</u>

## Investment in General Fixed Assets by Source:

Investments in property acquired prior to

July 1, 1983	\$ 1,440,960*
General fund	22,269,528
Special revenue funds	4,892,605
Capital projects funds	44,311,181
Donations	<u>2,461,930</u>

Total Investment in General Fixed Assets by Source	<u>\$75,376,204</u>
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\* 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, 1998

<u>Program and Department</u>	<u>Land</u>	<u>Buildings and Improvements</u>
Policy and Administration:		
City Manager	\$ 0	\$ 0
City Clerk	0	0
Finance	0	0
Legal	0	0
Information Services	0	0
Dog Track	0	9,070,894
Cable TV	0	0
City Council	0	0
Other - Unclassified	3,559,675	4,418,364
Total Policy and Administration	3,559,675	13,489,258
Community Protection:		
Police	23,860	238,036
Joint Communications	0	0
Fire	161,100	2,103,927
Disaster Services	0	0
Human Rights	0	0
Total Community Protection	184,960	2,341,963
Home and Community Environment:		
Airport	359,835	5,310,711
Engineering	0	0
Street and Sewers	131,030	795,668
Community Development	1,355,500	0
Housing Services	0	0
Planning Services	0	0
Building Services	65,510	2,133,467
Health Services	0	0
Total Home and Community Environment	1,911,875	8,239,846
Human Development:		
Park	3,567,730	2,487,794
Civic Center	172,246	4,423,155
Recreation	1,335,160	3,789,344
Library	66,960	3,149,460
Total Human Development	5,142,096	13,849,753
Construction in Progress	0	0
Total General Fixed Assets	<u>\$ 10,798,606</u>	<u>\$ 37,920,820</u>

<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 0	\$ 102,158	\$ 0	\$ 102,158
0	18,547	0	18,547
0	278,894	0	278,894
0	18,305	0	18,305
0	149,967	0	149,967
1,073,877	0	0	10,144,771
0	265,621	0	265,621
0	9,382	0	9,382
0	0	0	7,978,039
<u>1,073,877</u>	<u>842,874</u>	<u>0</u>	<u>18,965,684</u>
0	1,186,608	0	1,448,504
0	183,320	0	183,320
0	1,913,982	0	4,179,009
0	103,545	0	103,545
0	17,152	0	17,152
<u>0</u>	<u>3,404,607</u>	<u>0</u>	<u>5,931,530</u>
1,842,096	1,800,144	0	9,312,786
0	384,358	0	384,358
17,135	3,548,764	0	4,492,597
136,561	49,401	0	1,541,462
0	305,725	0	305,725
0	68,718	0	68,718
0	93,393	0	2,292,370
0	88,953	0	88,953
<u>1,995,792</u>	<u>6,339,456</u>	<u>0</u>	<u>18,486,969</u>
1,332,512	1,386,575	0	8,774,611
43,573	1,074,118	0	5,713,092
202,296	325,749	0	5,652,549
0	1,290,560	0	4,506,980
<u>1,578,381</u>	<u>4,077,002</u>	<u>0</u>	<u>24,647,232</u>
0	0	7,344,789	7,344,789
<u>\$ 4,648,050</u>	<u>\$ 14,663,939</u>	<u>\$ 7,344,789</u>	<u>\$ 75,376,204</u>

## Schedule of Changes in General Fixed Assets - By Program and Department

For the fiscal year ended June 30, 1998

<u>Program and Department</u>	<u>General Fixed Assets</u>			<u>General Fixed Assets June 30 1998</u>
	<u>July 1 1997</u>	<u>Additions</u>	<u>Deductions</u>	
Policy and Administration:				
City Manager	\$ 110,400	\$ 1,983	\$ 10,225	\$ 102,158 ✓
City Clerk	15,767	5,424	2,644	18,547 ✓
Finance	251,429	53,767	26,302	278,894 ✓
Legal	16,367	2,423	485	18,305 ✓
Information Services	133,703	16,264	0	149,967 ✓
Dog Track	10,144,771	0	0	10,144,771
Cable TV	306,716	0	41,095	265,621 ✓
City Council	9,382	0	0	9,382 ✓
Other - Unclassified	7,978,039	0	0	7,978,039 ✓
 Total Policy and Administration	 18,966,574	 79,861	 80,751	 18,965,684
Community Protection:				
Police	1,362,336	266,196	180,028	1,448,504 ✓
Joint Communications	172,744	10,576	0	183,320 ✓
Fire	4,174,855	39,555	35,401	4,179,009 ✓
Disaster Services	103,545	0	0	103,545 ✓
Human Rights	25,812	0	8,660	17,152 ✓
 Total Community Protection	 5,839,292	 316,327	 224,089	 5,931,530
Home and Community Environment:				
Airport	9,024,396	393,451	105,061	9,312,786 ✓
Engineering	345,193	41,665	2,500	384,358 ✓
Street and Sewers	4,134,323	739,084	380,810	4,492,597 ✓
Community Development	885,962	655,500	0	1,541,462 ✓
Housing Services	296,013	9,712	0	305,725 ✓
Planning Services	57,178	12,140	600	68,718 ✓
Building Services	2,281,691	274,801	264,122	2,292,370 ✓
Health Services	83,659	24,114	18,820	88,953 ✓
 Total Home and Community Environment	 17,108,415	 2,150,467	 771,913	 18,486,969
Human Development:				
Park	8,530,908	285,727	42,024	8,774,611 ✓
Civic Center	5,706,699	10,808	4,415	5,713,092 ✓
Recreation	5,631,739	26,626	5,816	5,652,549 ✓
Library	4,470,525	39,955	3,500	4,506,980 ✓
 Total Human Development	 24,339,871	 363,116	 55,755	 24,647,232
Construction in Progress	3,111,619	7,344,789	3,111,619	7,344,789
Total General Fixed Assets	\$ 69,365,771	\$ 10,254,560	\$ 4,244,127	\$ 75,376,204

**INFORMATION PROVIDED TO COMPLY WITH  
*GOVERNMENT AUDITING STANDARDS*  
AND  
OMB CIRCULAR A-133**

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Dubuque, Iowa, in a separate letter dated December 4, 1998. Prior year reportable condition 98-II-A has not been resolved.

This report is intended for the information of the City of Dubuque, Iowa, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

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, 1998



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Consultants • Certified Public Accountants

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

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, 1998. 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, 1998. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are 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 certain matters involving the internal control over compliance 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 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. Reportable conditions are 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 none of the reportable conditions described above is a material weakness.

This report is intended for the information of the City of Dubuque, Iowa, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Sid Baulby LLP*

Dubuque, Iowa  
December 4, 1998

## CITY OF DUBUQUE, IOWA

## Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 1998

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
<b>Direct:</b>			
Department of Housing and Urban Development:			
Community Development Block Grants/Entitlement Grants	14.218	B-9X-MC-19-0004	\$ 2,935,087
Fair Housing Assistance Program - State and Local	14.401	FF207K977006	11,120
Fair Housing Assistance Program - State and Local	14.401	FF207K967006	8,293
			<u>19,413</u>
Section 8 Rental Voucher Program	14.855	KC-9004V	563,198
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	KC-9004MR-001, 002, 003, 005, 007	566,372
Section 8 Rental Certificate Program	14.857	KC-9004E	1,957,110
			<u>3,086,680</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	IALAG0066-97	266,358
Department of Justice:			
Local Law Enforcement Block Grants Program	16.592	96-LB-VX-3042	9,746
Department of Transportation:			
Airport Improvement Program	20.106	3-19-0028-18, 20, 21	337,451
Federal Transit Capital and Operating Assistance Formula Grants	20.507	IA-90-X210, IA-03-0071, 0077, 0079, IA-90-X132, X168, X182	992,866*
			<u>992,866*</u>
			<u>7,647,601</u>
<b>Total Direct</b>			
<b>Indirect:</b>			
Department of Housing and Urban Development:			
State of Iowa:			
HOME Investment Partnerships Program	14.239	M93-SG-19-0103-100-21	103,154
Department of Justice:			
Dubuque County, Iowa:			
Byrne Formula Grant Program	16.579	97A-0224	2,398
Violence Against Women Formula Grants	16.588	97V-0238	8,928
Department of Transportation:			
State of Iowa:			
Highway Planning and Construction	20.205	STP-E-2100(6)--8V-31	44,303
Highway Planning and Construction	20.205	STP-E-2100(8)--8I-31	28,999
			<u>73,302</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 98-02, Task 06	7,688

## CITY OF DUBUQUE, IOWA

## Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 1998

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Department of Health and Human Services:			
State of Iowa:			
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5888AP21	843
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5887AP21	<u>8,589</u>
			<u>9,432</u>
Childhood Lead Poisoning Prevention	93.197	5888LP02	<u>24,950</u>
Preventive Health and Health Services Block Grant	93.991	5888AS05	1,644
Preventive Health and Health Services Block Grant	93.991	5887AS05	<u>5,895</u>
			<u>7,539</u>
Total Indirect			237,391
Total			<u>\$ 7,884,992</u>

\* The City of Dubuque also expended \$141,853 of State Transit Operating Assistance -  
Grant #02629

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, 1998

**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	\$ 182,846

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

- (a) A qualified opinion was issued on the financial statements.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
- (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
  - Section 8 Cluster:
    - CFDA Number 14.855 - Section 8 Rental Voucher Program
    - CFDA Number 14.856 - Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation
    - CFDA Number 14.857 - Section 8 Rental Certificate Program
  - CFDA Number 14.900 - Lead-Based Paint Hazard Control in Privately-Owned Housing
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Dubuque, Iowa, did not qualify as a low-risk auditee.

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITION**

98-II-A 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.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

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.

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.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

CFDA Number 14.900: Lead-Based Paint Hazard Control in Privately-Owned Homes  
Agency Number: IALAG0066-97

Department of Housing and Urban Development

98-III-A Cash Management - The City obtained a one-time cash advance of 10% of the grant amount. This advance was to be used for the actual, immediate cash requirements of the grantee. In reviewing this cash advance and subsequent City expenditures, it does not appear that the City has spent this cash advance in accordance with the terms of their agreement with the Department of Housing and Urban Development (HUD).

Recommendation - We recommend that, prior to requesting any further drawdowns from HUD, the City spend down its current cash balance.

Response and Corrective Action Planned - The City obtained the cash advance fully expecting to expend the funds within 60 to 90 days. Actual expenditures under the grant program were considerably slower than budgeted. By the end of October 1998, the advance and program income was fully expended. All future drawdowns against the grant will be done on a reimbursable basis since actual expenditures have been difficult to predict.

Conclusion - Response accepted.

98-III-B Program Income - The City has maintained a positive cash balance since the inception of this program. As this cash balance was in an interest bearing account, interest has been earned on these funds. The amount of interest earned has not been recorded in the fund used by the City to account for this program's transactions nor has the amount of interest been calculated.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

**INSTANCES OF NON-COMPLIANCE: (continued)**

CFDA Number 14.900: Lead-Based Paint Hazard Control in Privately-Owned Homes

Agency Number: IALAG0066-97

Department of Housing and Urban Development

Recommendation - We recommend that the City calculate and record the interest earned in this program fund. We also recommend that the City contact the Department of Housing and Urban Development about returning these funds or the possible reprogramming of these funds in this program.

Response and Corrective Action Planned - The City expected to expend advanced funds in a very short time and not maintain a positive cash balance. The City will calculate interest due to the grant based on the ending monthly cash balance for each of the months in which the grant fund maintained a positive balance. This interest will be recorded as program income during fiscal year 1999. Since future grant drawdowns will be done on a reimbursable basis, it is not anticipated that this grant will have a positive cash balance in the future.

Conclusion - Response accepted.

98-III-C Reporting - It is required in the City's agreement with the Department of Housing and Urban Development (HUD) to file the following reports each quarter:

- Standard Form 269 - Financial Status Report
- Progress Report (consists of a narrative report and the HUD 661.1 which depicts actual progress against planned progress)

These reports are due within 30 days after the quarter end.

These reports were not filed with HUD as required.

Recommendation - We recommend that the City file these reports with HUD as soon as practicable and develop procedures to ensure they will be timely filed in the future.

Response and Corrective Action Planned - The City has reviewed the reporting requirements and will begin immediately making reports as required. In addition, the City will prepare and submit to HUD the Financial Status Reports for the quarters ended June 30, 1998 and September 30, 1998.

Conclusion - Response accepted.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

**REPORTABLE CONDITIONS:**

**CFDA Number 14.900: Lead-Based Paint Hazard Control in Privately-Owned Homes**

**Agency Number: IALAG0066-97**

**Department of Housing and Urban Development**

98-III-D Internal Service Fund Charges - The City's Health Insurance Reserve internal service fund charges the HUD Lead Grant Fund for the cost of its health insurance. This internal service fund overcharged the HUD Lead Grant Fund by \$784 for the year ended June 30, 1998.

Recommendation - We recommend that the City review OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, dated May 17, 1995, Attachment C, and establish and implement procedures to be in compliance with this circular. We also recommend that you contact the U.S. Department of Housing and Urban Development regarding the repayment of \$784 of questioned costs as well as for guidance in the establishment and implementation of procedures to comply with OMB Circular A-87.

Response and Corrective Action Planned - In December 1998, the City refunded the excess contributions to the Health Insurance Reserve Internal Service fund attributable to the Lead-Based Paint Grant. As required by OMB Circular A-87, the City will review internal service fund reserve balances attributable to grant contributions on a bi-annual basis and will return any excess contributions.

Conclusion - Response accepted.

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

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

**U.S. Department of Housing and Urban Development**

98-III-E Internal Service Fund Charges - The City's Health Insurance Reserve and Workers' Compensation Reserve internal service funds charge the Community Development Block Grant Fund for the cost of its health and workers' compensation insurance. These internal service funds overcharged Community Development for the year ended June 30, 1998, by \$3,261 from the Health Insurance Reserve and by \$10,740 from the Workers' Compensation Reserve.

Recommendation - We recommend that the City review OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, dated May 17, 1995, Attachment C, and establish and implement procedures to be in compliance with this circular. We also recommend that you contact the U.S. Department of Housing and Urban Development regarding the repayment of \$14,001 of questioned costs as well as for guidance in the establishment and implementation of procedures to comply with OMB Circular A-87.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

REPORTABLE CONDITIONS: (continued)

CFDA Number 14.218: Community Development Block Grants/Entitlement Grants

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

U.S. Department of Housing and Urban Development

Response and Corrective Action Planned - In December 1998, the City refunded the excess contributions to both the Health Insurance Reserve Internal Service fund and the Workers' Compensation Reserve Internal Service fund attributable to the HUD Grant. As required by OMB Circular A-87, the City will review internal service fund reserve balances attributable to grant contributions on a bi-annual basis and will return any excess contributions.

Conclusion - Response accepted.

98-III-F

Support of Salaries and Wages - Detailed time activity reports are not presently maintained by personnel in the City's Community Development Department.

Recommendation - We recommend that the City review OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Government*, dated May 17, 1995, Attachment B, Section 11h. We further recommend that the City establish and implement procedures to properly document the support of salaries and wages in the Community Development Department.

Response and Corrective Action Planned - The City Finance Department has reviewed the requirements for time and activity reports with the Community Development Department and has provided instructions on keeping records for charging salaries and wages to various programs. All affected employees will begin maintaining required documentation by the end of FY 99.

Conclusion - Response accepted.

Part IV: Other Findings Related to Statutory Reporting:

98-IV-A

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, 1998.

98-IV-B

Certified Budget - Program disbursements during the year ended June 30, 1998, did not exceed the amounts budgeted.

98-IV-C

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.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1998

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

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

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

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

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

98-IV-H Revenue Bonds - We noted no instances of non-compliance with the provisions of the City's revenue bond resolutions.

98-IV-I Deposits and Investments - The City's investment policy makes reference to Chapter 452 of the Code of Iowa, which has been superceded. We noted no other instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.

Recommendation - The investment policy should be updated to make reference to Chapter 12B(10) of the Code of Iowa.

Response - The City's investment policy will be revised to include reference to Chapter 12B(10) of the Code of Iowa.

Conclusion - Response accepted.

98-IV-J 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.



## **STATISTICAL SECTION**

**(Unaudited)**



## CITY OF DUBUQUE, IOWA

Table 1

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

<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>
1989	\$ 6,510	\$ 2,762	\$ 6,727	\$ 1,778	\$ 3,853	\$ 21,630
1990	6,873	3,025	7,056	1,960	4,305	23,219
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

(1) Includes General, Special Revenue, and Debt Service Funds.

Table 2

## CITY OF DUBUQUE, IOWA

## GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

Fiscal Year	Licenses and Permits		Inter-Governmental	Charges for Services				Total
	Taxes	Permits		Fines	Interest	Miscellaneous		
1989	\$13,240	\$490	\$7,039	\$2,140	\$279	\$1,699	\$2,157	\$27,044
1990	13,360	539	8,147	2,397	367	2,342	6,484	33,636
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

(1) Includes General, Special Revenue, and Debt Service Funds.

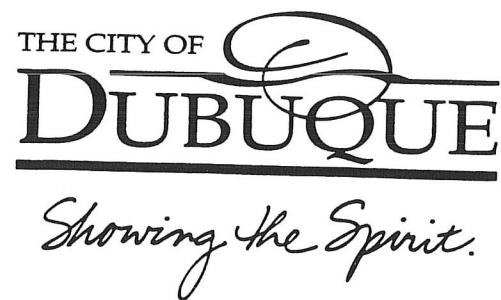
Table 2A

## CITY OF DUBUQUE, IOWA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

Fiscal Year	Property Tax	Moneys and Credits		Mobile Homes Tax	State Personal Prop. Exemption	Replace		Hotel Motel Total
		Replaced	Tax			Sales Tax	Motel Tax	
1989	\$8,174	\$36	\$38	\$671	\$3,886	\$435	\$435	\$13,240
1990	8,049	47	46	457	4,314	447	447	13,360
1991	8,527	40	42	457	4,316	459	459	13,841
1992	8,580	72	34	492	4,618	624	624	14,420
1993	8,762	38	31	493	4,821	871	871	15,016
1994	14,168	38	33	493	4,796	767	767	20,295
1995	14,300	39	33	493	5,182	842	842	20,889
1996	14,928	40	32	472	5,318	830	830	21,620
1997	18,454	15	33	492	5,373	784	784	25,151
1998	21,623	16	37	494	1,821	857	857	24,848



## CITY OF DUBUQUE, IOWA

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

Fiscal Year	Total Tax Levy (1)	Current Year Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections
1989	\$ 11,018	\$ 10,790	97.9%	\$ 466	\$ 11,256
1990	11,064	10,889	98.4	415	11,304
1991	11,851	11,618	98.0	383	12,001
1992	12,694	12,042	94.9	608	12,650
1993	13,242	12,635	95.4	571	13,206
1994	14,851	14,101	94.9	161	14,262
1995	14,997	14,635	97.6	116	14,751
1996	15,182	14,832	97.7	118	14,950
1997	15,299	15,025	98.2	132	15,157
1998	15,538	15,426	99.3	172	15,598

(1) Includes tax increment levy.

Table 3

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
102.2%	\$ 677	6.1%
102.2	437	3.9
101.3	287	2.4
99.7	331	2.6
99.7	367	2.8
96.0	956	6.4
98.4	245	1.6
98.5	232	1.5
99.1	274	1.8
100.4	112	0.7

## CITY OF DUBUQUE, IOWA

## ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

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		
1989	\$ 945,898	\$ 1,079,200	\$ 11,873	\$ 934,025	\$ 1,079,200		86.55%
1990	955,819	1,089,808	11,734	944,085	1,089,808		86.63
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

Table 5

## CITY OF DUBUQUE, IOWA

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTSLast Ten Fiscal Years  
(Amounts expressed in thousands)  
(Unaudited)TAX RATES PER \$1,000 ASSESSED VALUE

<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>
1989	\$11.8007	\$11.9511	\$ .613	\$ .4517	\$ 5.7209	\$30.5374	38.64%
1990	11.6891	12.3212	.613	.4503	5.6024	30.6760	38.11
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

Source: Dubuque County Auditor's Office.

## CITY OF DUBUQUE, IOWA

## PRINCIPAL TAXPAYERS

Payable Fiscal Year 1998  
 (Amounts expressed in thousands)  
 (Unaudited)

TAXPAYER	TYPE OF BUSINESS	1995 ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Interstate Power Company	Utility	\$ 58,129	3.32%
Peoples Natural Gas Company	Utility	19,364	1.11
Kennedy Mall	Shopping Center	17,536	1.00
McGraw Hill	Publishing	11,164	.64
Nordstrom, Inc.	Warehouse Distributor	9,258	.53
A.Y. McDonald Manufacturing Co.	Plumbing Supplies	8,377	.48
Farmland Foods, Inc.	Meat Processing	8,227	.47
U. S. West Communications	Telephone Service	7,768	.44
Georgia-Pacific Corporation	Cardboard Containers	7,192	.41
Plaza 20, Inc.	Shopping Plaza	7,021	.40
TOTALS		<u>\$ 154,036</u>	<u>8.80%</u>

Source: Dubuque County - Auditor.

Table 7

CITY OF DUBUQUE, IOWA

## SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years  
(Amounts expressed in thousands)  
(Unaudited)

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
1989	\$128	\$397
1990	79	268
1991	72	373
1992	59	276
1993	58	333
1994	44	339
1995	51	609
1996	33	147
1997	41	378
1998	73	179

(1) Includes prepayments.

## CITY OF DUBUQUE, IOWA

## COMPUTATION OF LEGAL DEBT MARGIN

June 30, 1998  
 (Amounts expressed in thousands)  
 (Unaudited)

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Actual Valuations	<u>\$1,776,342</u>
<b>Legal debt margin:</b>	
Debt limitation-5% of actual valuations	\$ 88,817
Debt applicable to limitation:	
Total bonded debt	\$ 13,330
Less: Revenue bonds	2,360
Tax-increment financing bonds	175
Total debt applicable to limitation	10,795
Legal debt margin	<u>\$ 78,022</u>

Table 9

## CITY OF DUBUQUE, IOWA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITALast Ten Fiscal Years  
(Amounts expressed in thousands)  
(Unaudited)

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Debt Payable Other Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
			(3)				
1989	62	\$ 934,025	\$ 25,425	\$ 7,325	\$ 18,100	1.94%	\$ .292
1990	62	944,085	21,455	3,025	18,430	1.95	.297
1991	58	954,658	18,395	0	18,395	1.93	.317
1992	58	973,734	16,255	0	16,255	1.67	.280
1993	58	949,949	16,340	0	16,340	1.72	.282
1994	58	986,892	17,125	0	17,125	1.74	.295
1995	58	1,116,511	14,775	0	14,775	1.32	.255
1996	59	1,140,720	14,200	0	14,200	1.24	.241
1997	59	1,226,841	11,755	0	11,755	0.96	.199
1998	59	1,249,431	10,795	0	10,795	0.86	.183

(1) U.S. Census Bureau.

(2) From Table 4.

(3) Amount does not include special assessment bonds and revenue bonds.

(4) GO bonds repaid with revenues from the Dubuque Racing Association.

## CITY OF DUBUQUE, IOWA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GENERAL GOVERNMENT EXPENDITURES**

Last Ten Fiscal Years  
(Amounts expressed in thousands)  
(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest(1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1989	\$1,570	\$1,052	\$ 2,622	\$ 21,630	12.12%
1990	1,585	1,206	2,791	23,219	12.02
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

(1) Excludes bond insurance and other costs.

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

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

Table 11

## CITY OF DUBUQUE, IOWA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

June 30, 1998  
 (Amounts expressed in thousands)  
 (Unaudited)

<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	\$ 8,210 (1)	100.000%	\$ 8,210
Total	<u>\$ 8,210</u>		<u>\$ 8,210</u>

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

Table 12

## CITY OF DUBUQUE, IOWA

REVENUE BOND COVERAGE  
PARKING BONDS

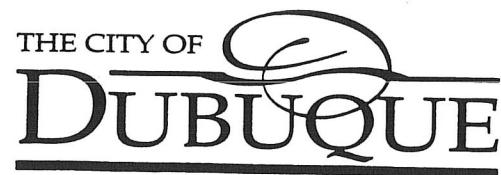
Last Ten Fiscal Years  
 (Amounts expressed in thousands)  
 (Unaudited)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available For Debt Service Requirements				Coverage (3)
			Debt Service	Principal	Interest	Total	
1989	\$ 782	\$378	\$404	\$140	\$ 55	\$195	2.07
1990	762	397	365	153	45	198	1.84
1991	995	502	493	0	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

(1) Total revenues (including interest).

(2) Total operating expenses exclusive of depreciation.

(3) Bond ordinance requires 1.3 coverage.



*Showing the Spirit.*

## CITY OF DUBUQUE, IOWA

## PROPERTY VALUE, CONSTRUCTION PERMITS, AND BANK DEPOSITS

Last Ten Fiscal Years  
 (Dollar amounts expressed in thousands)  
 (Unaudited)

<u>Fiscal Year</u>	<u>Property Value (1)</u>			<u>Construction Permits</u>	
	<u>Other (3)</u>	<u>Residential</u>	<u>Totals</u>	<u>Number of Permits</u>	<u>Value</u>
1989	\$ 390,222	\$ 688,978	\$ 1,079,200	1,638	\$ 25,163
1990	395,794	694,014	1,089,808	1,663	32,804
1991	407,989	698,639	1,106,628	1,670	54,233
1992	424,616	705,075	1,129,691	1,656	38,532
1993	352,979	832,384	1,185,363	1,780	41,964
1994	381,324	848,071	1,229,395	1,862	56,928
1995	441,399	1,008,627	1,450,026	6,918*	65,599
1996	456,075	1,031,133	1,487,208	4,190	75,569
1997	519,104	1,231,726	1,750,830	2,039	34,950
1998	521,327	1,255,015	1,776,342	1,572	35,647

(1) Estimated actual value from Table 4.

(2) Source: Iowa Department of Banking.

(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.

\*\* Two major banks in the City were consolidated into larger bank corporations, deposits are recorded only at source of charter.

Table 13

<u>Bank Deposits (2)</u>	
<u>Calendar Year</u>	<u>Total Deposits</u>
1988	\$ 616,000
1989	671,000
1990	714,000
1991	833,931
1992	869,000
1993	852,000
1994	883,000
1995	902,659
1996	901,724
1997	701,402 **

Table 14

## CITY OF DUBUQUE, IOWA

## TAXABLE RETAIL SALES

## DUBUQUE COUNTY

Last Ten Years  
 (Amounts expressed in thousands)  
 (Unaudited)

<u>Calendar Year</u>	<u>Taxable Sales</u>	<u>Percent Growth (Decline)</u>
1988	\$ 450,528	6.93%
1989	477,305	5.94
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

Source: Iowa Department of Revenue and Finance.

## CITY OF DUBUQUE, IOWA

## DEMOGRAPHIC STATISTICS

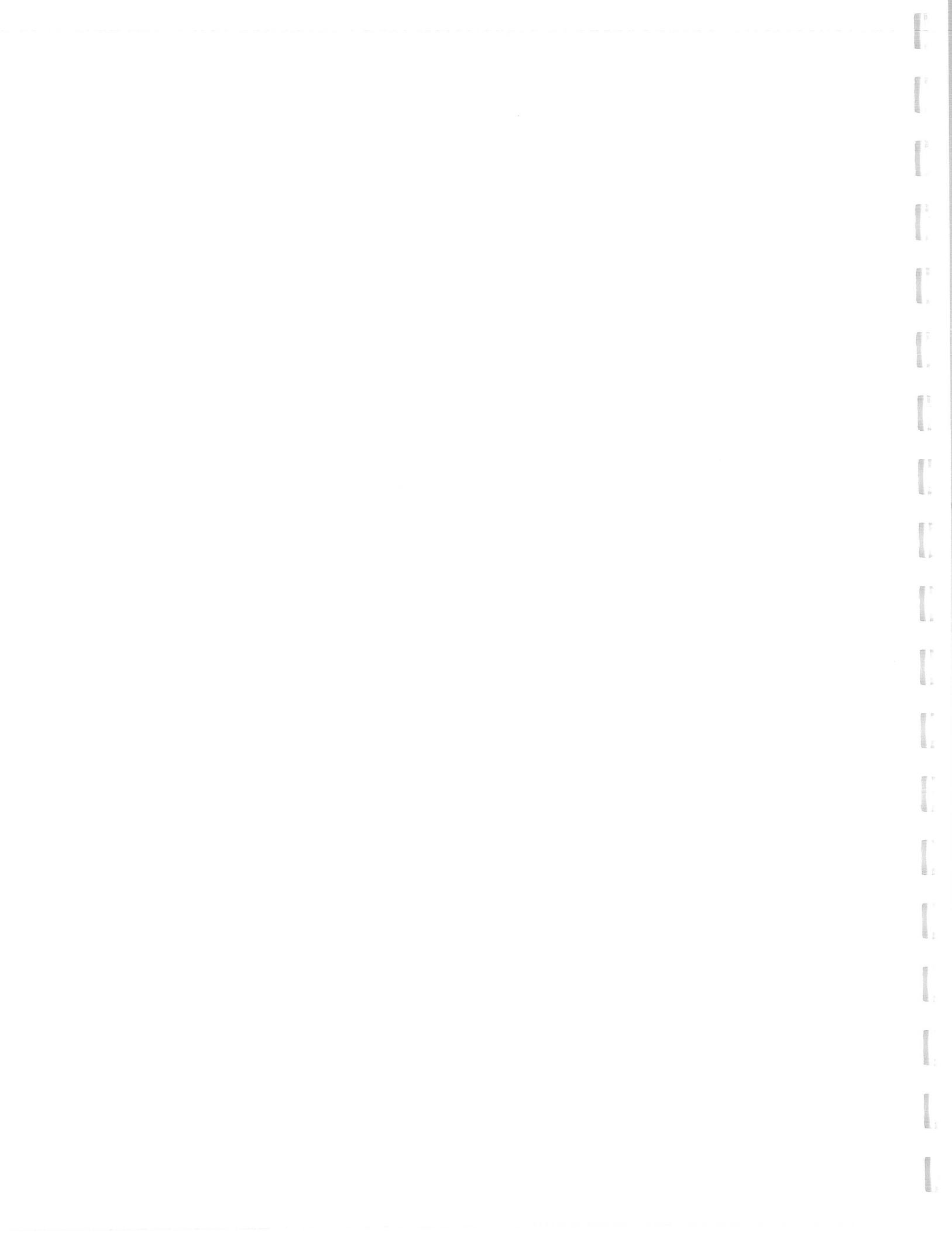
Last Ten Fiscal Years  
(Unaudited)

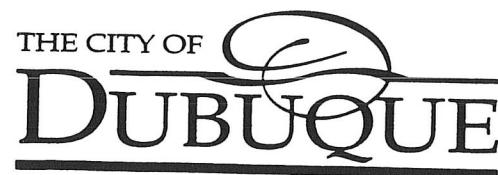
Fiscal Year	(1) Population	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
1989	62,321	\$ 13,500	28	9,787	6.1%
1990	57,538	14,207	34	9,618	6.7
1991	57,538	16,767	34	9,754	6.1
1992	57,538	17,208	34	9,867	6.8
1993	57,538	18,453	34	9,995	5.5
1994	57,538	19,110	34	10,022	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	*	34	9,857	3.1

## Data Sources:

- (1) Bureau of Census; 1994 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.





*Showing the Spirit.*

## CITY OF DUBUQUE, IOWA

## SCHEDULE OF INSURANCE IN FORCE

Insurer	Policy Number	Expiration Date	Details of Coverage
<b><u>LIABILITY INSURANCE</u></b>			
Iowa Communities Assurance Pool	IPO41901414000003	7/1/98	Municipal General Liability Includes EMT's and Ambulance Service
Iowa Communities Assurance Pool	IP035901414000003	7/1/98	Municipal Auto Liability Includes Transit Liability
Iowa Communities Assurance Pool	IP015901414000003	7/1/98	Comprehensive & Collision
Iowa Communities Assurance Pool	IP039901414000003	7/1/98	Public Official Liability
Iowa Communities Assurance Pool	IP040891414000003	7/1/98	Police Professional
American Eagle Group	13675	7/31/98	Airport Liability
St. Paul F & M Ins. Group	EMO6649597	8/1/98	Professional Liability- Nurses
Transcontinental	LLP1622436	8/1/98	Liquor Law Liability
<b><u>PROPERTY INSURANCE</u></b>			
The Cincinnati Insurance Co.	CAP 769 5898	7/1/98	Comprehensive Business Policy
<b><u>CRIME INSURANCE</u></b>			
Allied Group Insurance	BD7900557276	7/1/98	Public Official Bond
<b><u>BOILER INSURANCE</u></b>			
The Cincinnati Insurance Co.	BES 265 72 22	7/1/98	Boiler & Machinery

Table 16

<u>Liability Limits</u>		<u>Annual Premium</u>
\$ 5,000,000	Each Occurrence	\$ 205,500
\$ 1,000	Deductible	
\$ 4,000,000	Each Accident	141,700
	Per Scheduled Automobiles	44,095
\$ 2,000,000	Each Claim	29,733
\$ 2,000,000	Aggregate	
\$ 5,000	Deductible	
\$ 2,000,000	Per Person/Agg.	39,590
\$ 2,000,000	Aggregate	
\$ 4,000	Deductible	
\$ 20,000,000	Aggregate	18,484
\$ 1,000,000	Each Person	175
\$ 3,000,000	Total Limit	
\$ 1,000,000	Each Common Cause	2,164
\$ 95,583,889	Building & Contents	89,794
\$ 10,000	Deductible	
\$ 10,000,000	Earthquake	
\$ 547,940	Business Interruption	
\$ 747,307	EDP Equipment	
\$ 180,817	Mobile Equipment	
\$ 87,426	Communications Equipment	
\$ 5,000	Signaling	
\$ 50,000	All Employees	3,836
\$ 1,000,000	City Manager	
\$ 1,000,000	Finance Director	
\$ 1,000,000	Treasurer	
\$ 1,000,000	Administrative Service Manager	
\$ 2,500,000	Per Accident	56,953
\$ 5,000	Deductible	
	Total	<u>\$ 632,024</u>

Table 17

## CITY OF DUBUQUE, IOWA

## Miscellaneous Statistics

June 30, 1998  
(Unaudited)

Date of Incorporation	1837
Form of Government	Council/Manager - Ward
Population - 1990 Census	59,084
Number of employees:	
Full Time	510
Part Time/Seasonal	278
Area in square miles	25
City of Dubuque facilities and services:	
Miles of streets	325
Number of street lights	3,436
Number of traffic signals	102
Culture and Recreation:	
Parks	33
Park acreage	741
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	80
Sewerage System:	
Miles of sanitary sewers	152
Miles of storm sewers	144
Number of treatment plants	1
Number of service connections	20,000
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	250
Number of service connections	20,000
Number of fire hydrants	2,004
Daily average consumption in gallons	8,519,740
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	17
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	584