

COMPREHENSIVE ANNUAL FINANCIAL REPORT

'20
DUBUQUE, IOWA



THE CITY OF
DUBUQUE
Masterpiece on the Mississippi

Dubuque
All-America City
2007•2012•2013
2017•2019

FISCAL YEAR ENDED JUNE 30, 2020

**Photo courtesy of:
City of Dubuque Staff**

**Cover design by:
Kristin Hill**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2020
City of Dubuque, Iowa**

Prepared by:
Department of Finance

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Introductory Section

June 30, 2020

City of Dubuque, Iowa

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CITY OF DUBUQUE, IOWA
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January 15, 2021

Honorable Mayor, City Council Members, and Citizens of the City of Dubuque:

The City of Dubuque, Iowa, pursuant to the requirements set forth by state and federal regulations, hereby submits the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Understanding the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial operations have been included.

The Code of Iowa requires an annual audit by independent certified public accountants or the State Auditor. The accounting firm of Eide Bailly LLP conducted the audit for fiscal year 2020. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings, 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. The independent auditors' report is included in the Financial Section of this report.

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; regional airport; library; recreational activities; and cultural events. In addition to general government activities, the municipality owns and operates enterprises for a water system, water resource and recovery center (wastewater treatment), stormwater system, parking facilities, refuse collection, road salt and public transportation.

This report includes all funds of the City of Dubuque, as well as its component units. Component units are legally separate entities for which the City is financially accountable. This report includes the Dubuque Metropolitan Area Solid Waste Agency (DMASWA), Dubuque Initiatives and Subsidiaries, and Dubuque Convention and Visitors Bureau as discretely presented component units. A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City of Dubuque and to differentiate its financial position and results of operations from those of the City. The City appoints a voting majority to the DMASWA governing board and operates the landfill. Dubuque Initiatives is organized to render service to the City Council of the City of Dubuque on matters of community interest, and in the event of dissolution, any assets or property of the

organization are transferred to the City. Dubuque Convention and Visitors Bureau's purpose is to strengthen the Dubuque area economy by competitively marketing the area as a destination for conventions, tour groups, sporting events, and individual travelers. The organization's board members include one City Council member, the City of Dubuque Mayor, and the City Manager. In the event of dissolution, any assets or property of the organization shall be transferred to the City. The City collects hotel/motel taxes and forwards 50% to Dubuque Convention and Visitors Bureau as the primary source of funds for its operations.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Dubuque's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE CITY

The City of Dubuque, incorporated in 1833, is located on the Mississippi River in northeast Iowa, adjacent to the states of Illinois and Wisconsin. Julien Dubuque, the city's namesake, first began mining lead in the area now known as Dubuque in 1788. Dubuque is the oldest city in Iowa and has a unique combination of the old and new, ranging from a historic downtown, numerous examples of Victorian architecture, and a Civil War era shot tower, to expanding industrial parks, multiple retail centers, revitalized riverfront and millwork districts and two casinos, one with a pari-mutuel dog track. The City of Dubuque has a stable, diversified economic base and is a major tri-state retail center. The City currently has a land area of 31.6 square miles, and a census 2010 population of 57,637. The U.S. Census Bureau's 2020 population estimate for Dubuque is 57,882. As the largest city in the tri-state area, Dubuque serves as the hub of a trade area with a population estimated at 250,000. As of October 2020, the City's unemployment rate was 3.3%, below the state unemployment rate of 3.6% and the 6.9% national rate.

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 city council is elected on a non-partisan basis. The mayor is elected to a four-year term. Council members are elected to four-year, staggered terms with three council members elected every two years. Four of the council members are elected within their respective wards; the mayor and the two remaining council members are elected at-large. The governing council is responsible, among other things, for setting policy, 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, making recommendations to the city council on the budget, and other matters, appointing the heads of the government's departments, and hiring employees.

ECONOMIC CONDITION AND OUTLOOK

The economic condition and outlook of Dubuque continues to thrive. The City's economy has a diverse employer base including manufacturing, technology, health services, insurance, education, and government. The top 10 employers in the area employ less than 22% of the total workforce and cover five different industries, which insulates the City against the negative impact from a downturn in any one area of the economy. Several industry experts and associations have recognized the community's efforts to diversify its economy. Although COVID-19 has increased unemployment figures, Dubuque had boasted one of the lowest unemployment rates in the United States in January 2020. Local unemployment rates continue to be lower (7%) than statewide (8%) and national (11.1%) figures.

Industrial

Dubuque Industrial Center West and South (DICW and DICS): Over 550 saleable acres were acquired in 1997, with an additional 163 acres purchased in 2015. The three areas of Dubuque Industrial Center comprise 45 businesses with two of those businesses having arrived in 2019, along with two company expansions. The area continues to have available locations for further investment and job creation.

Dubuque Technology Park: Located on the south side of the City is a 100-acre park designed to accommodate growing office businesses. Eight businesses are currently located in the park.

Commercial and Retail

Downtown Development: Over \$800 million has been invested in the downtown area in building rehabilitation, new construction, and public improvements where more than 9,000 people work. Over 344 IBM employees work on two renovated floors of the nine-story Roshek Building. Heartland Financial and Cottingham & Butler have partnered to purchase the Roshek Building in order to accommodate their quickly expanding workforce. Buildout on portions of several floors of the building will provide office space for an additional 20 Heartland employees in addition to their current 160 at this location. Cottingham & Butler has hired 85 people in the last year in Dubuque, bringing their total employment to 1,050 employees.

Historic Millwork District: The Historic Millwork District is saturated with history. It imbues the area with authenticity and character while offering valuable lessons about the importance of sustainable urban design strategies. Dubuque's Historic Millwork District is a keystone to the region's aggressive economic development strategy. With one million square feet of historic warehouse space ideal for urban mixed-use development, the District is perfectly suited to attract entrepreneurs, designers, residents, institutions, and businesses prepared to fuel Dubuque's globally competitive and sustainable economy. The District is currently home to multiple eateries, breweries, and shopping venues. To date, nearly \$100 million has been invested into the transformation of the Millwork District and it is attracting entrepreneurs, residents, institutions, and businesses that are fueling Dubuque's competitive economy.

Dupaco began a \$37 million project to renovate the Voices Building in 2019, with plans to complete later this year. The building will become home to the credit union's operations center and include a mix of retail, entertainment and community space.

Brewery Neighborhood Conservation District: The former Dubuque Brewing and Malting Company complex (aka H&W Building) is a collection of buildings constructed primarily of red brick between 1896 and 1934 on the northeast corner of Jackson and 30th Streets. The complex is eligible for the National Register of Historic Places and is in Dubuque's Brewery Neighborhood Conservation District. The southern portion of the building was purchased by 3000 Jackson LC in March 2017 and work to restore the building began. The new owner obtained a demolition permit to deconstruct the unsound section of the structure and plan to stabilize and make immediate repairs to prevent further deterioration. Although a portion of the historic structure will be demolished, there are plans to repair, stabilize, and eventually completely restore the property in the future. The property was rezoned in May 2020 to accommodate an anticipated \$30 million mixed-use development providing commercial/retail and residential space.

Commercial Development: While COVID-19 slowed commercial construction season beginning in March 2020, building permit revenues still show a strong year for commercial remodels and new development. JoAnn Fabric completed work on a new 30,000 square foot facility. The University of Dubuque constructed a new student clinic, welcome center and outdoor space known as Wallace Commons. Hormel completed renovations to add a new product line at their facility in the Industrial Park.

Plan review and construction continues on Phase I of the Mt. Carmel campus for construction of a new senior housing development by BVM-PHS Senior Housing, Inc. When all four phases are completed, a total of 450 dwelling units will be available.

Health Services

ENT Medical Building completed construction of a new 9,000 sq. ft. medical facility along Cedar Cross Road in the summer of 2019.

Mercy Medical Center along with Medical Associates Clinic has begun construction of a \$25 million project to build a two-story building east of the hospital to serve as a hematology/oncology outpatient clinic. Iowa Health Facilities Council did grant their approval for a certificate of need for a linear accelerator included in the project.

Education

The Dubuque community takes great pride in the quality of its educational system and it is a top priority for Dubuque citizens and leaders. Dubuque's public-school system was ranked #7 out of 2,200 school districts nationwide.

The Dubuque community schools district provides K-12 education through 11 elementary schools, three junior high schools, one middle school, and three high schools. Dubuque also offers two private school systems accredited by the State of Iowa. Holy Family Catholic Schools offers K-12 education at four elementary schools, one K-5 Spanish Immersion Program, a middle school, and a high school. The Dubuque Lutheran School offers K-5 education at one elementary school.

Dubuque boasts three private, liberal arts colleges offering a wide variety of undergraduate and graduate degree programs, a community college with a diverse certificate and degree programs, and a Bible college. The tri-state area features an additional state university and two more community colleges for a total of 18,000 college students. The University of Dubuque began the building permit process for a 17,000 square foot Welcome Center addition and a new 4,000 square foot student clinic

Dubuque Hempstead completed and opened a 27,000 sq. ft. aquatic facility on the north side of the school. A two-story addition is being added to the Alternative Learning Center.

The City's recent awards and recognition from a variety of sources include:

- The National Civic League named Dubuque a 2019 All-America City. This makes the fifth time in twelve years Dubuque has received this award which recognizes communities whose citizens work together to identify and tackle community-wide challenges and achieve uncommon results. Dubuque received the 2019 award for the civic infrastructure built on the Inclusive Dubuque network of over 60 partners working to advance justice and social equity, and Imagine Dubuque 2017: A Call to Action, the comprehensive planning process that collected input from 6,000 residents to identify a roadmap for Dubuque's future. The application and presentation also featured three projects demonstrating how partners are impacting health outcomes for all residents. "Health Care for All" highlights the progress Crescent Community Health Center has made, the impact of the Pacific Islander Health Project, and the recent work of the Brain Health Task Force. The Bee Branch Creek Restoration Project was the second project highlighted and the collaborative work happening by the Dubuque Easts Well coalition to increase access to healthy local foods is the third.
- In 2018, Dubuque became a LEED-Certified City. As one of the 75 STAR-certified cities and counties in the U.S., Dubuque was recently named a LEED Certified City. STAR stands for

Sustainability Tools for Assessing and Rating Communities. STAR Communities is a national framework for measuring and advancing local government's environmental, economic and community efforts to achieve sustainability. Leadership in Energy and Environmental Design, or LEED, for Cities is a program from the U.S. Green Building Council (USGBC) that advances healthy, green, and economically strong cities and communities.

MAJOR INITIATIVES

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

Bee Branch Watershed Flood Mitigation Project: The City's \$237 million Bee Branch Watershed Flood Mitigation Project is a 20-year, multi-phased investment to mitigate flooding, improve water quality, stimulate investment, and enhance quality of life within the Bee Branch Watershed. The City has received more than \$160 million in state and federal funds for the project. The \$60 million Upper Bee Branch Creek Restoration phase of the project was completed, and a ribbon-cutting ceremony was held in July 2017 to celebrate the opening of the Bee Branch Creek Greenway. The \$25.9 million Bee Branch Creek Railroad Culverts Project was awarded in early 2019 and construction is underway. When complete in the summer of 2021, the improvements will increase the level of flood protection for over 1,300 homes and businesses from a 1 in 75- year rain event to a 1 in 500 - year rain event.

In 2016, the City of Dubuque was awarded a total of \$31.5 million through the U.S. Department of Housing & Urban Development (HUD) National Disaster Resilience Competition (NDRC) Grant awarded to the State of Iowa's "Iowa Watershed Approach." This total includes \$8.4 million for the Bee Branch Healthy Homes Resiliency Program in the form of five-year forgivable loans to improve 320 housing units, including owner-occupied homes; single-unit rentals; and small, multi-family residential units. The grant will also provide \$24.9 million for stormwater infrastructure improvements related to the Bee Branch Watershed Flood Mitigation Project. Specifically, this includes funding towards the \$25 million project to install culverts to pass floodwaters from the Upper Bee Branch to the Lower Bee Branch through the railway yard on Garfield Avenue. The grant will also provide funding for the project to provide drainage improvements from the Bee Branch Creek to the west along 22nd Street up Kaufmann Avenue all the way to Kane Street. Finally, the grant will provide funding for the project to provide drainage improvements from the Bee Branch Creek to the west along 17th Street to West Locust Street and along West Locust Street towards Kirkwood Street. The HUD Resiliency Grant will expedite the completion of the Bee Branch Watershed Flood Mitigation Project, expanding its scope to lessen the flood damage caused by future flash floods.

As part of the Bee Branch project, the City will convert 240 alleys in the Bee Branch Watershed to "green alleys" which feature permeable concrete pavers. These specifically designed pavers allow water to pass through the surface and filter into the soil below. The green alleys are expected to reduce the amount of stormwater run-off in the watershed by up to 80 percent and prevent flooding. In addition to reducing stormwater run-off, the green alleys will replenish ground water and help prevent pollutants on roadways from running off into the storm sewer system, and ultimately, the Mississippi River. As of fall 2018, more than 80 alleys have been completed.

Another phase of the Bee Branch project is the \$17.1 million Bee Branch Gate & Pump Replacement Project. Improvements will modernize the gate and pump station where the Bee Branch Watershed drains into the Mississippi. The improvements to the pump station will provide more pumping capacity and allow for gravity flow under some circumstances such that it will be able to accommodate what is statistically

considered a 500-year event - the same level of protection to be provided by the upstream Bee Branch Creek Restoration Project when the last component (the Bee Branch Creek Railroad Culverts Project) is complete. The engineering design plans are 90% complete, under review by the US Army Corps of Engineers. The City was awarded a \$2.5 million U. S. Economic Development Administration (EDA) grant. However, since being awarded the grant, the estimated project cost increased by \$6 million, due in part to site challenges. While the project will be ready for bidding in early 2021, the economic impact of the COVID-19 pandemic will likely delay the project.

Jule Operations and Training Center: The City of Dubuque's Public Transit Division, completed the Jule Operations and Training Center (JOTC) in Spring, 2018. The 41,000-square-foot facility replaced the century-old facility on Central Avenue and provides numerous operating efficiencies. The JOTC was constructed on a city-owned, Superfund site. The facility includes bus storage, dispatch and administrative offices, indoor classroom and outdoor vehicle training areas. The \$6.8 million project was supplemented with nearly \$5.3 million in state and federal funds.

Southwest Arterial: In August of 2019, the City of Dubuque in partnership with Dubuque County and the Iowa Department of Transportation (Iowa DOT) successfully completed and opened the new Southwest Arterial / U.S. Hwy 52 corridor to vehicular traffic. The completed Southwest Arterial project is a 6.1-mile, four-lane, divided freeway with priority-one access control between U.S. Hwy 20 and U.S. Hwy 61 / 151. The new arterial bypass provides an alternate, direct and efficient route for traffic through southwestern Dubuque, thereby reducing traffic congestion on the local street system. It also connects the Dubuque Technology Park on U.S. Hwy 61 / 151 with the new Dubuque Industrial Center West and the existing Dubuque Industrial Center near U.S. Hwy 20 / Seippel Road.

Without the collaborative partnership and funding of the Iowa DOT, the completion of the \$163 Million Southwest Arterial project would not have been possible. The Iowa DOT has contributed approximately \$115 Million to allow for the completion of the 4-lane highway, including bridges and interchanges at both U.S. 20 and at U.S. 61/151. The City contributed approximately \$44 Million in federal, state, and local match funds while Dubuque County contributed approximately \$4 Million.

Following the completion of the Southwest Arterial, the new highway corridor has the potential to generate \$80 million in property taxes, \$1.67 billion in economic output, \$653 million in labor income, and \$1.02 billion in value added from 2021 to 2030. The Southwest Arterial will also annually generate \$135 million in state and local taxes and \$130 million in federal tax from new economic development, as well as save \$30 million for the 10-year period. This project will also generate \$16 million in property tax, \$304 million in economic output, \$24 million in state and local taxes, and \$24 million in federal taxes due to economic development, in addition to \$3 million in safety savings from 2030 onwards. Side benefits include removing over 500 commercial vehicles a day from downtown streets and encouraging redevelopment on Central Avenue and White Street. Almost 1,000 trucks per day will be removed from U.S. Hwy 20 / Dodge. Additional traffic will be removed from Kelly Lane, Fremont Avenue, Cedar Cross Road, Rockdale Road, and other residential streets.

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 residents through neighborhood vitality. City staff will work to implement the city council's vision for Dubuque. 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:

- Robust Local Economy: Diverse Businesses and Jobs with Economic Prosperity
- Vibrant Community: Healthy and Safe
- Livable Neighborhoods and Housing: Great Place to Live
- Financially Responsible, High-Performance City Organization: Sustainable, Equitable, and Effective Service Delivery
- Sustainable Environment: Preserving and Enhancing Natural Resources
- Partnership for a Better Dubuque: Building Our Community that is Viable, Livable, and Equitable
- Diverse Arts, Culture, Parks, and Recreation Experiences and Activities
- Connected Community: Equitable Transportation, Technology Infrastructure, and Mobility

FINANCIAL INFORMATION

Internal Controls: City management is responsible for establishing and maintaining internal controls to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

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.

As a part of the City's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the government has complied with applicable laws, regulations, contracts, and grants.

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, except for fiduciary fund types which include pension trust funds, private purpose trust funds, and agency funds are included in the annual budget process. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by state programs. The government also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbered amounts lapse at year-end; however, encumbrances generally are re-appropriated as part of the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management: Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, federal agency obligations, and authorized mutual funds. The City (including DMASWA) received cash basis investment earnings of \$2,068,897 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.

Risk Management: The City of Dubuque is a member of a statewide risk pool for local governments, the Iowa Communities Assurance Pool (ICAP). The coverage for general and auto liability, as well as public official and police professional liability are acquired through this pool. 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. Through May 15, 2020 workers' compensation benefits were self-insured up to a specific stop-loss amount of \$750,000, and an aggregate-stop loss consistent with statutory limits for 2020. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amount. As of May 15, 2020 the City changed workers' compensation coverage providers. Under this new agreement,

the City is fully insured for all claims with the exception of sworn Police Officers and Fire Fighters medical claims. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense. The City purchases private insurance to include sworn Police Officers and Fire Fighters medical claims under a self-insured retention of \$750,000 for each accident. The accumulated reserve provision for such claims reflected a \$1,295,139 net position as of June 30, 2020. The City has also established a self-insurance plan for medical, prescription drug, and short-term disability. The accumulated reserve provision for such claims equaled \$4,012,974 as of June 30, 2020. All self-insured health plans are certified as actuarially sound and certificates of compliance have been filed with the State of Iowa.

Bond Rating: Moody's Investors Service affirmed the Aa3 rating on outstanding general obligation unlimited tax (GOULT) debt on October 2, 2020; a Aa3 rating on outstanding second lien sales tax increment debt that is ultimately backed by an unlimited property tax pledge; and an A2 rating on outstanding senior lien sales tax increment revenue bonds. The ratings incorporate the city's robust financial position, a large tax base, a healthy wealth and income profile, and a somewhat inflated debt and pension liabilities. On October 2, 2020, Moody's also affirmed the A2 rating on the water revenue debt. The A2 rating incorporates moderate income service area, robust liquidity, an affordable debt profile, but a small system size and marginal debt service coverage.

Moody's provides credit ratings and research covering debt instruments and securities. The purpose of Moody's ratings is to provide investors with a simple system to gauge future relative creditworthiness of securities. The firm uses nine rating classifications to designate least credit risk to greatest credit risk: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C. Moody's appends numerical modifiers 1, 2, and 3 to each rating classification.

AWARDS AND ACKNOWLEDGEMENTS

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, 2019. This was the 32nd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

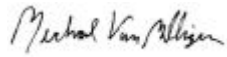
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA also awarded a Distinguished Budget Presentation Award to the City of Dubuque, Iowa, for its annual budget for the fiscal year ended June 30, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This was the 15th consecutive year that the City has achieved this prestigious award. This award is valid for a period of one year.

The City of Dubuque's investment policy was awarded the Certification of Excellence in July 2009 by the Association of Public Treasurers of the United States and Canada. The investment policy is reviewed every five years by the APT US&C. The investment policy was successfully recertified in 2016.

Acknowledgments: The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We also thank the mayor and city council 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,

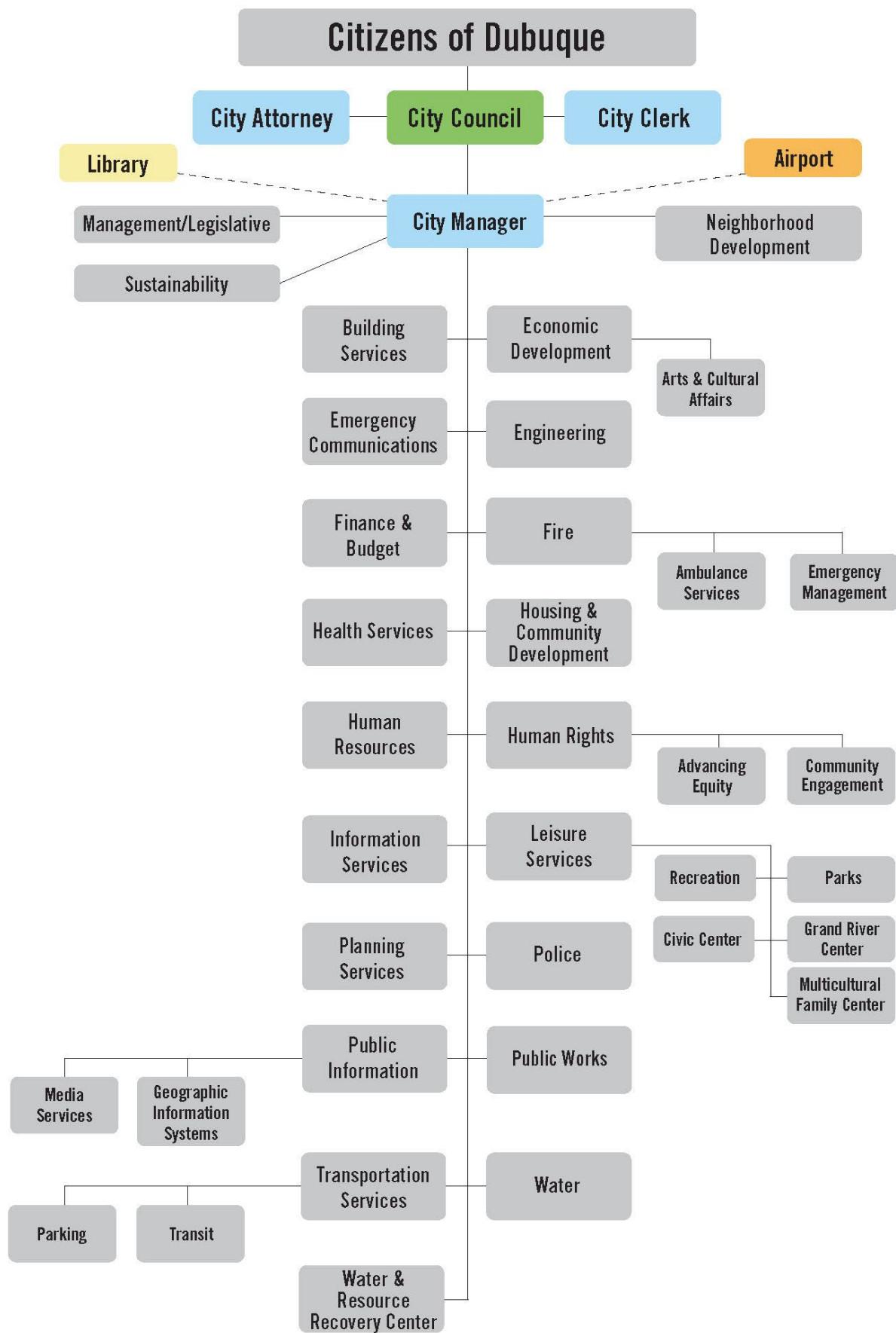


Michael C. Van Milligen
City Manager



Jennifer M. Larson
Director of Finance and Budget

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**Elected by the
Citizens of Dubuque**

**Appointed by the
City Council**

**Appointed by the
Library Board of
Trustees**

**Appointed by the
Airport Commission**

**Appointed by the
City Manager**

CITY OF DUBUQUE, IOWA
OFFICIALS
JUNE 30, 2020

CITY COUNCIL

Roy D. Buol	Mayor
Ric W. Jones	Council Member – At Large
David T. Resnick	Council Member – At Large
Brett M. Shaw	Council Member – 1st Ward
Laura J. Roussell	Council Member – 2nd Ward
Danny Sprank	Council Member – 3rd Ward
Brad M. Cavanagh	Council Member – 4th Ward

COUNCIL APPOINTED OFFICIALS

Michael C. Van Milligen	City Manager
Barry A. Lindahl	Senior Counsel
Crenna M. Brumwell	City Attorney
Maureen A. Quann	Assistant City Attorney
Kevin S. Firnstahl	City Clerk

DEPARTMENT MANAGERS

Todd E. Dalsing	Airport Manager
Cori L. Burbach	Assistant City Manager/Acting Bldg Services Manager
Therese H. Goodman	Assistant City Manager
Gus N. Psihoyos	City Engineer
Jill M. Connors	Economic Development Director
Mark P. Murphy	Emergency Communications Manager
Jennifer M. Larson	Director of Finance and Budget
Rick A. Steines	Fire Chief
Mary Rose Corrigan	Health Services Manager
Alexis M. Steger	Housing and Community Development Manager
Shelley M. Stickfort	Human Resources Director
Kelly R. Larson	Human Rights Director
Christine A. Kohlmann	Information Services Manager
Marie L. Ware	Leisure Services Manager
Susan A. Henricks	Library Director
Jerelyn N. O'Connor	Neighborhood Development Specialist
Randy W. Gehl	Public Information Officer
John L. Klostermann	Public Works Director
Wally C. Wernimont	Planning Services Manager
Mark M. Dalsing	Police Chief
Gina S. Bell	Sustainable Community Coordinator
V. Renee Tyler	Transportation Services Director
Denise C. Blakeley Ihrig	Water Department Manager
William J. O'Brien	Water & Resource Recovery Center Manager



Government Finance Officers Association

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Presented to

**City of Dubuque
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

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Financial Section
June 30, 2020
City of Dubuque, Iowa

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dubuque, Iowa as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Dubuque Initiatives and Subsidiaries, which represent 29 percent, 39 percent, and 18 percent, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dubuque Initiatives and Subsidiaries, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Dubuque Initiatives and Subsidiaries and Dubuque Convention and Visitors Bureau, discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dubuque, Iowa, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dubuque, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 15, 2021, on our consideration of the City of Dubuque, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
January 15, 2021

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CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

This section of the City of Dubuque's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements found in the next section of this report.

FINANCIAL HIGHLIGHTS

- The net position of the City of Dubuque increased to \$590,242,775 compared to net position of \$571,955,020 for fiscal year 2019.
- Governmental program revenues decreased by \$3,382,631 from fiscal year 2019. This decrease was due largely in part to a significant decrease in grant revenues in community and economic development in relation to the HUD Resiliency grant.
- The City's business type activities program revenues increased \$1,438,132. Charges for services increased \$192,744. Water (5%), sewer (4.5%), stormwater (6.83%), and refuse (1.63%) rates were increased in fiscal year 2020. The Stormwater Fund had a \$4,445,637 State of Iowa Flood Mitigation grant (Sales Tax Increment) for the Bee Branch Creek Restoration project. There were \$88,955 capital contributions from outside developers for completed subdivisions. Capital contributions received from governmental funds were \$7,849,493 and are shown in the transfers line and are detailed out in Note 5.
- Program expenses of the City's governmental activities increased approximately 6.0%, or \$5,600,405 from fiscal year 2019 to fiscal year 2020. The increase was seen in public safety, public works, community and economic development and general government, which is due to an increase in expenditures related to pension liability accrual.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. This discussion and analysis is intended to serve as an introduction to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The paragraphs below provide a brief description of the government-wide financial statements.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between assets plus deferred outflows, and liabilities plus deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused sick and vacation leave.

The government-wide financial statements include not only the City itself (known as the primary government), but also three other legally separate entities (known as component units), the Dubuque Metropolitan Area Solid Waste Agency (DMASWA), Dubuque Initiatives (DI) and Subsidiaries, and the Dubuque Convention and Visitors Bureau (CVB) for which the City of Dubuque is considered financially accountable. Financial information for DMASWA, DI, and CVB are reported separately from the financial information presented for the primary government. The Dubuque Metropolitan Area Solid Waste Agency, Dubuque Initiatives and Subsidiaries, and Dubuque Convention and Visitors Bureau issue separate financial statements. Dubuque Initiatives and Subsidiaries' financial statements are prepared on a calendar year basis while the Dubuque Metropolitan Area Solid Waste Agency's and Dubuque Convention and Visitors Bureau's financial statements are prepared on the same fiscal year basis as the City of Dubuque.

The government-wide financial statements are divided into two categories:

Governmental activities. This category consists of services provided by the City that are principally supported by taxes and intergovernmental revenues. Basic City services such as police, fire, public works, planning, parks, library, and general administration are governmental activities.

Business-type activities. These activities are supported primarily by user fees. The services provided by the City in this category include water, sewer, storm water, refuse, salt, parking, transit and the America's River Project.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with legal requirements for financial transactions and reporting. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, tax increment financing fund, community development fund and debt service fund, all of which are considered to be major funds. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City legally adopts an annual budget by function. A budgetary comparison schedule has been provided.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water, and refuse utilities, transit service, parking facilities, salt, and America's River Project. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its engineering services, garage services, stores/printing, health insurance, and workers' compensation. The City's internal service funds predominately benefit the governmental activities and have been included in the governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has three fiduciary funds, an agency fund reporting resources held for the Dubuque Racing Association for improvements at the greyhound racing facility, an agency fund used for reporting resources from Mediacom for purchasing equipment relevant to public, educational, and governmental (PEG) access broadcasting and an agency fund used for reporting resources held for the decommissioning of the prior Flexsteel site.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget and actual results of the City, the City's proportionate share of the net pension liability and related contributions for both of the City's pension plans, and the schedule of changes in total OPEB liability.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and agency funds, are presented immediately following the required supplementary information.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve as a useful indicator of a government's financial position when observed over time. The analysis that follows focuses on the change in net position for the governmental and business-type activities.

The largest part of the City's net position reflects its net investment in capital assets such as land, buildings, infrastructure, machinery, and equipment less any related debt used to acquire those assets that is still outstanding. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements.

CITY OF DUBUQUE'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 106,111,268	\$ 106,778,226	\$ 44,069,688	\$ 40,258,747	\$ 150,180,956	\$ 147,036,973
Capital assets	419,863,419	420,219,770	368,493,789	351,502,432	788,357,208	771,722,202
Total assets	<u>525,974,687</u>	<u>526,997,996</u>	<u>412,563,477</u>	<u>391,761,179</u>	<u>938,538,164</u>	<u>918,759,175</u>
Deferred outflows of resources	<u>11,802,331</u>	<u>12,964,250</u>	<u>1,223,366</u>	<u>1,486,850</u>	<u>13,025,697</u>	<u>14,451,100</u>
Long-term liabilities	114,917,444	119,522,431	184,282,392	184,920,514	299,199,836	304,442,945
Other liabilities	14,164,454	15,275,931	16,131,621	12,499,475	30,296,075	27,775,406
Total liabilities	<u>129,081,898</u>	<u>134,798,362</u>	<u>200,414,013</u>	<u>197,419,989</u>	<u>329,495,911</u>	<u>332,218,351</u>
Deferred inflows of resources	<u>30,834,711</u>	<u>28,519,375</u>	<u>990,464</u>	<u>517,529</u>	<u>31,825,175</u>	<u>29,036,904</u>
Net position:						
Net investment in capital assets	387,344,725	385,005,220	191,757,112	179,561,228	579,101,837	564,566,448
Restricted	26,501,434	28,321,603	3,187,364	3,131,716	29,688,798	31,453,319
Unrestricted	(35,985,750)	(36,682,314)	17,437,890	12,617,567	(18,547,860)	(24,064,747)
Total net position	<u>\$ 377,860,409</u>	<u>\$ 376,644,509</u>	<u>\$ 212,382,366</u>	<u>\$ 195,310,511</u>	<u>\$ 590,242,775</u>	<u>\$ 571,955,020</u>

Net position of the governmental activities increased \$1,215,900 over fiscal year 2019 balance of \$376,644,509. Governmental activities had no capital assets donated from developers. Overall grant revenues decreased by \$4,311,880. This was primarily due to the public works grant for the HUD Resiliency grant.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Net position for the business-type activities increased \$17,071,855 over fiscal year 2019 of \$195,310,511. Charges for services increased \$192,744. Grants increased \$1,245,388. The increase in net position is primarily due to transfers of capital assets from governmental funds of \$7,849,493.

A portion of the City's net position \$29,688,798 or 5.0% represents resources that are subject to external restrictions on how they may be used.

At the close of fiscal year 2020, the City has negative total unrestricted net position. The government-wide negative unrestricted results from TIF (governmental activities) debt being used to finance capital assets of the business-type activities, along with \$50,125,551 in pension liability and \$5,882,693 in OPEB Liability.

Governmental activities. Taxes are the largest source of governmental revenues with property taxes of \$38,354,691 in 2020. Other governmental revenues included gaming \$7,394,294, local option sales taxes \$9,652,332, and charges for services \$17,067,410.

Governmental operating expenses during 2020 totaled \$99,601,046. The largest programs were public safety of \$32,079,903, public works of \$22,667,132, community and economic development of \$17,848,570, and culture and recreation of \$13,576,571.

Business-type activities. Operating revenue increased \$100,971. Operating expenses decreased from \$34,100,914 in 2019 to \$33,312,066 in 2020. The decrease was primarily in supplies and services and insurance expenses. Nonoperating expenses consist of interest expense of \$4,641,707. Investment earnings decreased from \$798,497 in 2019 to \$796,494 in 2020.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

CITY OF DUBUQUE
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 17,067,410	\$ 16,138,161	\$ 34,451,197	\$ 34,258,453	\$ 51,518,607	\$ 50,396,614
Operating grants and contributions	14,484,320	23,198,271	2,967,619	1,917,366	17,451,939	25,115,637
Capital grants and contributions	15,450,271	11,048,200	6,410,594	6,215,459	21,860,865	17,263,659
General revenues						
Property taxes	38,354,691	37,973,888	-	-	38,354,691	37,973,888
Local option sales tax	9,652,332	8,940,109	-	-	9,652,332	8,940,109
Hotel/motel tax	2,117,506	2,113,273	-	-	2,117,506	2,113,273
Utility franchise fees	4,976,472	5,072,350	-	-	4,976,472	5,072,350
Gaming	7,394,294	8,730,986	-	-	7,394,294	8,730,986
Unrestricted investment earnings	1,857,420	1,858,476	796,494	798,497	2,653,914	2,656,973
Gain on sale of capital assets	23,866	94,980	16,500	80,479	40,366	175,459
Total revenues	111,378,582	115,168,694	44,642,404	43,270,254	156,020,986	158,438,948
Expenses:						
Public safety	32,079,903	29,637,417	-	-	32,079,903	29,637,417
Public works	22,667,132	24,835,035	-	-	22,667,132	24,835,035
Health and social services	1,677,181	1,442,658	-	-	1,677,181	1,442,658
Culture and recreation	13,576,571	12,916,646	-	-	13,576,571	12,916,646
Community and economic development	17,848,570	15,837,039	-	-	17,848,570	15,837,039
General government	8,821,692	5,944,116	-	-	8,821,692	5,944,116
Interest on long-term debt	2,929,997	3,387,730	-	-	2,929,997	3,387,730
Sewage disposal works	-	-	11,725,889	12,177,352	11,725,889	12,177,352
Water utility	-	-	7,631,411	7,892,423	7,631,411	7,892,423
Stormwater utility	-	-	5,887,171	7,025,525	5,887,171	7,025,525
Parking facilities	-	-	3,414,851	2,850,531	3,414,851	2,850,531
America's River Project	-	-	3,161	19,874	3,161	19,874
Refuse collection	-	-	4,387,683	4,215,881	4,387,683	4,215,881
Transit system	-	-	4,748,463	4,533,060	4,748,463	4,533,060
Salt	-	-	333,556	182,092	333,556	182,092
Total expenses	99,601,046	94,000,641	38,132,185	38,896,738	137,733,231	132,897,379
Increase in net position before	11,777,536	21,168,053	6,510,219	4,373,516	18,287,755	25,541,569
Transfers	(10,561,636)	(8,981,064)	10,561,636	8,981,064	-	-
Increase in net position	1,215,900	12,186,989	17,071,855	13,354,580	18,287,755	25,541,569
Net position, beginning	376,644,509	364,457,520	195,310,511	181,955,931	571,955,020	546,413,451
Net position, ending	\$ 377,860,409	\$ 376,644,509	\$ 212,382,366	\$ 195,310,511	\$ 590,242,775	\$ 571,955,020

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

The City's governmental funds reported a combined fund balance of \$61,287,244 at June 30, 2020. \$6,106,661 is in nonspendable for inventory, receivables, and prepaid items. \$69,412 is nonspendable endowment corpus. \$30,467,092 is restricted for debt service and bond ordinance, road use tax funds, capital improvements, community development programs, employee benefits, endowments, and various grants. Council ordinance has committed \$5,823,218 for capital improvements. \$1,396,196 is assigned for capital improvements and equipment. This leaves \$17,424,665 for unassigned fund balances in the government funds.

The General Fund's fund balance reserve goal is 20% of revenues. The fund balance of the General Fund increased by \$575,150 to \$26,889,718. Gaming revenues decreased by \$1,314,408 or 15.1% in fiscal year 2020. Charges for Services decreased \$1,630,542 coupled with an increase in taxes and a decrease investment earnings. General Fund expenditures increased from \$59,398,698 in 2019 to \$60,501,091 in 2020. The \$1,102,393 increase was primarily in the general government function of \$835,611, but increases were also in the public safety, culture and recreation, and community and economic development functions.

The fund balance of special revenue fund Tax Increment Financing increased by \$387,791 to \$9,549,523. Tax revenues increased by \$357,275 due to expansions and new businesses added in Dubuque Industrial Center West. Tax Increment Financing expenditures decreased \$165,712.

The fund balance of the special revenue Community Development Fund decreased by \$1,662,232 to \$5,600,261. Intergovernmental revenue decreased from \$11,277,705 in 2019 to \$10,666,574 in 2020 primarily for HUD Resiliency grant.

The Debt Service Fund paid \$7,065,499 in principal and \$2,985,797 in interest and fiscal charges during fiscal year 2020.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of the enterprise funds at June 30, 2020, totaled \$212,382,366 of which the unrestricted is \$17,437,890.

The Sewer Fund had an increase of \$947,264 for total net position of \$30,413,588. Operating expenses decreased \$355,074 primarily for employee expense and supplies and services. The Sewer Fund operating income from operations was \$2,534,554.

The Water Utility had an increase in net position by \$2,692,669 for total net position of \$34,051,168. Water rates were increased 5% in 2020.

The Storm Water Utility had an increase in net position of \$12,713,362. Ending net position is \$82,775,919. Storm Water Utility had capital contributions of \$12,343,834 which consisted of a capital grant \$4,688,744 and contribution of assets from governmental funds \$7,655,090.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The Parking Facilities had a decrease in net position of \$886,870. Ending net position is \$47,185,335. Operating income decreased \$752,774. Parking Facilities had operating loss of \$889,279 after depreciation of \$1,173,158 for fiscal year 2020.

Other Enterprise Funds net position increased by \$1,605,430 to \$17,956,356. This was primarily due to Transit's increase of \$1,488,302 in net position.

BUDGETARY HIGHLIGHTS

There were three amendments to the City's 2019-2020 cash basis budget. The first amendment was passed in September 2019 to reflect operating and capital budget carryovers (continuing appropriation authority) from fiscal year 2019 and amended the fiscal year 2020 budget for operating and capital City Council actions since the beginning of the fiscal year. The second budget amendment was passed in November 2019 to reflect City Council actions since the second budget amendment and amendments to add additional appropriation authority due to increased revenues. The third budget amendment was passed in May 2020 to reflect budget cuts related to revenue losses caused by the pandemic.

The final budget for total cash basis receipts increased by \$56,806,013. The increase was primarily attributable to revenue associated with capital projects and operating carryovers which mainly include grants to intergovernmental funds. The final budget for total expenditures increased \$78,920,118 from the original budget. The increase was primarily attributable to purchase order encumbrances carryover, capital projects, and operating carryovers from the prior year and expenditures associated with new grants received.

Actual cash basis revenues were \$69,686,594 less than the final amended budget; and, cash basis expenditures were \$95,933,410 less than the final amended budget due primarily to projected capital projects not completed by fiscal year end.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$788,357,208 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. Additional information on the City's assets can be found in Note 6 to the financial statements in this report.

CAPITAL ASSETS (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 79,331,528	\$ 78,777,621	\$ 24,793,823	\$ 24,805,263	\$ 104,125,351	\$ 103,582,884
Buildings	139,555,836	141,858,066	159,240,025	159,586,137	298,795,861	301,444,203
Improvements other than buildings	24,726,686	25,455,654	178,550,296	177,818,388	203,276,982	203,274,042
Machinery and equipment	52,381,639	51,673,620	115,073,585	113,861,028	167,455,224	165,534,648
Infrastructure	239,440,411	236,909,111	-	-	239,440,411	236,909,111
Construction in progress	59,256,754	56,019,935	34,113,325	11,853,774	93,370,079	67,873,709
Accumulated depreciation	(174,829,435)	(170,474,237)	(143,277,265)	(136,422,158)	(318,106,700)	(306,896,395)
	<u>\$ 419,863,419</u>	<u>\$ 420,219,770</u>	<u>\$ 368,493,789</u>	<u>\$ 351,502,432</u>	<u>\$ 788,357,208</u>	<u>\$ 771,722,202</u>

Major expenditures during 2019-2020 were for the construction work on stormwater Bee Branch Creek Restoration, Transit bus replacements, Kerper sanitary reconstruction, and water main replacements.

Long-term debt. At year end, the City had \$252,847,074 of debt outstanding. During fiscal year 2020, the City issued \$4,240,000 of general obligation bonds, which was used for refunding. The City refunded \$4,370,000 of general obligation bonds. The refunding was undertaken to reduce total debt service payments. The results of the transaction is a reduction of \$193,675 in future debt service payments for an economic gain of \$167,292.

Revenue capital loan notes have been issued for the planning and construction of sewer, stormwater, and water capital projects through the State of Iowa State Revolving Loan Funds (SRF). The City issued an additional \$10,478,152 of SRF debt in 2020 including \$5,000 for green alley projects reducing stormwater run off, \$5,000 for Upper Bee Branch Stormwater improvements, \$31,678 for Eagle Point Park ecological restoration, \$80,137 for the Catfish Creek stabilization project, \$1,120,000 for CIWA purchase, \$866,260 for Kerper sewer project, \$2,400,024 for Roosevelt tower, and \$5,970,053 for upper Bee Branch culverts. The City has pledged income derived from the acquired or constructed assets to pay debt service.

The City continues to operate under the State debt capacity limitations. The State limits the amount of general obligation debt outstanding to 5% of the assessed value of all taxable property in the community. Thus the City's debt capacity is \$239,298,248. With \$109,020,970 of debt applicable against the capacity, the City is utilizing 45.56% of this limit. Additional information on the City's long-term debt can be found in Note 7 of this report.

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

ECONOMIC FACTORS

The City's unemployment rate as of November, 2020 was 3.3%, up from 2.3% in November, 2019. The national average was 6.7% for November 2020, according to the Bureau of Labor Statistics. State of Iowa was 3.6% as reported in November, 2020.

The assessed valuation of taxable property, net of exemptions, increased by 2.45% to \$2,825,245,000. In fiscal year 2020, the minimum monthly refuse rate increased from \$15.37 to \$15.62, sewer rate increased 4.5%, water rates increased 5%, and the storm water monthly fee increased from \$7.76 to \$8.29 per single family unit (SFU).

Impacts of the COVID-19 Pandemic. In mid-March of 2020, the Governor of Iowa ordered all food and beverage facilities to suspend their indoor food and beverage services, and other non-essential businesses were mandated to be closed to the public in an effort to reduce the spread of the coronavirus. The City continued to provide essential services to the public, but City facilities were closed to the public.

The City Council adopted a revised budget recommendation for fiscal year 2021 to include a course of action to help mitigate the financial burden of COVID-19, which included: 1) administratively initiated a hiring freeze on most positions that are vacant or become vacant in Fiscal Year 2021, 2) froze all travel budgets (conferences, education and training, and city business travel), 3) delayed some equipment replacements, 4) froze all capital projects unless the project was already under contract, had a grant associated, was part of an agreement, or addressed health and safety, 5) no wage increase for non-bargaining and bargaining unit employees in Fiscal Year 2021, 6) formed multiple employee work groups to assist with the quarterly review of projections, and 7) departments were required to develop budget reduction plans.

At the end of fiscal year 2020, there were reductions in revenues as projected. Significant General Fund revenue reductions were in hotel/motel taxes, gaming revenue, construction permits, inspection fees, and Parks and Recreation facility usage and program fees. These reductions, however, were offset by expenditure reductions in most departments. While a decrease in General Fund balance was anticipated due to the revenue reductions, the City was able to maintain the unreserved General Fund balance at the same approximate level as budgeted. Due to the team effort of the City Council and City staff, as well as the recovering economy and CARES (Coronavirus Aid, Relief, and Economic Security) Act funding, the financial impacts of COVID-19 have not been as significant as originally projected for fiscal year 2020. There are still however, revenue concerns going forward. City Council and City staff plan to use caution going forward in fiscal year 2021 due to the uncertainty of these revenues as well as the economy.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Budget, 50 West 13th Street, Dubuque, Iowa 52001-4864.

Basic Financial Statements
Fiscal Year Ended June 30, 2020
City of Dubuque, Iowa

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Dubuque Metropolitan Area Solid Waste Agency	Dubuque Initiatives and Subsidiaries	Dubuque Convention and Visitors Bureau
ASSETS						
CURRENT ASSETS						
Cash and pooled cash investments	\$ 48,697,058	\$ 29,487,015	\$ 78,184,073	\$ 7,962,484	\$ 10,976,497	\$ 112,376
Receivables						
Property tax						
Delinquent	1,096,305	-	1,096,305	-	-	-
Succeeding year	26,202,568	-	26,202,568	-	-	-
Accounts and other	2,729,268	3,834,133	6,563,401	530,045	27,373	28,384
Special assessments	426,964	-	426,964	-	-	-
Accrued interest	222,616	102,339	324,955	50,993	-	-
Notes	2,465,755	-	2,465,755	-	47,065	-
Intergovernmental	7,101,310	4,032,439	11,133,749	19,123	-	-
Inventories	1,559,798	1,034,062	2,593,860	-	133,347	9,041
Prepaid items	655,592	100,881	756,473	28,634	-	-
Total Current Assets	91,157,234	38,590,869	129,748,103	8,591,279	11,184,282	149,801
NONCURRENT ASSETS						
Expendable restricted cash and investments	7,083,640	5,478,819	12,562,459	5,361,267	1,420,609	235,587
Nonexpendable restricted cash and investments	69,412	-	69,412	-	-	-
Notes receivable	7,800,982	-	7,800,982	-	105,267	-
Capital assets						
Land	79,331,529	24,793,823	104,125,352	2,737,804	-	-
Buildings	139,555,836	159,240,025	298,795,861	386,779	-	265,111
Improvements other than buildings	24,726,686	178,550,296	203,276,982	15,903,557	-	27,491
Machinery and equipment	52,381,639	115,073,585	167,455,224	3,990,168	-	105,385
Infrastructure	239,440,410	-	239,440,410	-	-	-
Construction in progress	59,256,755	34,113,325	93,370,080	3,295,599	-	-
Accumulated depreciation	(174,829,436)	(143,277,265)	(318,106,701)	(9,427,780)	-	(126,925)
Total Noncurrent Assets	434,817,453	373,972,608	808,790,061	22,247,394	1,525,876	506,649
Total Assets	525,974,687	412,563,477	938,538,164	30,838,673	12,710,158	656,450
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	11,587,791	1,178,292	12,766,083	115,931	-	-
OPEB related deferred outflows	214,540	45,074	259,614	4,945	-	-
Total Deferred Outflows of Resources	11,802,331	1,223,366	13,025,697	120,876	-	-

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION (continued)
JUNE 30, 2020

EXHIBIT 1 (continued)

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Dubuque Metropolitan Area Solid Waste Agency	Dubuque Initiatives and Subsidiaries	Dubuque Convention and Visitors Bureau
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 5,467,057	\$ 4,956,180	\$ 10,423,237	\$ 391,015	\$ 49,286	\$ 255,583
Accrued payroll	1,851,383	339,195	2,190,578	31,675	-	23,038
Loans payable	251,865	1,063,545	1,315,410	-	-	7,367
Notes payable	91,860	6,094,000	6,185,860	-	-	-
General obligation bonds payable	4,578,192	2,916,809	7,495,001	425,000	-	-
Revenue bonds payable	-	340,000	340,000	-	-	-
Tax increment financing bonds payable	590,000	-	590,000	-	-	-
Accrued compensated absences	404,373	60,060	464,433	1,139	-	-
Accrued interest payable	229,223	361,832	591,055	19,863	3,235	-
Intergovernmental payable	8,141	-	8,141	98,251	-	-
Unearned revenue	692,360	-	692,360	-	-	2,254
Total Current Liabilities	14,164,454	16,131,621	30,296,075	966,943	52,521	288,242
NONCURRENT LIABILITIES						
Loans payable	3,647,429	1,088,786	4,736,215	-	-	10,783
Notes payable	-	110,871,647	110,871,647	-	-	-
General obligation bonds payable	37,407,321	33,304,047	70,711,368	7,699,672	-	-
Revenue bonds payable	-	32,366,267	32,366,267	-	-	-
Landfill closure and postclosure care	-	-	-	1,981,708	-	-
Tax increment financing bonds payable	18,235,306	-	18,235,306	-	-	-
Accrued compensated absences	5,611,886	658,903	6,270,789	211,858	-	-
Net pension liability	45,154,154	4,971,397	50,125,551	489,134	-	-
Total OPEB liability	4,861,348	1,021,345	5,882,693	112,052	-	-
Total Noncurrent Liabilities	114,917,444	184,282,392	299,199,836	10,494,424	-	10,783
Total Liabilities	129,081,898	200,414,013	329,495,911	11,461,367	52,521	299,025
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	4,099,839	868,017	4,967,856	85,405	-	-
OPEB related deferred inflows	277,024	58,203	335,227	6,385	-	-
Succeeding year property tax	26,202,568	-	26,202,568	-	-	-
Deferred amount on refunding	255,280	64,244	319,524	-	-	-
Total deferred inflows of resources	30,834,711	990,464	31,825,175	91,790	-	-
NET POSITION						
Net investment in capital assets	387,344,725	191,757,112	579,101,837	9,107,248	-	271,062
Restricted for/by:						
Bond ordinance development agreement	2,140,740	3,187,364	5,328,104	-	-	-
Debt service	5,055	-	5,055	-	-	-
Employee benefits	57,032	-	57,032	-	-	-
Community development	8,776,446	-	8,776,446	-	-	-
Iowa Finance Authority Trust	1,235,968	-	1,235,968	-	-	-
Capital projects	12,157,094	-	12,157,094	-	-	-
Franchise agreement	618,857	-	618,857	-	-	-
Endowments, expendable	104,586	-	104,586	-	-	-
Endowments, nonexpendable	69,412	-	69,412	-	-	-
Other	1,336,244	-	1,336,244	-	-	-
State statute	-	-	-	130,309	-	-
Landfill closure and post closure care	-	-	-	2,903,459	-	-
Minority interest	-	-	-	1,649,240	-	-
Unrestricted	(35,985,750)	17,437,890	(18,547,860)	5,616,136	12,657,637	86,363
Total Net Position	\$ 377,860,409	\$ 212,382,366	\$ 590,242,775	\$ 19,406,392	\$ 12,657,637	\$ 357,425

See notes to financial statements.

**CITY OF DUBUQUE, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT 2

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Primary Government			Dubuque Metropolitan Area Solid Waste Agency	Dubuque Initiatives and Subsidiaries	Dubuque Convention and Visitors Bureau
						Governmental Activities	Business-type Activities	Total			
Primary government											
Governmental Activities:											
Public safety	\$ 32,079,903	\$ 2,641,633	\$ 1,267,198	\$ -	\$ 3,908,831	\$ (28,171,072)	\$ -	\$ (28,171,072)			
Public works	22,667,132	6,732,825	5,063,878	13,352,469	25,149,172	2,482,040	-	2,482,040			
Health and social services	1,677,181	386,885	11,339	725	398,949	(1,278,232)	-	(1,278,232)			
Culture and recreation	13,576,571	2,237,000	494,976	460	2,732,436	(10,844,135)	-	(10,844,135)			
Community and economic development	17,848,570	2,515,823	7,646,929	1,659,370	11,822,122	(6,026,448)	-	(6,026,448)			
General government	8,821,692	2,553,244	-	437,247	2,990,491	(5,831,201)	-	(5,831,201)			
Interest on long-term debt	2,929,997	-	-	-	-	(2,929,997)	-	(2,929,997)			
Total governmental activities	99,601,046	17,067,410	14,484,320	15,450,271	47,002,001	(52,599,045)	-	(52,599,045)			
Business-type activities											
Sewage disposal works	11,725,889	12,606,632	-	69,575	12,676,207	-	950,318	950,318			
Water utility	7,631,411	9,273,720	-	19,380	9,293,100	-	1,661,689	1,661,689			
Stormwater utility	5,887,171	5,061,855	380,606	4,688,744	10,131,205	-	4,244,034	4,244,034			
Parking facilities	3,414,851	2,313,344	79,942	-	2,393,286	-	(1,021,565)	(1,021,565)			
America's River Project	3,161	-	-	-	-	-	(3,161)	(3,161)			
Refuse collection	4,387,683	4,448,317	-	-	4,448,317	-	60,634	60,634			
Transit system	4,748,463	400,576	2,507,071	1,632,895	4,540,542	-	(207,921)	(207,921)			
Salt	333,556	346,753	-	-	346,753	-	13,197	13,197			
Total business-type activities	38,132,185	34,451,197	2,967,619	6,410,594	43,829,410	-	5,697,225	5,697,225			
Total primary government	\$ 137,733,231	\$ 51,518,607	\$ 17,451,939	\$ 21,860,865	\$ 90,831,411	\$ (52,599,045)	\$ 5,697,225	\$ (46,901,820)			
Component units											
Dubuque Metropolitan Area Solid Waste Agency	\$ 2,852,380	\$ 6,915,660	\$ 76,101	\$ -	\$ 6,991,761				\$ 4,139,381	\$ -	\$ -
Dubuque Initiatives and Subsidiaries	101,790	-	-	-	-				-	(101,790)	-
Dubuque Convention and Visitors Bureau	1,455,694	1,554,348	123,000	-	1,677,348				-	-	221,654
Total Component Units	\$ 4,409,864	\$ 8,470,008	\$ 199,101	\$ -	\$ 8,669,109				4,139,381	(101,790)	221,654
General revenues											
Property taxes						38,354,691	-	38,354,691	-	-	-
Local option sales tax						9,652,332	-	9,652,332	-	-	-
Hotel motel tax						2,117,506	-	2,117,506	-	-	-
Utility franchise fees						4,976,472	-	4,976,472	-	-	-
Gaming						7,394,294	-	7,394,294	-	-	-
Unrestricted investment earnings						1,857,420	796,494	2,653,914	213,772	13,409	313
Miscellaneous						-	-	-	-	1,914,655	-
Gain on disposal of capital assets						23,866	16,500	40,366	-	-	-
Transfers						(10,561,636)	10,561,636	-	-	-	-
Total general revenues and transfers						53,814,945	11,374,630	65,189,575	213,772	1,928,064	313
Change in Net Position						1,215,900	17,071,855	18,287,755	4,353,153	1,826,274	221,967
Net position, beginning of year						376,644,509	195,310,511	571,955,020	15,053,239	10,831,363	135,458
Net position, ending of year						\$ 377,860,409	\$ 212,382,366	\$ 590,242,775	\$ 19,406,392	\$ 12,657,637	\$ 357,425

See notes to financial statements

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CITY OF DUBUQUE, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

EXHIBIT 3

		Special Revenue	
	General	Tax Increment Financing	Community Development
ASSETS			
Cash and pooled cash investments	\$ 21,203,339	\$ 6,147,527	\$ 1,797,978
Receivables			
Property tax			
Delinquent	667,139	319,783	-
Succeeding year	22,891,980	-	-
Accounts and other	2,043,708	188,044	-
Special assessments	19,344	-	-
Accrued interest	112,645	54,071	12,229
Notes	4,536,665	289,800	3,886,725
Intergovernmental	1,197,287	-	2,547,762
Due from other funds	456,550	-	-
Inventories	196,531	-	395,828
Prepaid items	412,362	-	21,196
Restricted cash and pooled cash investments	220,741	2,634,920	-
Total Assets	<u>\$ 53,958,291</u>	<u>\$ 9,634,145</u>	<u>\$ 8,661,718</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,407,099	\$ 84,622	\$ 613,758
Accrued payroll	1,674,452	-	26,574
Intergovernmental payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	574,676	-	-
Total Liabilities	<u>3,656,227</u>	<u>84,622</u>	<u>640,332</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenues			
Succeeding year property tax	22,891,980	-	-
Special assessments	19,344	-	-
Grants	21,804	-	2,421,125
Other	479,218	-	-
Total Deferred Inflows of Resources	<u>23,412,346</u>	<u>-</u>	<u>2,421,125</u>
FUND BALANCES			
Nonspendable			
Endowment corpus	-	-	-
Inventory	196,531	-	-
Long-term notes receivable	4,536,665	-	-
Prepaid items	412,362	-	21,196
Restricted			
Endowments	-	-	-
Library	-	-	-
Police	-	-	-
Veterans	-	-	-
Debt service	-	-	-
Bond ordinance	-	2,140,740	-
Capital improvements	219,741	7,408,783	-
Franchise agreement	-	-	-
Special assessments	-	-	-
Iowa Finance Authority Trust	-	-	-
Community programs	-	-	8,182,821
Employee benefits	-	-	-
Committed, capital improvements	-	-	-
Assigned			
DRA gaming and distribution	1,396,196	-	-
Unassigned	20,128,223	-	(2,603,756)
Total Fund Balances	<u>26,889,718</u>	<u>9,549,523</u>	<u>5,600,261</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 53,958,291</u>	<u>\$ 9,634,145</u>	<u>\$ 8,661,718</u>

See notes to financial statements.

Debt Service	Other Governmental Funds	Total
\$ -	\$ 12,584,785	\$ 41,733,629
8,795	100,588	1,096,305
276,674	3,033,914	26,202,568
-	229,339	2,461,091
-	407,620	426,964
-	23,693	202,638
-	1,553,547	10,266,737
-	3,356,261	7,101,310
-	-	456,550
-	901,636	1,493,995
-	38,271	471,829
-	4,297,391	7,153,052
<u>\$ 285,469</u>	<u>\$ 26,527,045</u>	<u>\$ 99,066,668</u>

\$ -	\$ 1,941,541	\$ 4,047,020
-	117,814	1,818,840
-	8,141	8,141
-	456,550	456,550
-	117,685	692,361
<u>-</u>	<u>2,641,731</u>	<u>7,022,912</u>

276,674	3,033,914	26,202,568
-	389,289	408,633
-	860,905	3,303,834
3,740	358,519	841,477
<u>280,414</u>	<u>4,642,627</u>	<u>30,756,512</u>

-	69,412	69,412
-	901,636	1,098,167
-	-	4,536,665
-	38,271	471,829
-	104,586	104,586
-	1,157,214	1,157,214
-	7,774	7,774
-	152,925	152,925
5,055	-	5,055
-	-	2,140,740
-	8,563,640	16,192,164
-	618,857	618,857
-	18,331	18,331
-	1,235,968	1,235,968
-	593,625	8,776,446
-	57,032	57,032
-	5,823,218	5,823,218
-	-	1,396,196
-	(99,802)	17,424,665
<u>5,055</u>	<u>19,242,687</u>	<u>61,287,244</u>
<u>\$ 285,469</u>	<u>\$ 26,527,045</u>	<u>\$ 99,066,668</u>

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CITY OF DUBUQUE, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT 3-1

Total fund balances - governmental funds		\$ 61,287,244	
Amounts reported for the governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Cost of capital assets	\$ 594,336,265		
Accumulated depreciation	(174,566,302)		
			419,769,963
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds. Those revenues consist of:			
Property tax	325,720		
Special assessments	408,633		
Grants and other	3,819,592		
			4,553,945
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the government funds as follows:			
Deferred inflows of resources	(4,139,180)		
Deferred outflows of resources	11,479,690		
			7,340,510
Internal service funds are used by the City's management to charge the costs of equipment maintenance and self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			
			4,865,697
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:			
General obligation bonds	(41,985,513)		
Tax increment financing bonds	(18,825,306)		
Notes payable	(91,860)		
Loans payable	(3,899,294)		
Deferred amount on debt refundings	(255,280)		
Accrued interest	(229,223)		
Compensated absences	(6,016,259)		
Net pension liability	(43,792,867)		
Total OPEB liability	(4,861,348)		
			(119,956,950)
Net position of governmental activities		\$ 377,860,409	

See notes to financial statements.

CITY OF DUBUQUE, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT 4

		Special Revenue	
	General	Tax Increment Financing	Community Development
REVENUES			
Taxes	\$ 35,404,753	\$ 10,661,450	\$ -
Special assessments	-	-	6,503
Licenses and permits	1,497,086	-	-
Intergovernmental	1,885,616	-	10,666,574
Charges for services	10,585,690	-	120
Fines and forfeits	365,458	-	-
Investment earnings	621,920	733,556	91,447
Contributions	948,412	188,045	11,115
Gaming	7,394,294	-	-
Miscellaneous	1,405,106	688,372	31,674
Total Revenues	60,108,335	12,271,423	10,807,433
EXPENDITURES			
Current			
Public safety	29,515,413	-	-
Public works	5,510,707	-	-
Health and social services	991,911	-	348,633
Culture and recreation	12,967,384	-	91,065
Community and economic development	4,028,289	2,496,361	4,453,498
General government	6,845,841	-	24,481
Debt service			
Principal	-	-	-
Interest and fiscal charges	44,882	-	13,020
Capital projects	596,664	-	7,649,968
Total Expenditures	60,501,091	2,496,361	12,580,665
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(392,756)	9,775,062	(1,773,232)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on bonds	-	-	-
Transfers in	4,539,276	513,374	111,000
Transfers out	(3,643,841)	(10,509,885)	-
Insurance recovery	19,422	-	-
Sale of capital assets	53,049	609,240	-
Total Other Financing Sources (Uses)	967,906	(9,387,271)	111,000
NET CHANGE IN FUND BALANCES	575,150	387,791	(1,662,232)
FUND BALANCES, BEGINNING	26,314,568	9,161,732	7,262,493
FUND BALANCES, ENDING	\$ 26,889,718	\$ 9,549,523	\$ 5,600,261

See notes to financial statements.

Debt Service	Other Governmental Funds	Total
\$ 280,677	\$ 8,471,794	\$ 54,818,674
-	69,891	76,394
-	-	1,497,086
-	16,065,870	28,618,060
-	408,788	10,994,598
-	-	365,458
(34)	252,126	1,699,015
-	16,149	1,163,721
-	-	7,394,294
-	1,391,937	3,517,089
280,643	26,676,555	110,144,389
-	3,102	29,518,515
-	6,328,105	11,838,812
-	-	1,340,544
-	140,929	13,199,378
-	5,707,258	16,685,406
-	577,117	7,447,439
7,065,499	-	7,065,499
2,985,797	722	3,044,421
-	12,842,807	21,089,439
10,051,296	25,600,040	111,229,453
(9,770,653)	1,076,515	(1,085,064)
1,372,907	-	1,372,907
62,182	-	62,182
8,329,362	3,653,188	17,146,200
-	(5,704,617)	(19,858,343)
-	52,182	71,604
-	3,000	665,289
9,764,451	(1,996,247)	(540,161)
(6,202)	(919,732)	(1,625,225)
11,257	20,162,419	62,912,469
\$ 5,055	\$ 19,242,687	\$ 61,287,244

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CITY OF DUBUQUE, IOWA**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020****EXHIBIT 4-1**

Net change in fund balances - total governmental funds \$ (1,625,225)
 Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital assets expended in governmental funds	\$ 19,399,725	
Transfers of capital assets to enterprise funds	(7,849,493)	
Depreciation expense	<u>(10,261,179)</u>	1,289,053

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the asset being disposed. (1,604,533)

Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources increased (decreased) by these amounts this year:

Property tax	282,327	
Special assessments	(355,635)	
Grants and other	<u>1,076,337</u>	1,003,029

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Also, governmental funds report the effect of issuance discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issuances including premium	(1,435,089)	
Debt repayments	<u>7,065,499</u>	5,630,410

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These items consist of:

Decrease in accrued interest	12,752	
Amortization of bond discount/premium	21,645	
Increase in compensated absences	(439,715)	
Deferred amount on debt refundings	(5,323)	
Pension adjustment	(3,137,995)	
OPEB adjustment	<u>(64,419)</u>	
Total additional expenses		(3,613,055)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.

Change in net position of governmental activities	\$ <u>136,221</u>	
	<u>\$ 1,215,900</u>	

See notes to financial statements.

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
ASSETS			
CURRENT ASSETS			
Cash and pooled cash investments	\$ 3,916,552	\$ 8,954,694	\$ 13,689,675
Receivables			
Accounts	1,550,320	1,164,994	590,615
Accrued interest	50,529	14,644	34,481
Intergovernmental	-	-	938,641
Prepaid items	1,746	15,440	61,960
Inventories	305,519	726,499	-
Total Current Assets	5,824,666	10,876,271	15,315,372
NONCURRENT ASSETS			
Restricted cash and pooled cash investments	349,437	1,809,816	2,736,375
Capital assets			
Land	254,858	209,244	21,393,569
Buildings	72,269,461	11,212,597	-
Improvements to other than buildings	50,845,742	2,243,414	120,319,432
Machinery and equipment	40,081,900	60,846,248	1,305,088
Construction in progress	4,174,510	7,583,453	22,160,959
Accumulated depreciation	(66,838,207)	(29,615,794)	(19,191,760)
Net Capital Assets	100,788,264	52,479,162	145,987,288
Total Noncurrent Assets	101,137,701	54,288,978	148,723,663
Total Assets	106,962,367	65,165,249	164,039,035
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	247,876	283,410	62,460
OPEB related deferred outflows	8,901	10,879	4,030
Total Deferred Outflows of Resources	256,777	294,289	66,490

Business-type Activities-Enterprise Funds			
Parking Facilities	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 746,291	\$ 2,179,803	\$ 29,487,015	\$ 6,963,429
103,320	424,884	3,834,133	268,177
2,685	-	102,339	19,978
-	3,093,798	4,032,439	-
9,047	12,688	100,881	183,763
-	2,044	1,034,062	65,803
861,343	5,713,217	38,590,869	7,501,150
383,404	199,787	5,478,819	-
2,900,152	36,000	24,793,823	-
62,216,456	13,541,511	159,240,025	-
3,795,798	1,345,910	178,550,296	-
2,425,115	10,415,234	115,073,585	356,590
194,403	-	34,113,325	-
(19,180,244)	(8,451,260)	(143,277,265)	(263,134)
52,351,680	16,887,395	368,493,789	93,456
52,735,084	17,087,182	373,972,608	93,456
53,596,427	22,800,399	412,563,477	7,594,606
80,921	503,625	1,178,292	322,641
2,473	18,791	45,074	-
83,394	522,416	1,223,366	322,641

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 358,918	\$ 1,324,941	\$ 1,536,084
Accrued payroll	60,326	86,476	20,559
Loans payable - current	-	1,000,000	-
General obligation bonds payable	633,584	732,649	1,000,952
Revenue bonds payable	-	340,000	-
Capital loan notes payable	3,000,000	895,000	2,199,000
Accrued compensated absences	31,181	22,890	250
Accrued interest payable	128,397	64,791	150,776
Total Current Liabilities	4,212,406	4,466,747	4,907,621
NONCURRENT LIABILITIES			
Loans payable	-	1,000,000	-
General obligation bonds payable	9,205,857	10,868,576	7,668,210
Revenue bonds payable	-	3,839,794	28,526,473
Capital loan notes payable	61,798,641	9,283,948	39,789,058
Accrued compensated absences	127,586	261,640	11,413
Net pension liability	1,045,836	1,195,762	263,522
Total OPEB liability	201,692	246,512	91,321
Total Noncurrent Liabilities	72,379,612	26,696,232	76,349,997
Total Liabilities	76,592,018	31,162,979	81,257,618
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	182,605	208,782	46,011
OPEB related deferred inflows	11,494	14,048	5,204
Deferred amount on refunding	19,439	22,561	20,773
Total Deferred Inflows of Resources	213,538	245,391	71,988
NET POSITION			
Net investment in capital assets	34,627,197	25,831,633	68,123,801
Restricted by bond ordinance/development agreement	-	567,025	2,080,000
Unrestricted	(4,213,609)	7,652,510	12,572,118
Total Net Position	\$ 30,413,588	\$ 34,051,168	\$ 82,775,919

See notes to financial statements.

Business-type Activities-Enterprise Funds			
Parking Facilities	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 85,390	\$ 1,650,847	\$ 4,956,180	\$ 1,420,037
23,729	148,105	339,195	32,543
63,545	-	1,063,545	-
534,956	14,668	2,916,809	-
-	-	340,000	-
-	-	6,094,000	-
2,325	3,414	60,060	-
15,166	2,702	361,832	-
725,111	1,819,736	16,131,621	1,452,580
88,786	-	1,088,786	-
5,209,965	351,439	33,304,047	-
-	-	32,366,267	-
-	-	110,871,647	-
8,911	249,353	658,903	-
341,412	2,124,865	4,971,397	1,361,287
56,025	425,795	1,021,345	-
5,705,099	3,151,452	184,282,392	1,361,287
6,430,210	4,971,188	200,414,013	2,813,867
59,612	371,007	868,017	237,683
3,193	24,264	58,203	-
1,471	-	64,244	-
64,276	395,271	990,464	237,683
46,453,406	16,721,075	191,757,112	93,456
540,339	-	3,187,364	-
191,590	1,235,281	17,437,890	4,772,241
\$ 47,185,335	\$ 17,956,356	\$ 212,382,366	\$ 4,865,697

CITY OF DUBUQUE, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
OPERATING REVENUES			
Charges for sales and services	\$ 12,592,624	\$ 9,223,000	\$ 4,972,308
Other	12,463	49,979	60
Total Operating Revenues	12,605,087	9,272,979	4,972,368
OPERATING EXPENSES			
Employee expense	3,406,154	2,943,258	1,305,530
Utilities	757,125	827,417	28,525
Repairs and maintenance	851,294	207,802	88,050
Supplies and services	1,529,394	1,533,566	483,611
Insurance	101,283	87,170	58,444
Depreciation	3,425,283	1,212,928	1,921,046
Total Operating Expenses	10,070,533	6,812,141	3,885,206
OPERATING INCOME (LOSS)	2,534,554	2,460,838	1,087,162
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	-	54,169
Investment earnings	171,508	224,393	330,956
Contributions	-	-	415,924
Interest expense	(1,655,356)	(819,270)	(1,989,336)
Gain (loss) on disposal of assets	1,545	741	(12,629)
Net Nonoperating Revenues (Expenses)	(1,482,303)	(594,136)	(1,200,916)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,052,251	1,866,702	(113,754)
CAPITAL CONTRIBUTIONS	69,575	19,380	12,343,834
TRANSFERS IN	-	949,471	483,282
TRANSFERS OUT	(174,562)	(142,884)	-
CHANGE IN NET POSITION	947,264	2,692,669	12,713,362
NET POSITION, BEGINNING	29,466,324	31,358,499	70,062,557
NET POSITION, ENDING	\$ 30,413,588	\$ 34,051,168	\$ 82,775,919

See notes to financial statements.

Business-type Activities-Enterprise Funds			
Parking Facilities	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 2,173,719	\$ 5,155,740	\$ 34,117,391	\$ 14,298,761
139,625	39,906	242,033	70,112
2,313,344	5,195,646	34,359,424	14,368,873
832,278	5,242,008	13,729,228	2,443,277
337,524	112,748	2,063,339	37,632
232,103	1,100,492	2,479,741	54,093
525,502	1,661,851	5,733,924	11,643,220
102,058	65,482	414,437	174,646
1,173,158	1,158,982	8,891,397	40,868
3,202,623	9,341,563	33,312,066	14,393,736
(889,279)	(4,145,917)	1,047,358	(24,863)
-	2,531,111	2,585,280	-
39,420	30,217	796,494	158,405
79,942	84,280	580,146	-
(176,565)	(1,180)	(4,641,707)	-
(35,663)	(113,620)	(159,626)	2,679
(92,866)	2,530,808	(839,413)	161,084
(982,145)	(1,615,109)	207,945	136,221
194,403	1,524,575	14,151,767	-
414,246	1,695,964	3,542,963	-
(513,374)	-	(830,820)	-
(886,870)	1,605,430	17,071,855	136,221
48,072,205	16,350,926	195,310,511	4,729,476
\$ 47,185,335	\$ 17,956,356	\$ 212,382,366	\$ 4,865,697

CITY OF DUBUQUE, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			
	Sewage Disposal Works	Water Utility	Stormwater Utility	Parking Facilities
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 12,506,959	\$ 9,088,706	\$ 4,902,513	\$ 2,200,072
Cash payments to suppliers for goods and services	(4,011,612)	(1,916,566)	429,089	(1,139,218)
Cash payments to employees for services	(3,547,490)	(2,764,086)	(1,350,410)	(802,079)
Other operating receipts	12,463	49,979	60	139,625
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	4,960,320	4,458,033	3,981,252	398,400
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	949,471	483,282	414,246
Transfers to other funds	(174,562)	(142,884)	-	(513,374)
Contributions	-	-	415,924	79,942
Intergovernmental grant proceeds	-	-	-	-
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(174,562)	806,587	899,206	(19,186)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	1,545	741	-	-
Acquisition and construction of capital assets	(1,737,603)	(3,946,290)	(5,747,444)	-
Proceeds from issuance of debt	2,028,430	4,844,418	6,346,265	126,133
Premium on debt issuance	40,573	48,688	10,819	5,410
Payment of debt	(4,731,132)	(4,133,779)	(2,781,935)	(780,290)
Interest paid	(1,668,972)	(834,341)	(2,066,462)	(194,100)
Intergovernmental grant proceeds	-	-	369,602	-
NET CASH PROVIDED (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(6,067,159)	(4,020,563)	(3,869,155)	(842,847)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	168,986	220,128	323,127	39,039
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(1,112,415)	1,464,185	1,334,430	(424,594)
CASH AND CASH EQUIVALENTS, BEGINNING	5,378,404	9,300,325	15,091,620	1,554,289
CASH AND CASH EQUIVALENTS, ENDING	\$ 4,265,989	\$ 10,764,510	\$ 16,426,050	\$ 1,129,695

EXHIBIT 7

Business-type Activities-Enterprise Funds		
Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 4,733,441	\$ 33,431,691	\$ 14,258,473
(2,961,425)	(9,599,732)	(12,747,587)
(5,060,149)	(13,524,214)	(2,364,431)
39,906	242,033	70,112
(3,248,227)	10,549,778	(783,433)
1,695,964	3,542,963	-
-	(830,820)	-
1,608,855	2,104,721	-
613,900	613,900	-
3,918,719	5,430,764	-
16,500	18,786	2,679
(420,117)	(11,851,454)	-
-	13,345,246	-
-	105,490	-
(14,822)	(12,441,958)	-
(2,064)	(4,765,939)	-
-	369,602	-
(420,503)	(15,220,227)	2,679
427,981	1,179,261	158,304
677,970	1,939,576	(622,450)
1,701,620	33,026,258	7,585,879
\$ 2,379,590	\$ 34,965,834	\$ 6,963,429

(Continued)

CITY OF DUBUQUE, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			
	Sewage Disposal Works	Water Utility	Stormwater Utility	Parking Facilities
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,534,554	\$ 2,460,838	\$ 1,087,162	\$ (889,279)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	3,425,283	1,212,928	1,921,046	1,173,158
Change in assets and liabilities				
(Increase) decrease in receivables	(85,665)	(134,294)	(69,795)	26,353
(Increase) decrease in inventories and prepaid items	25,870	(10,125)	19,854	310
Increase (decrease) in accounts payable	(798,386)	749,514	1,067,865	57,659
Increase (decrease) in accrued liabilities	(6,650)	47,154	3,648	(5,798)
Increase (decrease) net pension liability	(292,865)	(6,033)	(83,048)	(15,433)
(Increase) decrease in deferred outflows	103,382	31,308	28,562	12,149
Increase in deferred inflows	87,236	129,482	22,337	33,594
Increase (decrease) in total OPEB liability	(32,439)	(22,739)	(16,379)	5,687
Total Adjustments	2,425,766	1,997,195	2,894,090	1,287,679
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 4,960,320</u>	<u>\$ 4,458,033</u>	<u>\$ 3,981,252</u>	<u>\$ 398,400</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contribution of capital assets from outside sources	<u>\$ 69,575</u>	<u>\$ 19,380</u>	<u>\$ 4,688,744</u>	<u>\$ -</u>
Contributions of capital assets from Governmental Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,655,090</u>	<u>\$ 194,403</u>
See notes to financial statements.				

EXHIBIT 7
(continued)

Business-type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds	
Other Enterprise Funds	Total			
\$ (4,145,917)	\$ 1,047,358	\$	(24,863)	
1,158,982	8,891,397		40,868	
(422,299)	(685,700)		(40,288)	
(2,563)	33,346		(173,492)	
(18,289)	1,058,363		(664,504)	
16,865	55,219		4,620	
(142,952)	(540,331)		(98,165)	
88,083	263,484		60,190	
200,286	472,935		112,201	
19,577	(46,293)		-	
897,690	9,502,420		(758,570)	
<u>\$ (3,248,227)</u>	<u>\$ 10,549,780</u>	<u>\$</u>	<u>(783,433)</u>	
<u>\$ -</u>	<u>\$ 4,777,699</u>	<u>\$</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ 7,849,493</u>	<u>\$</u>	<u>-</u>	

CITY OF DUBUQUE, IOWA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020

EXHIBIT 8

	<u>Agency Funds</u>
ASSETS	
Cash and pooled cash investments	\$ 1,921,801
Accounts receivable	57,633
Prepays	7,552
Accrued interest	<u>3,351</u>
Total Assets	<u><u>\$ 1,990,337</u></u>
LIABILITIES	
Due to other agency	<u>\$ 1,990,337</u>
Total Liabilities	<u><u>\$ 1,990,337</u></u>

See notes to financial statements.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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. Deficit Fund Equity
3. Cash on Hand, Deposits, and Investments
4. Notes Receivable
5. Interfund Balances and Transfers
6. Capital Assets
7. Long-Term Debt
8. Risk Management
9. Commitments and Contingent Liabilities
10. Other Postemployment Benefits (OPEB)
11. Employee Pension Plans
12. Landfill Closure and Postclosure Care
13. Leases Where City is Lessor
14. Subsequent Events
15. Prospective Accounting Pronouncements
16. Tax Abatements

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Dubuque, Iowa, is a municipal corporation governed by an elected mayor and a six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City has no blended component units. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

Discretely Presented Component Units

The Dubuque Metropolitan Area Solid Waste Agency was created under the provisions of Chapter 28E of the Code of Iowa by the City of Dubuque and Dubuque County. The purpose of the Agency 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 and has a June 30 year end. During the year ended June 30, 2020, \$652,637 of the Dubuque Metropolitan Area Solid Waste Agency's charges for services were related to services provided to the City of Dubuque.

Dubuque Initiatives and Subsidiaries is a non-profit corporation organized under the laws of Iowa and Section 501(c)(3) of the Internal Revenue Code. The Organization was created to render service to the City Council of the City of Dubuque, Iowa, on matters of community interest. The Organization's articles require that its board members include two city council members, the mayor, and the city manager of the City of Dubuque, Iowa; and in the event of dissolution, any assets or property of the Organization be transferred to the City of Dubuque, Iowa. During the fiscal year 2008, the City of Dubuque, Iowa guaranteed debt issued by Dubuque Initiatives and Subsidiaries for the rehabilitation of the Roshek Building. The Organization is presented as a proprietary fund type and has a December 31 year end.

Dubuque Convention and Visitors Bureau is a non-profit corporation organized under the laws of Iowa and Section 501(c)(3) of the Internal Revenue Code. The Organization's purpose is to strengthen the Dubuque area economy by competitively marketing the area as a destination for conventions, tour groups, sporting events and individual travelers. The Organization's articles require that its board members include one City Council member, the City of Dubuque Mayor and the City Manager. In the event of dissolution, any assets or property of the Organization shall be distributed to the City of Dubuque, Iowa after paying or making provision for the payment of all liabilities of the Corporation. The City collects hotel/motel taxes and forwards 50% to the CVB as the primary source of funds for its operations. The CVB is presented as a governmental fund type and has a June 30 year end.

Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau present their financial information in accordance with the Financial Accounting Standards Board (FASB).

Complete financial statements for the Component Units may be obtained from the City of Dubuque's Finance Department for the Dubuque Metropolitan Area Solid Waste Agency and Dubuque Area Convention and Visitors Bureau, and the Economic Development Office for Dubuque Initiatives and Subsidiaries. These offices are located at: City Hall, 50 West 13th Street, Dubuque, Iowa 52001.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly Governed Organizations

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

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

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and a fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (year-end).

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest, special assessments, and grants are susceptible to accrual. Sales taxes are considered measurable and available at the time the underlying transaction occurs, provided they are collected by the City within 60 days after year-end. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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 *Tax Increment Financing 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.

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

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.

The City reports the following major proprietary funds:

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

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

The *Stormwater Utility Fund* is used to account for the operations of the City's stormwater services.

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

Additionally, the City reports the internal service fund type. *Internal service funds* are used to account for general, garage, stores/printing, health insurance, and worker's compensation insurance services provided by one department to other departments of the City on a cost-reimbursement basis. These funds cannot be used to support City activities.

Fiduciary funds, other than agency funds, use the *economic resources measurement focus* and the *full accrual basis of accounting*. Agency funds use the *full accrual basis of accounting* but do not have a measurement focus and therefore report only assets and liabilities. The City reports Agency Funds to account for assets held by the City as an agent under the cable franchise agreement, for the Dubuque Racing Association, and for the decommissioning of the prior Flexsteel site.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The City's cash, pooled cash investments, 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.

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are valued at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Receivables and Payables

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property tax receivable is recognized in the funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors.

Current year delinquent property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2020, and 2020 unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The tax levy is divided into two billings. The billings are due September 1 and March 1. On September 30 and March 31, the bill becomes delinquent, and penalties and interest may be assessed by the City.

Special assessment receivable represents the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as the other tax.

Inventories and Prepaid Items

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

Inventories of materials and supplies in the enterprise funds are determined by actual count and priced on the FIFO method.

Inventories included in internal service funds are stated at cost and consist of consumable supplies. The cost of these supplies is recorded as an expense at the time they are removed from inventory for use.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund prepaids are recorded as expenditures when consumed rather than when purchased.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

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

Certain assets of the special revenue funds and capital project funds are classified as restricted assets because their use is limited by debt agreement, the City's cable television franchise agreement, or Iowa Finance Authority housing program agreement.

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

Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the proprietary funds statement of net position. Capital assets are defined by the government as assets with an initial, individual cost of more than \$100,000 for infrastructure and intangible assets, \$20,000 for building assets, and \$10,000 for the remaining assets, and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. All of the City's infrastructure has been recorded, including infrastructure acquired prior to June 30, 1980.

Major outlays for capital assets and improvements are capitalized as projects are constructed. There was no interest incurred during the construction phase of capital assets of business-type activities to capitalize with the value of the assets constructed in the current year.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 to 125
Improvements other than buildings	15 to 50
Machinery and equipment	2 to 30
Infrastructure and intangibles	15 to 75

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Compensated Absences

The City allows employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay is payable to employees upon retirement or termination. Sick pay is payable only upon retirement, in which event, employees with twenty years or more of service are paid 100% of their accrued sick leave balance over a five year period. All vacation pay and applicable sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, and deferred amounts on refunding are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems'. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the governmental activities, the net pension liability is generally liquidated by the General Fund, Community Development Fund, and Seciton VIII Housing Fund.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. For the governmental activities, the total OPEB liability is generally liquidated by the General Fund, Community Development Fund, and Section VIII Housing Fund.

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied, and unrecognized items not yet charged to pension and OPEB expense.

Net Position/Fund Balance

The Dubuque Metropolitan Area Solid Waste Agency's restricted net position represents outside third-party restrictions and amounts restricted for minority interest of the Agency. The Agency is restricted to using certain amounts for purposes specified by state statute. The net position restricted for minority interest is calculated at 22.7% of unrestricted net position, based on the 1976 revenue bond resolution authorizing the issuance of revenue bonds for the construction of the landfill.

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

- Net investment in capital assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds were \$4,034,501 for the governmental activities and \$2,448,390 for business-type activities.
- Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation as of June 30, 2020 consists of \$5,055 for debt service and \$57,032 for employee benefits. All other restrictions are by outside parties through grants, debt agreements or donors.
- Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable:** Nonspendable fund balances cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.
- **Restricted:** Restricted fund balances are restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantor or state or federal laws or imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Committed fund balances can be used only for specific purposes determined pursuant to constraints formally imposed by the City Council through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.
- **Assigned:** Assigned fund balances contain self-imposed constraints of the government to be used for a particular purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. The City Council has by resolution delegated the authority to the City Manager, and Director of Finance and Budget.
- **Unassigned:** Unassigned fund balances are amounts not included in the other spendable classifications. Positive unassigned fund balance amount is only appropriate in the general fund. However in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The budget guideline of the City of Dubuque maintains a General Fund working balance or operating reserve of 20% of the total General Fund operating revenue requirements. An operating reserve or working balance must be carried into a fiscal year to pay operating costs until tax money, or other anticipated revenue is received.

The State of Iowa recommends a reasonable amount for a working balance as (a) anticipated revenues for the first three months of the fiscal year, less anticipated expenditures or (b) 5% of the total General Fund operating budget, excluding fringes and tort liability expenses.

The City's rating agency, Moody's Investor Service, recommends a reserve balance of at least 10% for "A" rated cities. This is based on the fact that a large portion of the revenue sources are beyond the City's control and therefore uncertain.

None of the City's policies qualify as stabilization arrangements.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

Other Significant Accounting Policies

Other significant accounting policies are set forth in the financial statements and the notes thereto.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – DEFICIT FUND EQUITY

The following funds have deficit net position amounts as of June 30, 2020:

Internal Service Funds:		
General Service	\$	652,820

The General Service deficit will be addressed during next fiscal year's reallocation of expenses.

NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS

Cash on Hand. Cash on hand represents authorized change funds and petty cash funds used for current operating purposes. The carrying amount at year-end was \$11,261 for the City and \$1,200 for the Dubuque Metropolitan Area Solid Waste Agency.

Deposits. At year-end, the City's carrying amount of deposits was \$61,227,976, and the bank balance was \$62,024,494. The City's deposits in banks at June 30, 2020, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The carrying amount of deposits for the Dubuque Metropolitan Area Solid Waste Agency was \$13,322,551, and the bank balance was \$13,322,551. The Agency's deposits in banks at June 30, 2020, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

Investments. As of June 30, 2020, the City had the following investments and maturities. (The City assumes callable bonds will not be called):

Investment Type	Investment Maturities (In Years)				Total
	Less Than 1	1 to 5	6 to 10	More than 10	
Money Market Funds-					
U.S. Treasury	\$ 1,962,700	\$ -	\$ -	\$ -	\$ 1,962,700
U.S. Treasury Securities	2,097,587	1,859,971	-	3,235,784	7,193,342
Federal Agency Obligations	2,912,787	12,034,640	2,399,028	4,906,284	22,252,739
Corporate Stock	89,727	-	-	-	89,727
	<u>\$ 7,062,801</u>	<u>\$ 13,894,611</u>	<u>\$ 2,399,028</u>	<u>\$ 8,142,068</u>	<u>\$ 31,498,508</u>

The City and the Dubuque Metropolitan Solid Waste Agency are authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentality's; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council or Board of Trustees 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.

Corporate stock was donated in 1957 to the City to establish the Ella Lyons Peony Trail Permanent Trust Fund.

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

All of the City's investments, except for U.S. Treasury Securities, Federal Agency Obligations, and Managed Accounts L/T CD which were valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions (Level 2 inputs), were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

Interest Rate Risk. The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Credit Risk. The City's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The City did not invest in any commercial paper or other corporate debt during the year. The City's investments in Money Market Funds and US Agencies were rated AAA.

Concentration of Credit Risk. The City's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The City held no such investments during the year.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial risk with regards to investments, since all investments were held by the City or its agent in the City's name.

Due to legal and budgetary reasons, the General Fund is assigned a portion of the investments earnings associated with other funds. These funds are the employee benefits, community development, road use tax, cable TV, general construction, transit system, general service, garage service, and stores/printing funds.

The Dubuque Metropolitan Area Solid Waste Agency had a money market account valued at \$1,487,929 as of June 30, 2020.

A reconciliation of cash and investments as shown on the government-wide statement of net position for the primary government and statement of fiduciary assets and liabilities follows:

Cash on hand	\$ 11,261
Carrying amount of deposits	61,227,976
Carrying amount of investments	31,498,508
Total	<u>\$ 92,737,745</u>
Government-wide	
Cash and pooled cash investments	\$ 78,184,073
Cash and pooled cash investments - temporarily restricted	12,562,459
Cash and pooled cash investments - permanently restricted	69,412
Fiduciary	
Cash and pooled cash investments	1,921,801
Total	<u>\$ 92,737,745</u>

A reconciliation of cash and investments as shown on the government-wide statement of net position for the Dubuque Metropolitan Solid Waste Agency follows:

Cash on hand	\$ 1,200
Carrying amount of deposits	13,322,551
Total	<u>\$ 13,323,751</u>
Cash and pooled cash investments	\$ 7,962,484
Cash and pooled cash investments - temporarily restricted	5,361,267
Total	<u>\$ 13,323,751</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

A reconciliation of cash and investments as shown on the government-wide statement of net position for the Dubuque Initiatives and Subsidiaries (December 31, 2019) follows:

Deposits	\$ 10,976,497
Beneficial interest in assets held by others	1,420,609
Total	<u>\$ 12,397,106</u>
Cash and pooled cash investments	\$ 10,976,497
Cash and pooled cash investments-temporarily restricted	1,420,609
Total	<u>\$ 12,397,106</u>

A reconciliation of cash and investments as shown on the government-wide statement of net position for the Dubuque Convention and Visitors Bureau (June 30, 2020) follows:

Deposits	\$ 347,963
Total	<u>\$ 347,963</u>
Cash and pooled cash investments	\$ 112,376
Cash and pooled cash investments-temporarily restricted	235,587
Total	<u>\$ 347,963</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – NOTES RECEIVABLE

The City provides low interest and no interest loans to promote economic and community development, provide opportunities for home ownership to low and moderate income citizens and improve rental properties for low income citizens. Loans may contain a forgivable portion if recipient meets specific conditions such as job creation for economic development or residency requirements community development. Loans are secured by mortgage liens against the property.

At June 30, 2020 the City had the following notes receivable.

	Original Balance	Interest Rate	Issued	Maturity	Balance	Current Portion
Downtown Rehabilitation Loan Program						
Harry & Rosey's	\$ 300,000	3 %	2011	7/1/2031	\$ 226,568	\$ 17,766
Clark Wolff	150,000	3	2001	5/1/2022	17,785	9,556
Gronen Adaptive	300,000	2	2006	5/1/2036	148,552	8,043
Plastic Center, Inc.	270,000	3	2020	6/1/2040	50,044	-
HJD Landlord LLC	466,000	3	2016	4/1/2036	466,000	4,111
Interstate Building LLP	300,000	3	2010	9/22/2015	219,137	18,540
Urban Development						
Action Grant						
40 Main, LLC - Note A	300,000	-	2009	6/30/2036	241,250	16,250
Downtown Housing Incentive Loan						
Caradco Landlord, LLC	4,500,000	3	2012	6/1/2030	3,299,296	119,314
40 Main Real Estate Loan	156,583	-	2009	8/1/2022	156,583	-
Sales Tax Construction						
DB&T Community						
Development Corporation	1,700,000	-	2012	2/1/2032	1,700,000	1,700,000
					<u>\$ 6,525,215</u>	<u>\$ 1,893,580</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – NOTES RECEIVABLE (continued)

	<u>Interest Rate</u>	<u>Balance</u>	<u>Current Portion</u>
Community Development Installment Loans Receivables			
Residential Rehabilitation Installment Loan Programs			
First Time Home Buyers	6 % \$	249,879	\$ 57,000
Local Housing Assistance Program (LHAP)	6	25,120	4,000
Homebuyers Assistance Program	6	1,294,797	109,000
Infill	6	221,652	1,000
RRP Reserve	-	160,601	55,000
Washington Neighborhood Revitalize	-	38,304	1,000
The Accessibility Rehabilitation Program (for rentals)	6	306,019	4,000
Iowa Finance Authority	-	896,029	23,373
HOME Program (1)	-	135,086	17,000
Historic Preservation Revolving Loan Fund/Historic Preservation Housing Forgivable Loan Program	6	34,248	5,000
MicroLending	-	89,987	6,000
TIF Receivables			
Roasting Solutions	-	289,800	289,800
		<u>\$ 3,741,522</u>	<u>\$ 572,173</u>

(1) Principal payments deferred if one tenant is low income

At December 31, 2019, Dubuque Initiatives and Subsidiaries had the following notes receivable:

City of Dubuque, 5.00%, unsecured, matures July 2023	\$ 152,332
Less: current maturities	<u>(47,065)</u>
Noncurrent portion	<u>\$ 105,267</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2020, include amounts due to/from other funds. Interfund balances are as follows:

	Due From Other Funds	Due To Other Funds
Governmental activities:		
General Fund	\$ 456,500	\$ -
Nonmajor Governmental	-	456,500
	<u>\$ 456,500</u>	<u>\$ 456,500</u>

These balances result from a time lag between the date that 1) transactions are recorded in the accounting system, and 2) payments between funds are made.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – INTERFUND BALANCES AND TRANSFERS (continued)

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer to	Transfers From						Total
	General	Tax Increment Financing	Nonmajor Governmental	Sewer Disposal Works	Water Utility	Parking Facilities	
General	\$ -	\$ 433,860	\$ 3,787,970	\$ 174,562	\$ 142,884	\$ -	\$ 4,539,276
Tax increment financing	-	-	-	-	-	513,374	513,374
Community development	-	100,000	11,000	-	-	-	111,000
Debt service	1,109,870	6,298,308	921,184	-	-	-	8,329,362
Nonmajor Governmental	538,407	2,320,880	793,901	-	-	-	3,653,188
Water utility	-	942,591	6,880	-	-	-	949,471
Stormwater utility	299,600	-	183,682	-	-	-	483,282
Parking facilities	-	414,246	-	-	-	-	414,246
Nonmajor enterprise	1,695,964	-	-	-	-	-	1,695,964
	<u>\$ 3,643,841</u>	<u>\$ 10,509,885</u>	<u>\$ 5,704,617</u>	<u>\$ 174,562</u>	<u>\$ 142,884</u>	<u>\$ 513,374</u>	<u>\$ 20,689,163</u>

Net capital assets of \$7,655,090 and \$194,403 were transferred from governmental capital assets to Storm Water Utility and Parking Facilities, respectively. The transfer was reported as a capital contribution in the Storm Water Utility and Parking Facilities Funds. No amounts were reported in the governmental funds, as the amounts did not involve the transfer of financial resources.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) fund capital projects.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

Primary Government:

Governmental activities:

	Beginning Balance	Transfers In	Transfers Out	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 78,777,621	\$ -	\$ -	\$ 1,005,397	\$ (451,489)	\$ 79,331,529
Construction in Progress	56,019,935	-	(7,849,493)	17,549,977	(6,463,664)	59,256,755
Total Capital assets, not being depreciated	<u>134,797,556</u>	<u>-</u>	<u>(7,849,493)</u>	<u>18,555,374</u>	<u>(6,915,153)</u>	<u>138,588,284</u>
Capital assets, being depreciated:						
Buildings	141,858,066	-	-	271,247	(2,573,477)	139,555,836
Improvements other than buildings	25,455,654	-	-	785,234	(1,514,202)	24,726,686
Machinery and equipment	51,673,620	-	-	3,624,057	(2,916,035)	52,381,639
Infrastructure	236,909,111	-	-	2,627,476	(96,177)	239,440,410
Total capital assets, being depreciated	<u>455,896,451</u>	<u>-</u>	<u>-</u>	<u>7,308,014</u>	<u>(7,099,891)</u>	<u>456,104,574</u>
Less accumulated depreciation for:						
Buildings	(45,863,885)	-	-	(2,398,084)	2,509,135	(45,752,834)
Improvements other than buildings	(12,474,217)	-	-	(880,192)	614,834	(12,739,575)
Machinery and Equipment	(29,858,954)	-	-	(3,297,882)	2,745,936	(30,410,900)
Infrastructure	(82,277,181)	-	-	(3,725,891)	76,942	(85,926,130)
Total accumulated depreciation	<u>(170,474,237)</u>	<u>-</u>	<u>-</u>	<u>(10,302,049)</u>	<u>5,946,847</u>	<u>(174,829,436)</u>
Total capital assets, being depreciated, net	<u>285,422,214</u>	<u>-</u>	<u>-</u>	<u>(2,994,035)</u>	<u>(1,153,044)</u>	<u>281,275,135</u>
Governmental activities capital assets, net	<u>\$ 420,219,770</u>	<u>\$ -</u>	<u>\$ (7,849,493)</u>	<u>\$ 15,561,339</u>	<u>\$ (8,068,197)</u>	<u>\$ 419,863,419</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – CAPITAL ASSETS (continued)

Business-type activities:

	Beginning Balance	Transfers In	Transfers Out	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 24,805,263	\$ -	\$ -	\$ -	\$ (11,440)	\$ 24,793,823
Construction in progress	11,853,774	7,849,493	-	17,557,084	(3,147,026)	34,113,325
Total Capital assets, not being depreciated	36,659,037	7,849,493	-	17,557,084	(3,158,466)	58,907,148
Capital assets, being depreciated:						
Buildings	159,586,137	-	-	-	(346,112)	159,240,025
Improvements other than buildings	177,818,388	-	-	916,199	(184,291)	178,550,296
Machinery and equipment	113,861,028	-	-	2,922,367	(1,709,810)	115,073,585
Total capital assets, being depreciated	451,265,553	-	-	3,838,566	(2,240,213)	452,863,906
Less accumulated depreciation for:						
Buildings	(55,366,625)	-	-	(2,118,361)	346,112	(57,138,874)
Improvements other than buildings	(36,575,209)	-	-	(3,004,617)	147,340	(39,432,486)
Machinery and equipment	(44,480,324)	-	-	(3,768,419)	1,542,838	(46,705,905)
Total accumulated depreciation	(136,422,158)	-	-	(8,891,397)	2,036,290	(143,277,265)
Total capital assets, being depreciated, net	314,843,395	-	-	(5,052,831)	(203,923)	309,586,641
Business-type activities capital assets, net	<u>\$ 351,502,432</u>	<u>\$ 7,849,493</u>	<u>\$ -</u>	<u>\$ 12,504,253</u>	<u>\$ (3,362,389)</u>	<u>\$ 368,493,789</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – CAPITAL ASSETS (continued)

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

Governmental activities:	
Public safety	\$ 929,175
Public works	6,155,998
Health and social services	5,496
Culture and recreation	2,260,698
Community and economic development	68,541
General government	841,274
Capital assets held by the government's internal service funds are charged to various functions based on their usage of their assets	40,867
Total depreciation expense - governmental activities	<u>\$ 10,302,049</u>
Business-type activities:	
Sewage disposal works	\$ 3,425,283
Water utility	1,212,928
Stormwater utility	1,921,046
Parking facilities	1,173,158
Refuse collection	317,135
Salt	27,639
Transit system	814,208
Total depreciation expense - business-type activities	<u>\$ 8,891,397</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – CAPITAL ASSETS (continued)

Dubuque Metropolitan Area Solid Waste Agency (Component Unit):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,737,804	\$ -	\$ -	\$ 2,737,804
Construction in progress	556,340	2,990,607	(251,348)	3,295,599
Total Capital assets, not being depreciated	3,294,144	2,990,607	(251,348)	6,033,403
Capital assets, being depreciated:				
Buildings	386,779	-	-	386,779
Improvements other than buildings	16,901,278	251,348	(1,249,069)	15,903,557
Machinery and equipment	4,112,793	332,000	(454,625)	3,990,168
Total capital assets, being depreciated	21,400,850	583,348	(1,703,694)	20,280,504
Less accumulated depreciation for:				
Buildings	(74,124)	(13,938)	-	(88,062)
Improvements other than buildings	(7,467,760)	(351,046)	1,249,069	(6,569,737)
Machinery and equipment	(2,804,766)	(199,240)	234,025	(2,769,981)
Total accumulated depreciation	(10,346,650)	(564,224)	1,483,094	(9,427,780)
Total capital assets, being depreciated, net	11,054,200	19,124	(220,600)	10,852,724
Dubuque Metropolitan Area Solid Waste, capital assets	<u>\$ 14,348,344</u>	<u>\$ 3,009,731</u>	<u>\$ (471,948)</u>	<u>\$ 16,886,127</u>

Depreciation expense of \$564,224 was charged to the Dubuque Metropolitan Area Solid Waste Agency.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – CAPITAL ASSETS (continued)

Dubuque Initiatives (Component Unit):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 100,000	\$ -	\$ (100,000)	\$ -
Total Capital assets, not being depreciated	100,000	-	(100,000)	-
Capital assets, being depreciated:				
Buildings & Land Improvements	12,000,000	-	(12,000,000)	-
Other Property	31,735	-	(31,735)	-
Total capital assets, being depreciated	12,031,735	-	(12,031,735)	-
Less accumulated depreciation for:				
Buildings	(472,744)	(474,665)	947,409	-
Improvements other than buildings	(30,629)	(73)	30,702	-
Total accumulated depreciation	(503,373)	(474,738)	978,111	-
Total capital assets, being depreciated, net	11,528,362	(474,738)	(11,053,624)	-
Dubuque Initiatives, capital assets	<u>\$ 11,628,362</u>	<u>\$ (474,738)</u>	<u>\$ (11,153,624)</u>	<u>\$ -</u>

The Dubuque Initiatives component unit entered into an agreement to sell the Roshek Building in exchange for cash proceeds of \$9,527,861 and various other non-cash considerations of \$2,472,139. As a result of this transaction, Roshek Building, LLC results from operations have been reported as miscellaneous income on the government wide statement of net position.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$114,120,500. During fiscal year 2020, the City issued \$4,240,000 of general obligation bonds, which was used for a current refunding of bonds. The City refunded \$4,370,000 of general obligation bonds. The refunding was undertaken to reduce total debt service payments. The results of the transaction is a reduction of \$193,675 in future debt service payments for an economic gain of \$167,292.

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, 2020, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Corporate Purpose Series 2012A	03/15/2012	06/01/14-06/01/31	2.00-3.00	\$ 4,380,000	\$ 2,890,000
Corporate Purpose and Refund Series 2012B	03/15/2012	06/01/13-06/01/31	2.00-3.13	7,495,000	4,900,000
Corporate Purpose (taxable) Series 2012C	06/28/2012	06/01/14-06/01/32	2.00-3.90	6,965,000	4,810,000
Corporate Purpose Series 2012D	06/28/2012	06/01/14-06/01/32	2.00-3.46	7,175,000	-
Corporate Purpose Series 2012E	12/12/2012	06/01/14-06/01/32	2.00-3.00	3,640,000	2,190,000
Corporate Purpose (taxable) Series 2012F	12/10/2012	06/01/14-06/01/22	1.00-2.20	1,035,000	275,000
Corporate Purpose Series 2012H	12/10/2012	06/01/15-06/01/32	2.00-3.00	2,385,000	1,520,000
Corporate Purpose (taxable) and Refund Series 2012I	12/04/2013	06/01/13-06/01/21	0.30-2.20	7,285,000	50,000
Corporate Purpose Series 2014B	12/08/2014	06/01/16-06/01/34	3.00-3.65	18,835,000	15,845,000
Corporate Purpose (taxable) Series 2014C	12/08/2014	06/01/16-06/01/34	3.00-4.16	7,615,000	7,045,000
Corporate Purpose Series 2016A	04/04/2016	06/01/17-06/01/35	2.00-3.75	2,830,000	2,310,000
Corporate Purpose Refunding Series 2016B	04/04/2016	06/01/16-06/01/28	2.00-3.00	10,920,000	5,025,000
Corporate Purpose Series 2016C	04/04/2016	06/01/17-06/01/35	2.00-3.13	4,145,000	3,420,000
Corporate Purpose Series 2017A	04/17/2017	06/01/18-06/01/30	3.00	8,495,000	4,925,000
Corporate Purpose Refunding Series 2017B	04/17/2017	06/01/18-06/01/30	3.00	9,745,500	7,730,000
Corporate Purpose Refunding Series 2017C	04/17/2017	06/01/18-06/01/30	3.00-3.45	2,120,000	1,745,000
Corporate Purpose Series 2018A	03/19/2018	06/01/18-06/01/31	3.00-4.00	4,950,000	4,300,000
Corporate Purpose Refunding Series 2018B	03/19/2018	06/01/18-06/01/26	3.00-3.15	1,005,000	785,000
Corporate Purpose Series 2019A	06/20/2019	06/01/22-06/01/39	3.00	2,240,000	2,240,000
Corporate Purpose Series 2019B	06/20/2019	06/20/20-06/01/27	3.00	860,000	755,000
Corporate Purpose Refunding Series 2019C	07/03/2019	06/01/20-06/01/32	3.00	4,240,000	3,905,000
				<u>\$ 118,360,500</u>	<u>\$ 76,665,000</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 4,578,192	\$ 1,227,824	\$ 2,916,809	\$ 1,097,008
2022	3,452,405	1,108,727	3,007,595	1,013,605
2023	3,334,048	1,022,235	3,065,952	927,079
2024	3,079,188	936,395	3,020,812	835,757
2025	3,186,488	856,404	2,983,512	745,541
2026-2030	15,692,123	2,945,283	13,807,558	2,382,542
2031-2035	7,268,961	746,305	6,596,358	556,627
2036-2039	593,748	74,959	81,251	6,191
Total	<u>\$ 41,185,153</u>	<u>\$ 8,918,132</u>	<u>\$ 35,479,847</u>	<u>\$ 7,564,350</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 are generally 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, 2020, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year	Current Portion
Diamond Jo Parking Ramp	10/16/07	06/01/11-06/01/37	7.50%	<u>\$ 23,025,000</u>	<u>\$ 18,985,000</u>	<u>\$ 590,000</u>

Annual debt service requirements to maturity for tax increment financing bonds are as follows:

Fiscal Year June 30	Governmental Activities	
	Principal	Interest
2021	\$ 590,000	\$ 1,423,875
2022	635,000	1,379,625
2023	680,000	1,332,000
2024	730,000	1,281,000
2025	785,000	1,226,250
2026-2030	4,910,000	5,173,625
2031-2035	7,045,000	3,014,625
2036-2037	3,610,000	411,000
Total	<u>\$ 18,985,000</u>	<u>\$ 15,242,000</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Revenue Bonds. The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. These bonds are generally issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Revenue bonds outstanding at June 30, 2020, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Water Utility Series 2008D	11/04/2008	06/01/10-06/01/23	3.00-5.00 %	\$ 1,195,000	\$ 315,000
Water Utility Series 2010D	09/21/2010	06/01/12-06/01/30	2.00-4.00	5,700,000	3,850,000
Sales Tax Incremental 2014	06/14/2014	06/01/23-06/01/29	4.00-5.00	7,190,000	7,190,000
Sales Tax Incremental 2015A	06/15/2015	06/01/23-06/01/31	3.25-4.00	20,800,000	20,800,000
				<u>\$ 34,885,000</u>	<u>\$ 32,155,000</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$1,195,000 of water revenue bonds, issued in November 2008, to provide financing for water main replacements and repairs, construction of water main extensions, and the acquisition and installation of a pump station radio communication equipment and facilities. The bonds are payable solely from water customer net operating revenues and are payable through 2023. The City has pledged future water customer revenues, net of specified operating expenses, to repay \$5,700,000 of water revenue bonds, issued in November 2010, to provide funds to pay costs of constructing and equipping improvements, and extensions to the municipal water system. The bonds are payable solely from water customer net operating revenues and are payable through 2030. Net operating income is expected to equal or exceed 125% of the annual principal and interest payments on both bonds.

The City shall at all times prescribe, fix, and maintain and collect rates, fees and other charges for their services and facilities furnished by the system that are fully sufficient at all times which will (a) equal at least 125% of the debt service requirement of all bonds and parity obligations then outstanding for the year of computation; (b) enable the City to make all required payments, if any, into the debt service reserve fund. For the current year, principal and interest paid and total customer net revenues (operating revenues, plus interest earnings, plus depreciation expense) were \$501,658 and \$3,898,159, respectively.

Except with respect to the Senior SRF Bonds, or any future SRF bonds, the City covenants to establish and maintain a debt service reserve fund in the amount determined to be a reasonable reserve for the payment of principal and interest on the Bonds and outstanding parity obligations, (b) the maximum annual principal and interest requirements on the bonds and outstanding parity obligations, or (c) 125% of the average annual principal and interest requirements on the bonds.

During the year ended June 30, 2020, the City was in compliance with the revenue bonds' provisions.

Pursuant to the Master Resolutions, approved by the City Council, Sales Tax Increment Revenues received as a result of the Flood Mitigation Program under the Award Agreement shall be applied solely for the benefit of the holders of the Series 2016A Bonds \$20,800,000, and outstanding from time to time, any other Senior Bonds, the Series 2014 Bonds, \$7,190,000 and any other second lien bonds that may be issued in the future under the Master Resolution. The bonds provide financing for costs for acquisition, construction and installation and equipping of the Bee Branch Watershed Flood Mitigation Project.

The total principal and interest remaining to be paid on all revenue bonds is \$39,908,833.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

The City issued \$7,190,000 Sales Tax Increment Revenue Bonds, June 2014 and \$20,800,000 June 2016, for the purpose of paying costs of the acquisition, construction and installation and equipping of the Bee Branch Watershed Flood Mitigation Project. The master resolution establishes a Debt Service Reserve Account that may secure one or more series of Bonds. Upon the issuance of the Series 2016A Bonds a deposit of \$2,080,000 was made into the Debt Service Reserve Account, and the Series 2016A Bonds shall be secured by amounts held in the Debt Service Reserve Account. The Series 2014 Bonds are revenue bonds secured by and payable as provided in the Master Resolution from all Pledged Revenues which are pledged under the Master Resolution to the payment of the principal and interest of the Series 2014 Bonds. There shall be no deposit made into the Debt Service Reserve Account for Series 2014 Bonds, there is no debt service reserve requirement applicable to the Series 2014 Bonds, and Series 2014 Bonds shall not be secured by any amounts held in the Debt Service Reserve Account.

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year June 30	Business-type Activities	
	Principal	Interest
2021	\$ 340,000	\$ 922,698
2022	355,000	910,598
2023	2,490,000	897,275
2024	3,535,000	1,139,525
2025	3,680,000	1,000,844
2026-2030	16,030,000	2,547,493
2031	5,725,000	335,400
Total	<u>\$ 32,155,000</u>	<u>\$ 7,753,833</u>

Notes Payable. Notes payable have been issued to provide funds for economic development and for the purchase of capital assets. Notes payable at June 30, 2020, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year	Current Portion
40 Main LLC	08/06/09	06/30/11-06/30/21	6.50 %	<u>\$ 690,529</u>	<u>\$ 91,860</u>	<u>\$ 91,860</u>

During Fiscal Year 2010, the City issued \$690,529 Urban Renewal Tax Increment Revenue Notes, Taxable Series 2009 (40 Main LLC Project). Interest is payable each December 31 and June 30 at a rate of 6.50%. Principal payments are due each December 31 and June 30 and range from \$24,764 to \$45,195 with final maturity in 2021. The proceeds were used for the construction of eighteen apartments for market-rate rental and 7,800 square feet of retail space by the Developer on the Development Property in accordance with the terms of the Development Agreement. The debt is owned by Premier Bank and; therefore, constitutes a direct borrowing.

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year June 30	Governmental Activities	
	Principal	Interest
2021	<u>\$ 91,860</u>	<u>\$ 3,549</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Capital Loan Notes. Revenue capital loan notes have been issued for the planning and construction of sewer, stormwater, and water capital projects through the State of Iowa State Revolving Loan Funds. The City issued an additional \$5,000 of SRF debt in 2020 as part of the Bee Branch stormwater construction project, \$5,000 for green alley projects reducing stormwater run off, \$80,136 for the Catfish Creek stabilization project, \$1,120,000 for CIWA purchase, \$866,260 for Kerper sewer project, \$2,400,024 for Roosevelt tower, \$31,678 for Eagle Point Park project, and \$5,970,053 for upper Bee Branch culverts. The City has pledged income derived from the acquired or constructed assets to pay debt service. Capital loan notes payable at June 30, 2020, are as follows:

Purpose	Date Authorized	Final Maturity Date	Interest Rates	Amount Authorized	Amount Outstanding End of Year	Current Portion
Clear Wells	10/18/07	06/01/28	2.00 %	\$ 1,037,000	\$ 435,000	\$ 48,000
West 32nd St. Detention Basin	01/14/09	06/01/28	2.00	1,847,000	876,000	98,000
North Catfish Creek Stormwater	01/13/10	06/01/30	2.00	800,000	463,000	40,000
North Catfish Creek Sewer	01/13/10	06/01/30	2.00	912,000	529,000	46,000
Water Meter Replacement	02/12/10	06/01/30	2.00	7,676,000	1,991,000	154,000
Water and Resource Recovery Center	08/18/10	06/01/39	2.00	74,285,000	57,961,000	2,538,000
Bee Branch Stormwater	10/27/10	06/01/41	3.25	7,850,000	6,224,000	211,000
Cogeneration	05/17/13	06/01/33	2.00	3,048,000	2,116,000	144,000
Meter Replacement Sewer	05/31/13	06/01/30	3.25	3,058,000	1,991,000	154,000
Bee Branch Stormwater	06/19/15	06/01/37	1.43	32,446,000	27,682,726	1,176,000
CIWA Purchase	07/07/17	06/01/37	2.00	10,198,000	4,908,761	512,000
Roosevelt Tower	09/22/17	06/01/40	2.00	4,400,000	2,844,187	181,000
Kerper Blvd	03/08/19	06/01/38	0.75	2,763,000	2,201,642	118,000
Bee Branch Culverts	06/07/19	06/01/40	2.00	16,382,000	6,742,332	674,000
				<u>\$ 166,702,000</u>	<u>\$ 116,965,648</u>	<u>\$ 6,094,000</u>

On October 18, 2007 the City entered into an agreement with the Iowa Finance Authority Drinking Water Program Revolving Loan Fund for a line of credit up to \$1.037 million. This line of credit was issued to finance the clear well improvements by the Water Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2008, with the last payment in Fiscal Year 2028. The note payable is payable solely from the Water Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On January 14, 2009 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$1.847 million. This line of credit was issued to finance the West 32nd Stormwater Detention Basin improvements by the Stormwater Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2009, with the last payment in Fiscal Year 2028. The note payable is payable solely from the Stormwater Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On January 13, 2010 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$800,000. This line of credit was issued to finance the North Catfish Creek improvements by the Stormwater Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2010, with the last payment in Fiscal Year 2030. The note payable is payable solely from the Stormwater Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On January 13, 2010 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$912,000. This line of credit was issued to finance the North Catfish Creek improvements by the Sanitary Sewer Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2010, with the last payment in Fiscal Year

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

2030. The note payable is payable solely from the Sanitary Sewer Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On February 12, 2010 the City entered into an agreement with the Iowa Finance Authority Drinking Water Program Revolving Loan Fund for a line of credit up to \$7.676 million. This line of credit was issued to finance the Water Meter Replacements by the Water Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2010, with the last payment in Fiscal Year 2031. The note payable is payable solely from the Water Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On August 18, 2010 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$74.285 million. This line of credit was issued to finance the Water & Resource Recovery Center Renovation and the Green Alley Sponsorship Program by the Sanitary Sewer Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2011, with the last payment in Fiscal Year 2039. The note payable is payable solely from the Sanitary Sewer Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On October 27, 2010 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$7.85 million. This line of credit was issued to finance the Lower Bee Branch Creek Restoration by the Stormwater Fund. The interest rate for this line of credit is 3.25%. Annual payments began in Fiscal Year 2011, with the last payment in Fiscal Year 2041. The note payable is payable solely from the Stormwater Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On May 17, 2013 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$3.048 million. This line of credit was issued to finance the Water & Resource Recovery Center Cogeneration by the Sanitary Sewer Fund. The interest rate for this line of credit is 3.25%. Annual payments began in Fiscal Year 2011, with the last payment in Fiscal Year 2041. The note payable is payable solely from the Sanitary Sewer Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On May 31, 2013 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$3.058 million. This line of credit was issued to finance the Meter Replacements by the Sanitary Sewer Fund. The interest rate for this line of credit is 3.25%. Annual payments began in Fiscal Year 2011, with the last payment in Fiscal Year 2041. The note payable is payable solely from the Sanitary Sewer Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On June 19, 2015 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$31.418 million. This line of credit was issued to finance the Upper Bee Branch Creek Restoration project and Catfish Creek Sponsorship project by the Sales Tax Increment Fund. The interest rate for this line of credit is 1.43%. Annual payments began in Fiscal Year 2016, with the last payment in Fiscal Year 2037. The note payable is payable solely from the Sales Tax Increment Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

On July 7, 2017 the City entered into an agreement with the Iowa Finance Authority Drinking Water Program Revolving Loan Fund for a line of credit up to \$10.198 million. This line of credit was issued to finance the purchase of the Central Iowa Water Association Water System and Improvements by the Water Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2018, with the last payment in Fiscal Year 2037. The note payable is payable solely from the Water Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On March 8, 2019 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$2.763 million. This line of credit was issued to finance the reconstruction of the Kerper Sanitary Sewer project and the Eagle Point Park Sponsorship Project by the Sanitary Sewer Fund. The interest rate for this line of credit is 0.75%. Annual payments began in Fiscal Year 2019, with the last payment in Fiscal Year 2038. The note payable is payable solely from the Sanitary Sewer Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On June 7, 2019 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$16.382 million. This line of credit was issued to finance the construction of the Bee Branch Creek Restoration Railroad Culverts project by the Stormwater Fund. The interest rate for this line of credit is 2.00%. Annual payments will begin in Fiscal Year 2020, with the last payment in Fiscal Year 2040. The note payable is payable solely from the Stormwater Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

On August 9, 2019 the City entered into an agreement with the Iowa Finance Authority Drinking Water Facilities Financing Program Revolving Loan Fund for a line of credit up to \$4.4 million. This line of credit was issued to finance the Roosevelt Street water tower and water distribution improvements and the Eagle Point water treatment plant and water distribution improvements project by the Water Fund. The interest rate for this line of credit is 2.00%. Annual payments will begin in Fiscal Year 2020, with the last payment in Fiscal Year 2040. The note payable is payable solely from the Water Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for capital loan notes are as follows:

Fiscal Year June 30	Business-type Activities	
	Principal	Interest
2021	\$ 6,094,000	\$ 2,249,380
2022	6,195,000	2,125,694
2023	6,313,000	2,012,040
2024	6,443,000	1,890,002
2025	6,573,000	1,765,389
2026-2030	33,535,093	8,120,610
2031-2035	27,156,186	4,992,402
2036-2040	24,255,369	1,171,454
2041	401,000	13,033
Total	<u>\$ 116,965,648</u>	<u>\$ 24,340,004</u>

At June 30, 2020, the City of Dubuque had \$14,911,317 of capital loan note funds available. These funds are available to the City by filing a disbursement request with the State of Iowa. The City expects to use the remaining available funds in fiscal year 2022. The Sewer Utility revenue capital loan notes covenants include a requirement for the utility to produce net revenue of at least 110% of the current year debt service requirement.

Loans Payable. Loans payable have been issued to fund several City projects. Loans payable at June 30, 2020, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year	Current Portion
Parking Lot Purchase	07/08/08	01/01/09-07/01/23	5.0 %	\$ 400,000	\$ 152,330	\$ 63,545
Iowa Finance Authority	08/26/11	06/01/20-06/01/30	3.0	4,500,000	3,299,296	201,865
Bowling & Beyond Inc.	10/15/12	12/04/12-12/04/32	-	1,000,000	600,000	50,000
Central Iowa Water	12/01/16	12/01/17-12/01/21	3.0	5,000,000	2,000,000	1,000,000
				<u>\$ 10,900,000</u>	<u>\$ 6,051,626</u>	<u>\$ 1,315,410</u>

On July 8, 2008, the City issued a \$400,000 loan. Interest is payable each July 1 and January 1 at a rate of 5.00%. Principal payments are due each July 1 and January 1 and range from \$9,111 to \$18,645 with final maturity in 2024. The proceeds were used to purchase parking lots 87, 88, and the north 20 feet 3 inches of lot 86. The debt is owned by Dubuque Initiatives and; therefore, constitutes a direct borrowing.

On August 26, 2011, the City issued \$4.5 million loan. Interest is payable each December 1 and June 1 at a rate of 3.00%. Principal payments are due each December 1 and June 1 and range from \$82,922 to \$2,582,540 with final maturity in 2030. The proceeds were used to pay costs of funding workforce housing assistance loans to private developers constructing improvements and rehabilitating historic buildings for residential and commercial use in the Greater Downtown Urban Renewal Area. The debt is owned by the Iowa Finance Authority and; therefore, constitutes a direct borrowing.

On October 15, 2012, the City terminated the leases with Bowling & Beyond Dubuque, Inc. and entered into a lease buyout agreement. The purchase price is \$1.0 million. There is no interest. Principal payments are due each July 25 in the amount of \$50,000 with final maturity in 2032. The debt is owned by Michael K. Schmidt and; therefore, constitutes a direct borrowing.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

On December 1, 2016, the City issued a \$5,000,000 loan. Interest is payable each December 1 at a rate of 3.00%. Principal payments of \$1 million are due each December 1 with final maturity in 2022. The proceeds were used to purchase water supply, service and territory. The debt is owned by Iowa Association of Regional Utilities (D/B/A Central Iowa Water Association) and; therefore, constitutes a direct borrowing.

Annual debt service requirements to maturity for loans payable are as follows:

Fiscal Year June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 251,865	\$ 98,979	\$ 1,063,545	\$ 72,899
2022	257,921	92,923	1,034,205	34,017
2023	264,159	86,685	35,937	2,285
2024	270,583	80,261	18,645	466
2025	277,201	73,643	-	-
2026-2030	2,477,567	216,665	-	-
2031-2032	100,000	-	-	-
Total	<u>\$ 3,899,296</u>	<u>\$ 649,156</u>	<u>\$ 2,152,332</u>	<u>\$ 109,667</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 46,149,135	\$ 1,372,906	\$ (6,336,888)	\$ 41,185,153	\$ 4,578,192
Unaccreted premium	812,091	62,184	(34,124)	840,151	-
Unamortized discounts	(43,398)	-	3,607	(39,791)	-
Total general obligation bonds	<u>46,917,828</u>	<u>1,435,090</u>	<u>(6,367,405)</u>	<u>41,985,513</u>	<u>4,578,192</u>
Tax increment financing bonds	19,535,000	-	(550,000)	18,985,000	590,000
Unamortized discounts	(168,566)	-	8,872	(159,694)	-
Total tax increment financing bonds	<u>19,366,434</u>	<u>-</u>	<u>(541,128)</u>	<u>18,825,306</u>	<u>590,000</u>
Notes payable	176,054	-	(84,194)	91,860	91,860
Loans payable	3,984,110	-	(84,816)	3,899,294	251,865
Compensated absences	5,576,544	3,152,842	(2,713,127)	6,016,259	404,373
Total governmental activities	<u>\$ 76,020,970</u>	<u>\$ 4,587,932</u>	<u>\$ (9,790,670)</u>	<u>\$ 70,818,232</u>	<u>\$ 5,916,290</u>
Business-type activities:					
General obligation bonds	\$ 38,550,865	\$ 2,867,094	\$ (5,938,113)	\$ 35,479,846	\$ 2,916,809
Unaccreted premium	724,182	105,490	(62,354)	767,318	-
Unamortized discounts	(29,042)	-	2,734	(26,308)	-
Total general obligation bonds	<u>39,246,005</u>	<u>2,972,584</u>	<u>(5,997,733)</u>	<u>36,220,856</u>	<u>2,916,809</u>
Revenue bonds	32,485,000	-	(330,000)	32,155,000	340,000
Unaccreted premium	666,808	-	(66,360)	600,448	-
Unamortized discounts	(54,108)	-	4,927	(49,181)	-
Total revenue bonds	<u>33,097,700</u>	<u>-</u>	<u>(391,433)</u>	<u>32,706,267</u>	<u>340,000</u>
Notes payable	111,655,589	10,478,152	(5,168,094)	116,965,647	6,094,000
Loans payable	3,152,331	-	(1,000,000)	2,152,331	1,063,545
Compensated absences	704,575	349,193	(334,805)	718,963	60,060
Total business-type activities	<u>\$ 187,856,200</u>	<u>\$ 13,799,929</u>	<u>\$ (12,892,065)</u>	<u>\$ 188,764,064</u>	<u>\$ 10,474,414</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund, Community Development Fund, and Section VIII Housing Fund.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Legal Debt Margin Calculation.

Estimated actual value	\$ 4,785,964,957
Debt limit - 5% of total actual valuation	<u>239,298,248</u>
Debt applicable to limit	(109,020,970)
Legal debt margin	<u>\$ 130,277,278</u>

Dubuque Metropolitan Area Solid Waste Agency

General Obligation Bonds. Dubuque County, Iowa issued a general obligation landfill facilities bond to provide funds for the acquisition and construction of major capital facilities.

The Dubuque Area Metropolitan Solid Waste Agency will reimburse Dubuque County for interest and principal payments from operating revenue. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. The amount outstanding as of June 30, 2020 is as follows:

Purpose	Date of Issue	Maturity Date	Interest Rate	Amount Originally Issued	Amount Outstanding End of Year
Landfill Facility	12/30/2014	06/01/16-06/01/34	2.0-4.0 %	\$ 4,500,000	\$ 3,535,000
Landfill Facility	12/28/2016	06/01/17-06/01/36	3.0	5,100,000	4,385,000
				<u>\$ 9,600,000</u>	<u>\$ 7,920,000</u>

Annual debt service requirements to maturity of the general obligation bond is as follows:

Fiscal Year June 30	Principal	Interest
2021	\$ 425,000	\$ 238,359
2022	435,000	225,609
2023	450,000	210,459
2024	465,000	198,609
2025	475,000	186,065
2026-2030	2,605,000	719,488
2031-2035	2,725,000	300,435
2036	340,000	11,050
Total	<u>\$ 7,920,000</u>	<u>\$ 2,090,074</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities. Long term liability activity for the year ended June 30, 2020 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bond	\$ 8,330,000	\$ -	\$ (410,000)	\$ 7,920,000	\$ 425,000
Unaccreted premium	217,529	-	(12,857)	204,672	-
Total general obligation bond	<u>\$ 8,547,529</u>	<u>\$ -</u>	<u>\$ (422,857)</u>	<u>\$ 8,124,672</u>	<u>\$ 425,000</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – 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 purchased from independent third parties and participates in a local government risk pool. The City assumes liability for deductibles and claims in excess of coverage limitations.

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 \$120,000, and an aggregate stop-loss of 125% of expected claims. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

The City has established a Workers' Compensation Reserve Fund for insuring benefits provided to City employees which is included in the Internal Service Fund Type. Through May 15, 2020 workers' compensation benefits were self-insured up to a specific stop-loss amount of \$750,000, and an aggregate-stop loss consistent with statutory limits for 2020. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amount. As of May 15, 2020 the City changed workers' compensation coverage providers. Under this new agreement, the City is fully insured for all claims with the exception of sworn Police Officers and Fire Fighters medical claims. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense. The City purchases private insurance to include sworn Police Officers and Fire Fighters medical claims under a self- insured retention of \$750,000 for each accident.

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 \$873,589 in the Health Insurance Reserve Fund and \$499,557 in the Workers' Compensation Reserve Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in reported liabilities, all of which are expected to be paid within one year of year end, for the fiscal years ended June 30, 2020 and 2019, are summarized as follows:

	Health Insurance Reserve Fund	Workers' Compensation Reserve Fund
Liabilities at June 30, 2018	\$ 499,834	\$ 996,687
Claims and changes in estimates during fiscal year 2019	9,637,510	693,550
Claim payments	(9,161,398)	(667,147)
Liabilities at June 30, 2019	975,946	1,023,090
Claims and changes in estimates during fiscal year 2020	10,259,919	-
Claim payments	(10,362,276)	(523,533)
Liabilities at June 30, 2020	<u>\$ 873,589</u>	<u>\$ 499,557</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – RISK MANAGEMENT (continued)

The City is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 787 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. The City acquires automobile physical damage coverage through the Pool. All other property, inland marine, and boiler/machinery insurance is acquired through commercial insurance. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained not to exceed 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 property 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 has property insurance coverage in addition to the Pool.

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, 2020, were \$986,843.

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 \$500,000 per claim. Excess coverage is provided for claims exceeding \$500,000 under various reinsurance agreements. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's Iowa Risk Management Agreement with its members provides that in the event a casualty claim, property loss 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. As of June 30, 2020, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – RISK MANAGEMENT (continued)

Members agree to continue membership in the Pool through the Iowa Risk Management Agreement 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, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

NOTE 9 – 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 applicable fund. 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, 2020.

Litigation

The City Attorney reported that various claims and lawsuits were on file against the City.

The City Attorney has estimated that all potential settlements and lawsuits 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, 2020. The City has additional commitments for signed construction contracts of \$24,645,567 as of June 30, 2020. These commitments will be funded by federal and state grants, cash reserves, and bond proceeds.

Dubuque Metropolitan Area Solid Waste Agency has recognized a liability for only that portion of construction contracts representing construction completed through June 30, 2020. DMASWA has an additional commitments for a signed construction contracts of \$1,350,786 as of June 30, 2020. These commitments will be partially funded by bond proceeds.

Southwest Arterial

The City is currently in process of constructing the Southwest Arterial. As of June 30, 2020, the City has expended \$52,182,117 on the project. Upon completion of the project, the Southwest Arterial will be reverted to the State of Iowa.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description - The City operates a single-employer retiree benefit plan which provides postemployment benefits for eligible participants enrolled in the City-sponsored plans, which include the employees of the Dubuque Metropolitan Area Solid Waste Agency (a component unit). The Plan does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The benefits are provided in the form of:

An implicit rate subsidy where pre-65 retirees receive health insurance coverage by paying a combined retiree/active rate for the self-insured medical and prescription drug plan.

An explicit rate subsidy where the City pays the full cost of a \$1,000 policy in the fully-insured life insurance plan.

To be eligible for the health insurance coverage, retirees must be at least 55 years old, have completed 4 years of service, and be vested with either the Iowa Public Employee's Retirement System (IPERS) or the Municipal Fire and Police Retirement System of Iowa (MFPRSI). In addition to the health eligibility coverage requirements, one must have belonged to a bargaining group to be eligible for life insurance benefits. There are approximately 543 active and 46 retired members in the plan, as of most recent actuarial valuation report.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

Total OPEB Liability - The City's OPEB liability of \$5,882,693 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020. The City's proportion is based on the number of employees in the plan. The City's proportion was 98.13% as of June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability beginning of year	\$ 6,121,366
Changes for the year:	
Service cost	288,187
Interest	165,496
Other changes	(49,951)
Changes in experience	(242,264)
Changes in assumptions	(19,983)
Benefit payments	(380,158)
Net Changes	(238,673)
Total OPEB Liability end of year	\$ 5,882,693

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	
effective June 30, 2020	3.00% per annum
Rates of salary increase	4.00% per annum,
effective June 30, 2020	including inflation
Discount rate	2.66% compounded annually,
effective June 30, 2020	including inflation
Healthcare cost trend rate	6.50% initial rate decreasing by 0.14%
effective June 30, 2020	annually to an ultimate rate of 4.50%

Discount Rate - The discount rate used to measure the total OPEB liability was 2.66% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the PubG.H-2010 Mortality Table. Annual retirement and termination probabilities were developed consistent with the City's experience and the IPERS and MFPRSI retirement patterns.

Projected claim costs of the medical plan are \$12,299-\$17,508 per year for retirees depending on the age of retiree. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actual experience dates study with dates corresponding to those listed above.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB Liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current discount rate.

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 6,356,003	\$ 5,882,693	\$ 5,442,330

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB Liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare cost trend rates.

	1% Decrease (5.50%)	Healthcare Cost Trend Rate (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 5,249,207	\$ 5,882,693	\$ 6,633,694

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2020 the City recognized OPEB expense of \$452,022. At June 30, 2020 the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Experience	\$ -	\$ 218,458
Changes in Assumptions	(259,614)	116,769
	<u>\$ (259,614)</u>	<u>\$ 335,227</u>

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 34,897	\$ (36,557)
2022	34,897	(36,557)
2023	34,897	(36,557)
2024	34,897	(36,557)
2025	34,897	(36,557)
Thereafter	85,129	(152,442)
	<u>\$ 259,614</u>	<u>\$ (335,227)</u>

Dubuque Metropolitan Area Solid Waste Agency Specific (DMASWA) OPEB Disclosures

Total OPEB Liability- DMASWA OPEB liability of \$112,052 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020. The Agency's portion is based on the number of employees in the plan. The Agency's portion was 1.87% as of June 30, 2020.

	Total OPEB Liability
Total OPEB Liability beginning of year	\$ 117,066
Changes for the year:	
Service Cost	5,489
Interest	3,152
Other Changes	(1,418)
Changes in experience	(4,615)
Changes in assumptions	(381)
Benefit payments	(7,241)
Net Changes	<u>(5,014)</u>
Total OPEB Liability end of year	<u>\$ 112,052</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate- The following presents the total OPEB Liability of the DMASWA, as well as what the DMASWA's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current discount rate.

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 121,066	\$ 112,052	\$ 103,663

Sensitivity of the DMASWA's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the total OPEB Liability of the DMASWA, as well as what the DMASWA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare cost trend rates.

	1% Decrease (5.50%)	Healthcare Cost Trend Rate (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 99,985	\$ 112,052	\$ 126,356

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2020 the DMASWA recognized OPEB expense of \$8,610. At June 30, 2020 the DMASWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Experience	\$ -	\$ (4,161)
Changes in Assumptions	4,945	(2,224)
	<u>\$ 4,945</u>	<u>\$ (6,385)</u>

The amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 665	\$ (696)
2022	665	(696)
2023	665	(696)
2024	665	(696)
2025	665	(696)
Thereafter	1,620	(2,905)
	<u>\$ 4,945</u>	<u>\$ (6,385)</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS

Aggregate Pension Expense

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The component unit DMASWA participates in IPERS only. The following sections outline the pension related disclosures for each pension of both entities. The aggregate amount of recognized pension expense for the period associated with the net pension liability for all plans is \$9,429,159 for the primary government. Other aggregate amounts related to pension are separately displayed in the financial statements.

Iowa Public Employees Retirement System IPERS

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with the regular November benefit payments.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% for a total rate of 15.73%.

The City's total contributions to IPERS for the year ended June 30, 2020 were \$2,459,936. The Dubuque Metropolitan Area Solid Waste Agency's total contributions to IPERS for the year ended June 30, 2020 were \$62,182.

City Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$19,350,354 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the City's collective proportion was .33194% which was a decrease of -0.00135% from its proportion measured as of June 30, 2018.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

For the year ended June 30, 2020, the City recognized pension expense of \$3,243,411. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,645	\$ 695,737
Changes of assumptions	2,072,700	-
Net difference between projected and actual earnings on IPERS' investments	-	2,180,553
Changes in proportion and differences between City's contributions and City's proportionate share of contributions	-	502,336
City contributions subsequent to the measurement date	2,459,936	-
Total	<u>\$ 4,586,281</u>	<u>\$ 3,378,626</u>

\$2,459,936 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2021	\$ 198,509
2022	(625,853)
2023	(409,103)
2024	(369,913)
2025	(45,921)
	<u>\$ (1,252,281)</u>

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate- The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

	1% Decrease (6.0)%	Discount Rate (7.0)%	1% Increase (8.0)%
City's proportionate share of the net pension liability:	\$ 34,359,983	\$ 19,350,354	\$ 6,760,443

Dubuque Metropolitan Area Solid Waste Agency Specific (DMASWA) IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the DMASWA reported a liability of \$489,134 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The DMASWA's proportion of the net pension liability was based on the DMASWA's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the DMASWA's collective proportion was 0.008391% which was an increase of 0.0001934% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the DMASWA recognized pension expense of \$81,986. At June 30, 2020, the DMASWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,356	\$ 17,587
Changes of assumptions	52,393	-
Net difference between projected and actual earnings on IPERS' investments	-	55,120
Net changes in proportion and differences between Agency's contributions and Agency's proportionate share of contributions	-	12,698
Agency contributions subsequent to the measurement date	62,182	-
Total	<u>\$ 115,931</u>	<u>\$ 85,405</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

\$62,182 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2021	\$ 5,018
2022	(15,820)
2023	(10,341)
2024	(9,351)
2025	(1,162)
	<u>\$ (31,656)</u>

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00)%	Discount Rate (7.00)%	1% Increase (8.00)%
Agency's proportionate share of the net pension liability:	\$ 868,543	\$ 489,134	\$ 170,889

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term Investment rate of return (effective June 30, 2017)	7.00% , compounded annually, net of investment expense, including inflation.
Wage Growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22 %	5.60%
International equity	15	6.08
Global smart beta equity	3	5.82
Core plus fixed income	27	1.71
Public credit	3.5	3.32
Public real assets	7	2.81
Cash	1.0	(0.21)
Private equity	11	10.13
Private real assets	7.5	4.76
Private credit	3	3.01
Total	<u>100 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

IPERS' Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2020, the City reported payables to the defined benefit pension plan of \$104,231 for legally required employer contributions. There were no legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66% of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2% of the member's average final compensation for each additional year of service, up to a maximum of 8 years. Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen, plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50% surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP, the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits – Disability benefits may be either accidental or ordinary. Accidental disability is defined as a permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation for those with 5 or more years of service or the member's service retirement benefit calculation amount and 25% of average final compensation for those with less than 5 years of service.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Death benefits are similar to disability benefits. Benefits for accidental death are 50% of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40% of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50% of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions - Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2020.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 24.41% for the year ended June 30, 2020.

The City's contributions to MFPRSI for the year ended June 30, 2020 was \$3,631,952.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2020.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$30,775,196 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the new pension liability was determined by an

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2019, the City's proportion was 4.691866% which was a decrease of 0.172025% from its proportions measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$6,185,748. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	\$ 1,059,736	\$ 287,981
Changes of assumptions	1,545,167	133,943
Net difference between projected and actual earnings on pension plan investments	1,695,596	-
Changes in proportion and differences between City contributions and proportionate share of contributions	247,343	1,167,309
City contributions subsequent to the measurement date	3,631,952	-
Total	<u>\$ 8,179,794</u>	<u>\$ 1,589,233</u>

\$3,631,952 is reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Total
2021	\$ 1,542,875
2022	195,386
2023	676,980
2024	511,965
2025	31,403
	<u>\$ 2,958,609</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Rates of salary increase	3.75% to 15.11% including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

Mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning 2017.

The long-term expected rate of return on MFPRSI investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap	5.5%
Small Cap	5.8
International Large Cap	7.3
Emerging Markets	9.0
Emerging Market Debt	6.3
Private Non-Core Real Estate	8.0
Master Limited Partnerships	9.0
Private Equity	9.0
Core Plus Fixed Income	3.3
Private Core Real Estate	6.0
Tactical Asset Allocation	6.4

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rates, actuarially determined. Based on those assumptions, MFPRSI fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on MFPRSI investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

	1% Decrease (6.50)%	Discount Rate (7.50)%	1% Increase (8.50)%
City's proportionate share of the net pension liability:	\$ 50,107,415	\$ 30,775,196	\$ 14,764,335

MFPRSI Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at www.mfprsi.org.

Payables to MFPRSI - At June 30, 2020, City of Dubuque, Iowa reported payables to the defined benefit pension plan of \$165,066 for legally required employer contributions. There were no legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 – LANDFILL CLOSURE AND POST CLOSURE CARE

To comply with federal (40 CFR 258.74) and state regulations (IAC 113.14 (455b)), the Dubuque Metropolitan Area Solid Waste agency (DMASWA) is required to complete a closure and post-closure plan and to provide funding necessary to effect that plan, including the proper monitoring and care of the landfill after closure. Once the landfill is no longer accepting waste and is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting leachate (the liquid that drains out of waste) for thirty years.

State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. A variety of financial mechanisms can be used to demonstrate compliance with federal and state financial assurance rules.

The Agency utilizes the dedicated fund mechanism, which is funded through the tipping fees it receives. The Agency files an annual report with the State to provide compliance with its legal requirements of maintaining a balance per the prescribed formula. Any adjustments to the account are made prior to June 30.

The Agency is required to estimate total landfill closure and post-closure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs, for closure and post-closure, would consist of four components: (1) the cost of equipment and facilities used in post-closure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of environmental monitoring of the landfill during the post-closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on an engineer's estimate for these services is required to be updated annually for changes due to inflation or deflation, technology, and/or changes to applicable laws or regulations.

The Agency's estimated closure and post-closure care expected costs are as follows:

	2020
Closure	\$ 3,468,474
Post-closure care	2,265,000
Totals	<u>\$ 5,733,474</u>

The total closure and post-closure care costs for the DMASWA has been estimated at approximately \$5,733,474 as of June 30, 2020, and the portion of the liability, that has been recognized is \$1,981,708.

This liability represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of cells 1, 2, 3, 4, 5, 6, 7, 8, and 6% of cell 9. The Agency has accumulated resources to fund closure and post-closure costs; they are included in assets whose use is limited on the balance sheet and total \$4,885,167 as of June 30, 2020. The Agency will recognize the remaining estimated cost of closure and post closure care of \$4,228,766 over the estimated remaining life of 18 years as the remaining capacity is filled.

NOTE 13 – LEASES WHERE CITY IS LESSOR

The City of Dubuque leases riverfront property, airport property (hangars and terminal space), farm land, parking areas, space for antennas on top of water towers, and concession areas under operating leases. The most significant lease is the lease of the greyhound racing and gambling facility and related parking area to the Dubuque Racing Association (DRA). The City's cost of the leased DRA assets total \$10,144,771. The carrying amount of the assets at June 30, 2020 is \$5,872,087, with \$142,423 of depreciation expense during the year ended June 30, 2020. The DRA lease amount is based on the association's gross gambling receipts. During the year ended June 30, 2020, the DRA lease generated \$3,961,996 in lease revenue.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – SUBSEQUENT EVENTS

On July 7, 2020, the City of Dubuque accepted the Miracle League Complex project. The final cost of the project totaled \$3,354,079. The City owns all amenities constructed by Miracle League of Dubuque and they become a part of Veterans Memorial Park. The Miracle League Complex will be used and owned by the City as a public park to be enjoyed by all. The Miracle League of Dubuque project improvements are subject to a lease agreement. The lease agreement between the City of Dubuque and Miracle League of Dubuque will govern the usage of the park. The lease agreement has a term that is 25 years and started upon the date of City Council acceptance. Miracle League of Dubuque will have preferential but non-exclusive use of the Miracle League Complex.

NOTE 15 – CONTINGENCIES

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the City's operations and finances.

NOTE 16 – PROSPECTIVE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 84, Fiduciary Activities, will be effective for the fiscal year June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of certain fiduciary activities for accounting and reporting purposes and how those activities should be reported.

Statement No. 87, Leases, will be effective for the fiscal year June 30, 2022. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, will be effective for the fiscal year June 30, 2022. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 90, Majority Equity Interest-an amendment of GASB Statement No. 14 and No. 61, will be effective for the fiscal year June 30, 2021. The primary objective of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Statement No. 91, Conduit Debt Obligations, will be effective for the fiscal year June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminated diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PROSPECTIVE ACCOUNTING PRONOUNCEMENTS (continued)

Statement No. 92, Omnibus 2020, issued January 2020, will be effective for the City beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

Statement No. 93, Replacement of Interbank Offered Rates, issued March 2020, will be effective for the City beginning with its fiscal year ending June 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, issued March 2020, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Statement No. 96, Subscription-Based Information Technology Arrangements, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, issued June 2020, will be effective for the fiscal year ended June 30, 2022. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapter 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as a part of these agreements.

For the year ended June 30, 2020, the City abated \$2,454,454 of property tax under the urban renewal and economic development projects.

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Required Supplementary Information
June 30, 2020
City of Dubuque, Iowa

CITY OF DUBUQUE, IOWA
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GOVERNMENTAL AND ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Actual	Budgeted Amounts		Final to Actual
		Original	Final	Variance
RECEIPTS				
Property tax	\$ 25,908,220	\$ 25,575,669	\$ 25,575,669	\$ 332,551
Tax increment financing	9,959,562	10,738,108	10,738,108	(778,546)
Other City tax	17,995,431	18,167,857	18,167,857	(172,426)
Licenses and permits	1,503,252	1,827,379	1,904,123	(400,871)
Use of money and property	14,474,768	14,388,998	14,391,312	83,456
Intergovernmental	40,369,620	48,393,574	101,904,967	(61,535,347)
Charges for fees and service	39,175,530	44,184,398	43,907,605	(4,732,075)
Special assessments	113,709	30,000	30,000	83,709
Miscellaneous	8,896,634	7,971,324	11,463,679	(2,567,045)
Total Receipts	<u>158,396,726</u>	<u>171,277,307</u>	<u>228,083,320</u>	<u>(69,686,594)</u>
EXPENDITURES				
Public safety	29,268,525	30,100,398	30,851,935	1,583,410
Public works	12,307,869	13,022,573	14,053,891	1,746,022
Health and social services	970,434	1,196,081	1,279,935	309,501
Culture and recreation	12,316,173	12,850,660	13,588,266	1,272,093
Community and economic development	14,432,317	14,373,472	15,695,646	1,263,329
General government	10,013,656	10,214,750	10,582,261	568,605
Debt service	12,165,590	10,779,398	12,233,320	67,730
Capital projects	28,946,802	37,057,261	82,014,175	53,067,373
Business-type activities	54,048,579	61,888,644	90,103,926	36,055,347
Total Expenditures	<u>174,469,945</u>	<u>191,483,237</u>	<u>270,403,355</u>	<u>95,933,410</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) EXPENDITURES	<u>(16,073,219)</u>	<u>(20,205,930)</u>	<u>(42,320,035)</u>	<u>26,246,816</u>
OTHER FINANCING SOURCES, NET	<u>15,661,869</u>	<u>12,989,828</u>	<u>36,769,518</u>	<u>(21,107,649)</u>
EXCESS DEFICIENCY OF RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(411,350)</u>	<u>(7,216,102)</u>	<u>(5,550,517)</u>	<u>5,139,167</u>
BALANCE, BEGINNING OF YEAR	<u>80,882,630</u>	<u>37,452,616</u>	<u>82,384,365</u>	<u>-</u>
BALANCE, ENDING OF YEAR	<u>\$ 80,471,280</u>	<u>\$ 30,236,514</u>	<u>\$ 76,833,848</u>	<u>\$ 5,139,167</u>

See Notes to Required Supplementary Information.

CITY OF DUBUQUE, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING FOR THE YEAR ENDED JUNE 30, 2020

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

The Code of Iowa requires the adoption of an annual budget by the City Council on or before March 31 of each year which becomes effective July 1 and constitutes the appropriation for each function specified therein until amended. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level for the City as a whole, rather than at the fund or fund type level. The internal service fund or agency fund activity is not included in the adopted budget.

The City's budget is prepared on the cash basis of accounting with an adjustment for accrued payroll following required public notice and hearings. 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 functions without the approval of the City Council. Management may make budgeting transfers between funds as long as the transfers are within the same function. 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 functions to adjust to current conditions. Supplemental appropriations are only provided when unanticipated revenues or budget surpluses become available. Appropriations as adopted lapse at the end of the fiscal year.

The budget for the fiscal year ended June 30, 2020, was amended three times during the year to allow the City to increase function expenditures by \$78,920,118 primarily for the carry-forward of unfinished capital improvement projects. During the year ended June 30, 2020, no function expenses exceeded the budgeted amount.

The following is a reconciliation of the budgetary basis to the modified accrual basis of accounting:

	Budgetary Basis	Accrual Adjustments	Modified Accrual/Accrual Basis	Governmental Funds Modified Accrual Basis	Enterprise Funds Accrual Basis	Total
Receipts/Revenue	\$ 158,396,726	\$ (10,090,619)	\$ 148,306,107	\$ 110,144,389	\$ 38,161,718	\$ 148,306,107
Expenditures/Expenses	174,469,945	(25,286,719)	149,183,226	111,229,453	37,953,773	149,183,226
Deficiency of Receipts/Revenue						
Under Expenditures/Expenses	(16,073,219)	15,196,100	(877,119)	(1,085,064)	207,945	(877,119)
Other Financing Sources	15,661,869	661,880	16,323,749	(540,161)	16,863,910	16,323,749
Net	(411,350)	15,857,980	15,446,630	(1,625,225)	17,071,855	15,446,630
Balance, Beginning	80,882,630	177,340,350	258,222,980	62,912,469	195,310,511	258,222,980
Balance, Ending	<u>\$ 80,471,280</u>	<u>\$ 193,198,330</u>	<u>\$ 273,669,610</u>	<u>\$ 61,287,244</u>	<u>\$ 212,382,366</u>	<u>\$ 273,669,610</u>

CITY OF DUBUQUE, IOWA**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY****IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM****LAST SIX FISCAL YEARS*****(IN THOUSANDS)**

Required Supplementary Information						
	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.33194%	0.33329%	0.33490%	0.34275%	0.35135%	0.37035%
City's proportionate share of the net pension liability	\$ 19,350	\$ 21,091	\$ 22,309	\$ 21,570	\$ 17,358	\$ 14,688
City's covered payroll	\$ 25,423	\$ 25,024	\$ 24,961	\$ 24,597	\$ 24,039	\$ 24,210
City's proportionate share of the net pension liability as a percentage of its covered payroll	76.11%	84.28%	89.38%	87.69%	72.21%	60.67%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF DUBUQUE, IOWA
SCHEDULE OF THE CITY CONTRIBUTION
IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
(IN THOUSANDS)

Required Supplementary Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Statutorily required contribution	<u>\$ 2,460</u>	<u>\$ 2,403</u>	<u>\$ 2,235</u>	<u>\$ 2,229</u>	<u>\$ 2,196</u>	<u>\$ 2,151</u>	<u>\$ 2,164</u>	<u>\$ 2,022</u>	<u>\$ 2,022</u>	<u>\$ 1,573</u>
Contributions in relation to the statutorily required contribution	<u>(2,460)</u>	<u>(2,403)</u>	<u>(2,235)</u>	<u>(2,229)</u>	<u>(2,196)</u>	<u>(2,151)</u>	<u>(2,164)</u>	<u>(2,022)</u>	<u>(2,022)</u>	<u>(1,573)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 26,048	\$ 25,423	\$ 25,024	\$ 24,961	\$ 24,597	\$ 24,039	\$ 24,210	\$ 23,321	\$ 23,676	\$ 22,627
Contributions as a percentage of covered payroll	9.44%	9.45%	8.93%	8.93%	8.93%	8.95%	8.94%	8.67%	8.54%	6.95%

CITY OF DUBUQUE, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEMS
YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumption:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates
- Lowered disability rates
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

CITY OF DUBUQUE, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
LAST SIX FISCAL YEARS*
(IN THOUSANDS)

Required Supplementary Information

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	4.6919%	4.8639%	4.7840%	4.9533%	4.9854%	5.0788%
City's proportionate share of the net pension liability	\$ 30,775	\$ 28,960	\$ 28,062	\$ 30,971	\$ 23,423	\$ 18,410
City's covered payroll	\$ 14,203	\$ 14,118	\$ 13,552	\$ 13,423	\$ 13,052	\$ 12,968
City's proportionate share of the net pension liability as a percentage of its covered payroll	216.68%	205.13%	207.07%	230.73%	179.46%	141.96%
Plan fiduciary net position as a percentage of the total pension liability	79.94%	81.07%	80.60%	78.20%	83.04%	86.27%

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF DUBUQUE, IOWA
SCHEDULE OF THE CITY CONTRIBUTION
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
LAST 10 FISCAL YEARS
(IN THOUSANDS)

Required Supplementary Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Statutorily required contribution	\$ 3,632	\$ 3,696	\$ 3,626	\$ 3,513	\$ 3,727	\$ 3,969	\$ 3,906	\$ 3,310	\$ 3,177	\$ 2,404
Contributions in relation to the statutorily required contribution	<u>(3,632)</u>	<u>(3,696)</u>	<u>(3,626)</u>	<u>(3,513)</u>	<u>(3,727)</u>	<u>(3,969)</u>	<u>(3,906)</u>	<u>(3,310)</u>	<u>(3,177)</u>	<u>(2,404)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 14,879	\$ 14,203	\$ 14,118	\$ 13,552	\$ 13,423	\$ 13,052	\$ 12,968	\$ 12,672	\$ 12,831	\$ 12,080
Contributions as a percentage of covered payroll	24.41%	26.02%	25.68%	25.92%	27.77%	30.41%	30.12%	26.12%	24.76%	19.90%

CITY OF DUBUQUE, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions

The 2018 valuation changed postretirement mortality rates were based on the RP-2014 Blue Collor Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for post retirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for post retirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

CITY OF DUBUQUE, IOWA
SCHEDULE OF CHANGES IN
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
LAST THREE FISCAL YEARS

	2020	2019	2018
Service Cost	\$ 288,187	\$ 296,597	\$ 277,469
Interest Cost	165,496	172,576	172,219
Changes in assumptions	(19,982)	85,951	138,371
Changes in experience	(242,263)	-	-
Other Changes	(49,950)	2,582	58,589
Benefit payments	(380,158)	(452,573)	(474,856)
Net change in total OPEB Liability	(238,670)	105,133	171,792
Total OPEB liability beginning of year	6,121,366	6,016,233	5,844,441
Total OPEB liability end of year	\$ 5,882,696	\$ 6,121,366	\$ 6,016,233
Covered-employee payroll	\$ 34,543,167	\$ 39,626,000	\$ 39,782,000
Total OPEB liability as a percentage of covered-employee payroll	17.03%	15.45%	15.12%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Change in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate, health care trend rates and other changes.

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a 10-year trend is completed, the City will present information for those years for which information is available.

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NONMAJOR GOVERNMENTAL FUNDS

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.

Section VIII Housing Fund – This fund is used to account for the operations of federal Section VIII existing, voucher, and moderate rehabilitation projects.

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.

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.

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.

Library Expendable Gifts Trust – This fund is used to account for contributions given to the library to be spent for specific purposes.

IFA Housing Trust – This fund is used to account for funds received under the Iowa Finance Authority State Housing Trust Fund Program.

Police Expendable Gifts Fund – This fund is used to account for contributions given to the police department to be spent for specific purposes.

Veteran's Memorial - This fund is used to account for contributions given to the Veteran's Memorial for specific purposes and for maintainance.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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.

General Construction Fund – This fund is used to account for the resources and costs related to general capital improvements.

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

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

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.

**CITY OF DUBUQUE, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds			
	Road Use Tax	Section VIII Housing	Employee Benefits	Special Assessments
ASSETS				
Cash and pooled cash investments	\$ 4,778,396	\$ 381,745	\$ -	\$ -
Receivables				
Property tax				
Delinquent	-	-	100,588	-
Succeeding year	-	-	3,033,914	-
Accounts and other	-	67,199	-	-
Special assessments	-	-	-	407,620
Accrued interest	-	-	-	-
Notes	-	-	-	-
Intergovernmental	969,042	3,724	-	-
Inventories	302,382	-	-	-
Prepaid items	435	11,980	-	-
Restricted cash and pooled cash investments	-	308,903	-	-
Total Assets	<u>\$ 6,050,255</u>	<u>\$ 773,551</u>	<u>\$ 3,134,502</u>	<u>\$ 407,620</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 319,704	\$ 111,731	\$ -	\$ -
Accrued payroll	76,481	26,467	-	-
Intergovernmental payable	-	8,141	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	117,685	-	-
Total Liabilities	<u>396,185</u>	<u>264,024</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Succeeding year property tax	-	-	3,033,914	-
Special assessments	-	-	-	389,289
Grants	-	3,724	-	-
Other	-	-	43,556	-
Total Deferred Inflows of Resources	<u>-</u>	<u>3,724</u>	<u>3,077,470</u>	<u>389,289</u>
FUND BALANCES				
Nonspendable:				
Endowment corpus	-	-	-	-
Inventory	302,382	-	-	-
Prepaid items	435	11,980	-	-
Restricted:				
Endowments	-	-	-	-
Library	-	-	-	-
Police	-	-	-	-
Veterans	-	-	-	-
Capital improvements	5,351,253	-	-	-
Franchise agreement	-	-	-	-
Special assessments	-	-	-	18,331
Iowa Finance Authority Trust	-	-	-	-
Community programs	-	593,625	-	-
Employee benefits	-	-	57,032	-
Committed, capital improvements	-	-	-	-
Unassigned	-	(99,802)	-	-
Total Fund Balances	<u>5,654,070</u>	<u>505,803</u>	<u>57,032</u>	<u>18,331</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,050,255</u>	<u>\$ 773,551</u>	<u>\$ 3,134,502</u>	<u>\$ 407,620</u>

Special Revenue Funds					Capital Projects Funds		
Cable TV	Library Expendable Gifts Trust	Police Expendable Gifts Trust	Veteran's Memorial	IFA Housing Trust	Airport Construction	General Construction	Sales Tax Construction
\$ 495,264	\$ 1,154,946	\$ 7,749	\$ 152,925	\$ 374,024	\$ (146)	\$ 699	\$ 3,070,492
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
136,095	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,081	3,716	25	-	-	-	648	9,975
-	-	-	-	861,944	-	34,085	657,518
-	-	-	-	-	632,963	546,269	152,219
-	-	-	-	-	-	599,254	-
21,669	-	-	-	-	-	3,847	-
-	-	-	-	-	1,262,287	1,344,808	1,207,665
<u>\$ 655,109</u>	<u>\$ 1,158,662</u>	<u>\$ 7,774</u>	<u>\$ 152,925</u>	<u>\$ 1,235,968</u>	<u>\$ 1,895,104</u>	<u>\$ 2,529,610</u>	<u>\$ 5,097,869</u>
\$ 1,165	\$ -	\$ -	\$ -	\$ -	\$ 291,831	\$ 726,502	\$ 72,339
13,418	1,448	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	42,278	414,272	-
-	-	-	-	-	-	-	-
<u>14,583</u>	<u>1,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,109</u>	<u>1,140,774</u>	<u>72,339</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	294,122	47,886	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,122</u>	<u>47,886</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	599,254	-
21,669	-	-	-	-	-	3,847	-
-	-	-	-	-	-	-	-
-	1,157,214	-	-	-	-	-	-
-	-	7,774	-	-	-	-	-
-	-	-	152,925	-	-	-	-
-	-	-	-	-	1,266,873	737,849	1,207,665
618,857	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,235,968	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,817,865
-	-	-	-	-	-	-	-
<u>640,526</u>	<u>1,157,214</u>	<u>7,774</u>	<u>152,925</u>	<u>1,235,968</u>	<u>1,266,873</u>	<u>1,340,950</u>	<u>5,025,530</u>
<u>\$ 655,109</u>	<u>\$ 1,158,662</u>	<u>\$ 7,774</u>	<u>\$ 152,925</u>	<u>\$ 1,235,968</u>	<u>\$ 1,895,104</u>	<u>\$ 2,529,610</u>	<u>\$ 5,097,869</u>

(Continued)

**CITY OF DUBUQUE, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

EXHIBIT A-1 (CONTINUED)

	Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
	Street Construction	Ella Lyons Peony Trail Trust	Library Gifts Trust	
ASSETS				
Cash and pooled cash investments	\$ 2,168,691	\$ -	\$ -	\$ 12,584,785
Receivables				
Property tax				
Delinquent	-	-	-	100,588
Succeeding year	-	-	-	3,033,914
Accounts and other	26,045	-	-	229,339
Special assessments	-	-	-	407,620
Accrued interest	6,978	212	58	23,693
Notes	-	-	-	1,553,547
Intergovernmental	1,052,044	-	-	3,356,261
Inventories	-	-	-	901,636
Prepaid items	340	-	-	38,271
Restricted cash and pooled cash investments	-	155,677	18,051	4,297,391
Total Assets	<u>\$ 3,254,098</u>	<u>\$ 155,889</u>	<u>\$ 18,109</u>	<u>\$ 26,527,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 418,269	\$ -	\$ -	\$ 1,941,541
Accrued payroll	-	-	-	117,814
Intergovernmental payable	-	-	-	8,141
Due to other funds	-	-	-	456,550
Unearned revenue	-	-	-	117,685
Total Liabilities	<u>418,269</u>	<u>-</u>	<u>-</u>	<u>2,641,731</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Succeeding year property tax	-	-	-	3,033,914
Special assessments	-	-	-	389,289
Grants	515,173	-	-	860,905
Other	314,963	-	-	358,519
Total Deferred Inflows of Resources	<u>830,136</u>	<u>-</u>	<u>-</u>	<u>4,642,627</u>
FUND BALANCES				
Nonspendable:				
Endowment corpus	-	57,412	12,000	69,412
Inventory	-	-	-	901,636
Prepaid items	340	-	-	38,271
Restricted:				
Endowments	-	98,477	6,109	104,586
Library	-	-	-	1,157,214
Police	-	-	-	7,774
Veterans	-	-	-	152,925
Capital improvements	-	-	-	8,563,640
Franchise agreement	-	-	-	618,857
Special assessments	-	-	-	18,331
Iowa Finance Authority Trust	-	-	-	1,235,968
Community programs	-	-	-	593,625
Employee benefits	-	-	-	57,032
Committed, capital improvements	2,005,353	-	-	5,823,218
Unassigned	-	-	-	(99,802)
Total Fund Balances	<u>2,005,693</u>	<u>155,889</u>	<u>18,109</u>	<u>19,242,687</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,254,098</u>	<u>\$ 155,889</u>	<u>\$ 18,109</u>	<u>\$ 26,527,045</u>

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CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Road Use Tax	Section VIII Housing	Employee Benefits	Special Assessments
REVENUES				
Taxes	\$ -	\$ -	\$ 3,645,629	\$ -
Special assessments	-	-	-	69,891
Intergovernmental	7,782,636	5,498,322	-	-
Charges for services	211,083	-	-	-
Investment earnings	-	8,257	-	21,506
Contributions	-	650	-	-
Miscellaneous	38,900	59,808	-	1,255
Total Revenues	8,032,619	5,567,037	3,645,629	92,652
EXPENDITURES				
Governmental activities				
Current				
Public safety	-	-	-	-
Public works	6,328,105	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	5,707,258	-	-
General government	6,849	-	242	-
Debt service				
Interest and fiscal charges	-	-	-	-
Capital projects	442,418	-	-	-
Total Expenditures	6,777,372	5,707,258	242	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,255,247	(140,221)	3,645,387	92,652
OTHER FINANCING SOURCES (USES)				
Transfers in	33,682	97,138	-	-
Transfers out	(462,469)	-	(3,633,932)	(109,439)
Insurance recovery	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	(428,787)	97,138	(3,633,932)	(109,439)
NET CHANGE IN FUND BALANCES	826,460	(43,083)	11,455	(16,787)
FUND BALANCES, BEGINNING	4,827,610	548,886	45,577	35,118
FUND BALANCES, ENDING	\$ 5,654,070	\$ 505,803	\$ 57,032	\$ 18,331

Special Revenue Funds				Capital Projects Funds		
Cable TV	Library Expendable Gifts Trust	Police Expendable Gifts Trust	Veteran's Memorial	IFA Housing Trust	Airport Construction	General Construction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	106,583	998,895	499,120
750	8,976	-	-	-	169,259	-
11,710	25,507	176	2,812	-	19,047	42,834
-	460	3,655	8,700	-	-	2,684
564,765	98,997	-	-	537,161	390	14,292
<u>577,225</u>	<u>133,940</u>	<u>3,831</u>	<u>11,512</u>	<u>643,744</u>	<u>1,187,591</u>	<u>558,930</u>
-	-	3,102	-	-	-	-
-	-	-	-	-	-	-
-	137,140	-	2,029	-	-	-
-	-	-	-	-	-	-
570,026	-	-	-	-	-	-
5,000	-	-	-	-	-	(15,258)
-	-	-	-	-	1,848,826	5,519,810
<u>575,026</u>	<u>137,140</u>	<u>3,102</u>	<u>2,029</u>	<u>-</u>	<u>1,848,826</u>	<u>5,504,552</u>
<u>2,199</u>	<u>(3,200)</u>	<u>729</u>	<u>9,483</u>	<u>643,744</u>	<u>(661,235)</u>	<u>(4,945,622)</u>
-	-	-	-	50,000	335,790	2,948,594
-	-	-	-	-	(34,567)	(31,349)
-	-	-	-	-	-	-
-	-	-	-	-	-	3,000
-	-	-	-	50,000	301,223	2,920,245
2,199	(3,200)	729	9,483	693,744	(360,012)	(2,025,377)
<u>638,327</u>	<u>1,160,414</u>	<u>7,045</u>	<u>143,442</u>	<u>542,224</u>	<u>1,626,885</u>	<u>3,366,327</u>
<u>\$ 640,526</u>	<u>\$ 1,157,214</u>	<u>\$ 7,774</u>	<u>\$ 152,925</u>	<u>\$ 1,235,968</u>	<u>\$ 1,266,873</u>	<u>\$ 1,340,950</u>

(Continued)

**CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT A-2 (CONTINUED)

	Capital Projects Funds		Permanent Funds		Total Nonmajor Governmental Funds
	Sales Tax Construction	Street Construction	Ella Lyons Peony Trail Trust	Library Gifts Trust	
REVENUES					
Taxes	\$ 1,930,466	\$ 2,895,699	\$ -	\$ -	\$ 8,471,794
Special assessments	-	-	-	-	69,891
Intergovernmental	-	1,180,314	-	-	16,065,870
Charges for services	-	18,720	-	-	408,788
Investment earnings	84,478	37,853	(2,470)	416	252,126
Contributions	-	-	-	-	16,149
Miscellaneous	2,637	73,574	-	158	1,391,937
Total Revenues	2,017,581	4,206,160	(2,470)	574	26,676,555
EXPENDITURES					
Governmental activities					
Current					
Public safety	-	-	-	-	3,102
Public works	-	-	-	-	6,328,105
Culture and recreation	-	-	-	1,760	140,929
Community and economic development	-	-	-	-	5,707,258
General government	-	-	-	-	577,117
Debt service					
Interest and fiscal charges	10,980	-	-	-	722
Capital projects	1,617,936	3,413,817	-	-	12,842,807
Total Expenditures	1,628,916	3,413,817	-	1,760	25,600,040
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	388,665	792,343	(2,470)	(1,186)	1,076,515
OTHER FINANCING SOURCES (USES)					
Transfers in	102,132	85,852	-	-	3,653,188
Transfers out	(758,092)	(674,769)	-	-	(5,704,617)
Insurance recovery	-	52,182	-	-	52,182
Sale of capital assets	-	-	-	-	3,000
Total Other Financing Sources (Uses)	(655,960)	(536,735)	-	-	(1,996,247)
NET CHANGE IN FUND BALANCES	(267,295)	255,608	(2,470)	(1,186)	(919,732)
FUND BALANCES, BEGINNING	5,292,825	1,750,085	158,359	19,295	20,162,419
FUND BALANCES, ENDING	\$ 5,025,530	\$ 2,005,693	\$ 155,889	\$ 18,109	\$ 19,242,687

NONMAJOR 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 City 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 City Council has decided that periodic determination of net income is appropriate for accountability purposes.

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.

Salt Fund – This fund is used to account for the operations of the City's salt distribution.

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

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020

EXHIBIT B-1

	Refuse Collection	Transit System	Salt	America's River Project	Total Other Enterprise Funds
ASSETS					
CURRENT ASSETS					
Cash and pooled cash investments	\$ 1,246,871	\$ 870,152	\$ 62,776	\$ 4	\$ 2,179,803
Receivables					
Accounts	424,445	439	-	-	424,884
Intergovernmental	-	3,093,798	-	-	3,093,798
Prepaid items	-	12,688	-	-	12,688
Inventories	-	2,044	-	-	2,044
Total Current Assets	1,671,316	3,979,121	62,776	4	5,713,217
NONCURRENT ASSETS					
Restricted cash and pooled cash investments	-	199,787	-	-	199,787
Capital assets					
Land	-	36,000	-	-	36,000
Buildings	-	13,366,053	175,458	-	13,541,511
Improvements to other than buildings	-	659,598	686,312	-	1,345,910
Machinery and equipment	2,808,292	7,570,600	36,342	-	10,415,234
Accumulated depreciation	(2,114,960)	(6,158,720)	(177,580)	-	(8,451,260)
Net Capital Assets	693,332	15,473,531	720,532	-	16,887,395
Total Noncurrent Assets	693,332	15,673,318	720,532	-	17,087,182
Total Assets	2,364,648	19,652,439	783,308	4	22,800,399
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	204,091	299,534	-	-	503,625
OPEB related deferred outflows	10,384	8,407	-	-	18,791
Total Deferred Outflows of Resources	214,475	307,941	-	-	522,416
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	24,317	1,626,530	-	-	1,650,847
Accrued payroll	64,016	84,089	-	-	148,105
General obligation bonds payable	5,400	9,268	-	-	14,668
Accrued compensated absences	3,414	-	-	-	3,414
Accrued interest payable	1,980	722	-	-	2,702
Total Current Liabilities	99,127	1,720,609	-	-	1,819,736
NONCURRENT LIABILITIES					
General obligation bonds payable	61,629	289,810	-	-	351,439
Accrued compensated absences	213,160	36,193	-	-	249,353
Net pension liability	861,091	1,263,774	-	-	2,124,865
Total OPEB liability	235,307	190,488	-	-	425,795
Total Noncurrent Liabilities	1,371,187	1,780,265	-	-	3,151,452
Total Liabilities	1,470,314	3,500,874	-	-	4,971,188
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	150,348	220,659	-	-	371,007
OPEB related deferred inflows	13,409	10,855	-	-	24,264
Total Deferred Inflows of Resources	163,757	231,514	-	-	395,271
NET POSITION					
Net investment in capital assets	626,303	15,374,240	720,532	-	16,721,075
Unrestricted	318,749	853,752	62,776	4	1,235,281
Total Net Position	\$ 945,052	\$ 16,227,992	\$ 783,308	\$ 4	\$ 17,956,356

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Refuse Collection	Transit System	Salt	America's River Project	Total Other Enterprise Funds
OPERATING REVENUES					
Charges for sales and services	\$ 4,444,871	\$ 364,116	\$ 346,753	\$ -	\$ 5,155,740
Other	3,446	36,460	-	-	39,906
Total Operating Revenues	<u>4,448,317</u>	<u>400,576</u>	<u>346,753</u>	<u>-</u>	<u>5,195,646</u>
OPERATING EXPENSES					
Employee expense	2,805,672	2,436,336	-	-	5,242,008
Utilities	21,747	91,001	-	-	112,748
Repairs and maintenance	329,703	769,849	940	-	1,100,492
Supplies and services	889,936	463,777	304,977	3,161	1,661,851
Insurance	21,745	43,737	-	-	65,482
Depreciation	317,135	814,208	27,639	-	1,158,982
Total Operating Expenses	<u>4,385,938</u>	<u>4,618,908</u>	<u>333,556</u>	<u>3,161</u>	<u>9,341,563</u>
OPERATING INCOME (LOSS)	<u>62,379</u>	<u>(4,218,332)</u>	<u>13,197</u>	<u>(3,161)</u>	<u>(4,145,917)</u>
NONOPERATING REVENUES					
Intergovernmental	-	2,531,111	-	-	2,531,111
Investment earnings	27,158	3,059	-	-	30,217
Contributions	-	84,280	-	-	84,280
Interest expense	(1,745)	565	-	-	(1,180)
Gain on disposal of assets	16,500	(130,120)	-	-	(113,620)
Net Nonoperating Revenues	<u>41,913</u>	<u>2,488,895</u>	<u>-</u>	<u>-</u>	<u>2,530,808</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>104,292</u>	<u>(1,729,437)</u>	<u>13,197</u>	<u>(3,161)</u>	<u>(1,615,109)</u>
CAPITAL CONTRIBUTIONS	-	1,524,575	-	-	1,524,575
TRANSFERS IN	<u>-</u>	<u>1,693,164</u>	<u>-</u>	<u>2,800</u>	<u>1,695,964</u>
CHANGE IN NET POSITION	<u>104,292</u>	<u>1,488,302</u>	<u>13,197</u>	<u>(361)</u>	<u>1,605,430</u>
NET POSITION, BEGINNING	<u>840,760</u>	<u>14,739,690</u>	<u>770,111</u>	<u>365</u>	<u>16,350,926</u>
NET POSITION, ENDING	<u>\$ 945,052</u>	<u>\$ 16,227,992</u>	<u>\$ 783,308</u>	<u>\$ 4</u>	<u>\$ 17,956,356</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020

	Refuse Collection	Transit System	Salt	America's River Project	Total Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 4,020,426	\$ 366,262	\$ 346,753	\$ -	\$ 4,733,441
Cash payments to suppliers for goods and services	(1,261,848)	(1,390,499)	(305,917)	(3,161)	(2,961,425)
Cash payments to employees for services	(2,749,600)	(2,310,549)	-	-	(5,060,149)
Other operating receipts	3,446	36,460	-	-	39,906
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>12,424</u>	<u>(3,298,326)</u>	<u>40,836</u>	<u>(3,161)</u>	<u>(3,248,227)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	1,693,164	-	2,800	1,695,964
Transfers to other funds	-	-	-	-	-
Contributions	-	1,608,855	-	-	1,608,855
Intergovernmental grant proceeds	-	613,900	-	-	613,900
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>3,915,919</u>	<u>-</u>	<u>2,800</u>	<u>3,918,719</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of debt	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Acquisition and construction of capital assets	(96,987)	(323,130)	-	-	(420,117)
Proceeds from sale of capital assets	16,500	-	-	-	16,500
Principal Paid	(5,222)	(9,600)	-	-	(14,822)
Interest paid	(2,064)	-	-	-	(2,064)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(87,773)</u>	<u>(332,730)</u>	<u>-</u>	<u>-</u>	<u>(420,503)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	<u>424,922</u>	<u>3,059</u>	<u>-</u>	<u>-</u>	<u>427,981</u>
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	<u>349,573</u>	<u>287,922</u>	<u>40,836</u>	<u>(361)</u>	<u>677,970</u>
CASH AND POOLED INVESTMENTS, BEGINNING	<u>897,298</u>	<u>782,017</u>	<u>21,940</u>	<u>365</u>	<u>1,701,620</u>
CASH AND POOLED INVESTMENTS, ENDING	<u>\$ 1,246,871</u>	<u>1,069,939</u>	<u>\$ 62,776</u>	<u>\$ 4</u>	<u>\$ 2,379,590</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020

EXHIBIT B-3

	Business-type Activities - Enterprise Funds				
	Refuse Collection	Transit	Salt	America's River Project	Total Other Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ 62,379	\$ (4,218,332)	\$ 13,197	\$ (3,161)	\$ (4,145,917)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	317,135	814,208	27,639	-	1,158,982
Change in assets and liabilities					
(Increase) Decrease in receivables	(424,445)	2,146	-	-	(422,299)
Decrease in inventories and prepaid items	-	(2,563)	-	-	(2,563)
Increase in accounts payable	1,283	(19,572)	-	-	(18,289)
Increase (Decrease) in accrued liabilities	(6,253)	23,118	-	-	16,865
(Decrease) in net pension liability	(59,460)	(83,492)	-	-	(142,952)
Decrease in deferred outflows	36,000	52,083	-	-	88,083
Increase in deferred inflows	84,609	115,677	-	-	200,286
Increase in total OPEB liability	1,176	18,401	-	-	19,577
Total Adjustments	(49,955)	920,006	27,639	-	897,690
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 12,424	\$ (3,298,326)	\$ 40,836	\$ (3,161)	\$ (3,248,227)

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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 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 health insurance costs.

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

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	General Service	Garage Service	Stores/ Printing
ASSETS			
CURRENT ASSETS			
Cash and pooled cash investments	\$ 165,283	\$ 574,541	\$ 14,264
Receivables			
Accounts	-	-	-
Accrued interest	-	-	-
Prepaid items	-	-	-
Inventories	-	51,319	14,484
Total Current Assets	165,283	625,860	28,748
NONCURRENT ASSETS			
Capital assets			
Machinery and equipment	-	356,590	-
Accumulated depreciation	-	(263,134)	-
Net Capital Assets	-	93,456	-
Total Noncurrent Assets	-	93,456	-
Total Assets	165,283	719,316	28,748
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	206,807	115,834	-
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	38,333	8,558
Accrued payroll	-	32,543	-
Total Current Liabilities	-	70,876	8,558
NONCURRENT LIABILITIES			
Net pension liability	872,559	488,728	-
Total Noncurrent Liabilities	872,559	488,728	-
Total Liabilities	872,559	559,604	8,558
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	152,351	85,332	-
NET POSITION			
Net investment in capital assets	-	93,456	-
Unrestricted	(652,820)	96,758	20,190
Total Net Position (Deficit)	\$ (652,820)	\$ 190,214	\$ 20,190

Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 4,603,574	\$ 1,605,767	\$ 6,963,429
268,177	-	268,177
14,812	5,166	19,978
-	183,763	183,763
-	-	65,803
<u>4,886,563</u>	<u>1,794,696</u>	<u>7,501,150</u>
-	-	356,590
-	-	(263,134)
-	-	93,456
-	-	93,456
<u>4,886,563</u>	<u>1,794,696</u>	<u>7,594,606</u>
-	-	322,641
873,589	499,557	1,420,037
-	-	32,543
<u>873,589</u>	<u>499,557</u>	<u>1,452,580</u>
-	-	1,361,287
-	-	1,361,287
<u>873,589</u>	<u>499,557</u>	<u>2,813,867</u>
-	-	237,683
-	-	93,456
<u>4,012,974</u>	<u>1,295,139</u>	<u>4,772,241</u>
<u>\$ 4,012,974</u>	<u>\$ 1,295,139</u>	<u>\$ 4,865,697</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICITS)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Service	Garage Service	Stores/ Printing
OPERATING REVENUES			
Charges for sales and services	\$ 1,606,347	\$ 1,942,010	\$ 583,270
Other	-	55,543	-
Total Operating Revenues	<u>1,606,347</u>	<u>1,997,553</u>	<u>583,270</u>
OPERATING EXPENSES			
Employee expense	1,501,747	941,530	-
Utilities	1	30,810	6,821
Repairs and maintenance	-	54,093	-
Supplies and services	-	824,259	559,042
Insurance	-	16,604	-
Depreciation	-	40,868	-
Total Operating Expenses	<u>1,501,748</u>	<u>1,908,164</u>	<u>565,863</u>
OPERATING INCOME (LOSS)	104,599	89,389	17,407
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	-	-
Gain on disposal of assets	-	2,679	-
Net Nonoperating Revenues (Expenses)	<u>-</u>	<u>2,679</u>	<u>-</u>
CHANGE IN NET POSITION	104,599	92,068	17,407
NET POSITION (DEFICIT), BEGINNING	<u>(757,419)</u>	<u>98,146</u>	<u>2,783</u>
NET POSITION (DEFICIT), ENDING	<u>\$ (652,820)</u>	<u>\$ 190,214</u>	<u>\$ 20,190</u>

Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 9,359,270	\$ 807,864	\$ 14,298,761
137	14,432	70,112
<u>9,359,407</u>	<u>822,296</u>	<u>14,368,873</u>
-	-	2,443,277
-	-	37,632
-	-	54,093
10,259,919	-	11,643,220
-	158,042	174,646
-	-	40,868
<u>10,259,919</u>	<u>158,042</u>	<u>14,393,736</u>
(900,512)	664,254	(24,863)
119,990	38,415	158,405
-	-	2,679
<u>119,990</u>	<u>38,415</u>	<u>161,084</u>
(780,522)	702,669	136,221
<u>4,793,496</u>	<u>592,470</u>	<u>4,729,476</u>
<u>\$ 4,012,974</u>	<u>\$ 1,295,139</u>	<u>\$ 4,865,697</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	General Service	Garage Service	Stores/ Printing
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,606,347	\$ 1,942,010	\$ 583,270
Cash payments to suppliers for goods and services	(1)	(950,333)	(569,639)
Cash payments to employees for services	(1,441,063)	(923,368)	-
Other operating receipts	-	55,543	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	165,283	123,852	13,631
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	2,679	-
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	-	2,679	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	-
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	165,283	126,531	13,631
CASH AND POOLED INVESTMENTS, BEGINNING	-	448,010	633
CASH AND POOLED INVESTMENTS, ENDING	\$ 165,283	\$ 574,541	\$ 14,264
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income	\$ 104,599	\$ 89,389	\$ 17,407
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	-	40,868	-
Change in assets and liabilities			
(Increase) in receivables	-	-	-
(Increase) Decrease in inventories and prepaid items	-	15,173	(4,902)
Increase (Decrease) in accounts payable	-	(39,740)	1,126
(Decrease) in net pension liability	(47,010)	(51,155)	-
Decrease in deferred outflows	34,407	25,783	-
Increase in deferred inflows	73,287	38,914	-
Increase in accrued liabilities	-	4,620	-
Total Adjustments	60,684	34,463	(3,776)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 165,283	\$ 123,852	\$ 13,631

EXHIBIT C-3

Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 9,318,982	\$ 807,864	\$ 14,258,473
(10,362,276)	(865,338)	(12,747,587)
-	-	(2,364,431)
137	14,432	70,112
(1,043,157)	(43,042)	(783,433)
-	-	2,679
-	-	2,679
120,568	37,736	158,304
(922,589)	(5,306)	(622,450)
5,526,163	1,611,073	7,585,879
\$ 4,603,574	\$ 1,605,767	\$ 6,963,429
\$ (900,512)	\$ 664,254	\$ (24,863)
-	-	40,868
(40,288)	-	(40,288)
-	(183,763)	(173,492)
(102,357)	(523,533)	(664,504)
-	-	(98,165)
-	-	60,190
-	-	112,201
-	-	4,620
(142,645)	(707,296)	(758,570)
\$ (1,043,157)	\$ (43,042)	\$ (783,433)

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AGENCY FUNDS

The agency fund is used to report resources held by the City in a purely custodial capacity.

Cable Equipment Fund – This fund is used to account for resources received under the cable franchise agreement to support public, educational, and governmental access and internet use grants.

Dog Track Depreciation Fund – This fund is used to account for the resources held for improvements at the greyhound racing facility.

Flexsteel Decomission Fund – This fund is used to account for the resources held for the decomissioning of the prior Flexsteel site.

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT D-1

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
CABLE EQUIPMENT FUND				
ASSETS				
Cash and pooled cash investments	\$ 747,424	\$ 200,770	\$ 67,916	\$ 880,278
Prepays	12,054	7,552	12,054	7,552
Accounts receivable	50,729	47,633	50,729	47,633
Total Assets	<u>\$ 810,207</u>	<u>\$ 255,955</u>	<u>\$ 130,699</u>	<u>\$ 935,463</u>
LIABILITIES				
Due to other agency	\$ 810,207	\$ 255,955	\$ 130,699	\$ 935,463
Total Liabilities	<u>\$ 810,207</u>	<u>\$ 255,955</u>	<u>\$ 130,699</u>	<u>\$ 935,463</u>
DOG TRACK DEPRECIATION FUND				
ASSETS				
Cash and pooled cash investments	\$ 1,012,729	\$ 132,987	\$ 104,193	\$ 1,041,523
Accounts receivable	-	10,000	-	10,000
Accrued interest	2,820	3,351	2,820	3,351
Total Assets	<u>\$ 1,015,549</u>	<u>\$ 146,338</u>	<u>\$ 107,013</u>	<u>\$ 1,054,874</u>
LIABILITIES				
Due to other agency	\$ 1,015,549	\$ 146,338	\$ 107,013	\$ 1,054,874
Total Liabilities	<u>\$ 1,015,549</u>	<u>\$ 146,338</u>	<u>\$ 107,013</u>	<u>\$ 1,054,874</u>
FLEXSTEEL DECOMMISSION FUND				
ASSETS				
Cash and pooled cash investments	\$ 965,839	\$ 325,343	\$ 1,291,182	\$ -
Notes receivable	1,700,000	-	1,700,000	-
Total Assets	<u>\$ 2,665,839</u>	<u>\$ 325,343</u>	<u>\$ 2,991,182</u>	<u>\$ -</u>
LIABILITIES				
Due to other agency	\$ 2,665,839	\$ 325,343	\$ 2,991,182	\$ -
Total Liabilities	<u>\$ 2,665,839</u>	<u>\$ 325,343</u>	<u>\$ 2,991,182</u>	<u>\$ -</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and pooled cash investments	\$ 2,725,992	\$ 659,100	\$ 1,463,291	\$ 1,921,801
Prepays	12,054	7,552	12,054	7,552
Accounts receivable	50,729	57,633	50,729	57,633
Notes receivable	1,700,000	-	1,700,000	-
Accrued interest	2,820	3,351	2,820	3,351
Total Assets	<u>\$ 4,491,595</u>	<u>\$ 727,636</u>	<u>\$ 3,228,894</u>	<u>\$ 1,990,337</u>
LIABILITIES				
Due to other agency	\$ 4,491,595	\$ 727,636	\$ 3,228,894	\$ 1,990,337
Total Liabilities	<u>\$ 4,491,595</u>	<u>\$ 727,636</u>	<u>\$ 3,228,894</u>	<u>\$ 1,990,337</u>

Statistical Section (Unaudited)
June 30, 2020
City of Dubuque, Iowa

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CITY OF DUBUQUE, IOWA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	154
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	162
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	166
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	177
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	179

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF DUBUQUE, IOWA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	Fiscal - 2015
Governmental activities					
Net investment in capital assets	\$ 329,416,245	\$ 347,890,769	\$ 342,046,442	\$ 354,732,451	\$ 348,173,267
Restricted	23,738,199	26,180,100	23,491,207	21,501,638	22,047,405
Unrestricted	(4,891,381)	(16,876,988)	(8,361,688)	(18,151,279)	(49,579,334)
Total governmental activities net position	<u>\$ 348,263,063</u>	<u>\$ 357,193,881</u>	<u>\$ 357,175,961</u>	<u>\$ 358,082,810</u>	<u>\$ 320,641,338</u>
Business-type activities					
Net investment in capital assets	\$ 135,026,753	\$ 132,237,734	\$ 138,498,777	\$ 138,842,390	\$ 148,487,126
Restricted	893,519	957,802	6,011,848	5,315,519	7,796,668
Unrestricted	2,603,799	10,665,596	(641,384)	(593,202)	(4,568,933)
Total business-type activities net position	<u>\$ 138,524,071</u>	<u>\$ 143,861,132</u>	<u>\$ 143,869,241</u>	<u>\$ 143,564,707</u>	<u>\$ 151,714,861</u>
Primary government					
Net investment in capital assets	\$ 464,442,998	\$ 480,128,503	\$ 480,545,219	\$ 493,574,841	\$ 496,660,393
Restricted	24,631,718	27,137,902	29,503,055	26,817,157	29,844,073
Unrestricted	(2,287,582)	(6,211,392)	(9,003,072)	(18,744,481)	(54,148,267)
Total primary government net positions	<u>\$ 486,787,134</u>	<u>\$ 501,055,013</u>	<u>\$ 501,045,202</u>	<u>\$ 501,647,517</u>	<u>\$ 472,356,199</u>

TABLE 1

Year					
	2016	2017	2018	2019	2020
\$	369,244,904	\$ 375,578,520	\$ 379,040,697	\$ 385,005,220	\$ 387,344,725
	21,473,309	23,955,112	27,269,997	28,321,603	26,501,434
	(47,166,839)	(43,921,629)	(41,853,174)	(36,682,314)	(35,985,750)
\$	<u>343,551,374</u>	<u>\$ 355,612,003</u>	<u>\$ 364,457,520</u>	<u>\$ 376,644,509</u>	<u>\$ 377,860,409</u>
\$	161,326,743	\$ 164,448,390	\$ 168,205,523	\$ 179,561,228	\$ 191,757,112
	4,254,907	3,796,752	3,053,616	3,131,716	3,187,364
	(7,339,071)	3,876,760	10,696,792	12,617,567	17,437,890
\$	<u>158,242,579</u>	<u>\$ 172,121,902</u>	<u>\$ 181,955,931</u>	<u>\$ 195,310,511</u>	<u>\$ 212,382,366</u>
\$	530,571,647	\$ 540,026,910	\$ 547,246,220	\$ 564,566,448	\$ 579,101,837
	25,728,216	27,751,864	30,323,613	31,453,319	29,688,798
	(54,505,910)	(40,044,869)	(31,156,382)	(24,064,747)	(18,547,860)
\$	<u>501,793,953</u>	<u>\$ 527,733,905</u>	<u>\$ 546,413,451</u>	<u>\$ 571,955,020</u>	<u>\$ 590,242,775</u>

**CITY OF DUBUQUE, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2012	2013	2014	Fiscal - 2015
Expenses					
Governmental activities:					
Public safety	\$ 23,759,068	\$ 26,326,367	\$ 28,292,481	\$ 27,578,517	\$ 25,525,937
Public works	18,978,423	22,917,747	21,607,536	21,306,882	19,207,837
Health and social services	1,072,347	913,954	716,970	1,055,398	928,968
Culture and recreation	10,911,733	12,749,558	13,647,178	13,696,331	13,002,690
Community and economic development	12,890,841	22,030,950	17,388,720	14,591,257	18,064,831
General government	9,052,704	6,133,983	6,248,483	9,610,084	6,420,173
Interest on long-term debt	3,294,951	3,294,912	4,049,640	3,684,993	3,903,667
Total governmental activities expenses	<u>79,960,067</u>	<u>94,367,471</u>	<u>91,951,008</u>	<u>91,523,462</u>	<u>87,054,103</u>
Business-type activities:					
Sewage disposal works	7,899,011	9,718,669	9,375,748	11,481,103	12,019,866
Water utility	6,523,993	7,410,710	6,817,772	8,812,340	7,800,393
Stormwater utility	2,811,321	2,750,767	3,347,304	3,431,096	4,131,562
Parking facilities	4,775,834	3,152,055	3,586,405	3,732,492	3,383,419
America's River Project	180,086	22,787	22,770	33,579	24,000
Refuse collection	2,828,891	3,173,075	3,468,859	3,750,366	3,740,404
Transit system	2,947,958	3,629,750	3,492,095	3,847,320	4,245,823
Salt	671,647	661,395	346,066	56,468	244,691
Total business-type activities expenses	<u>28,638,741</u>	<u>30,519,208</u>	<u>30,457,019</u>	<u>35,144,764</u>	<u>35,590,158</u>
Total primary government expenses	<u>\$ 108,598,808</u>	<u>\$ 124,886,679</u>	<u>\$ 122,408,027</u>	<u>\$ 126,668,226</u>	<u>\$ 122,644,261</u>
Program Revenues					
Governmental activities:					
Charges for services					
Public safety	2,579,573	2,915,562	2,495,737	2,624,455	2,532,114
Public works	5,331,667	5,178,439	4,472,479	5,829,293	6,092,356
Culture and recreation	2,108,177	2,321,553	2,488,844	2,321,265	2,547,843
Other activities	2,530,234	2,873,298	3,264,979	3,921,256	3,493,143
Operating grants and contributions	14,204,627	23,013,997	13,995,316	12,784,907	11,992,439
Capital grants and contributions	23,482,866	16,560,811	10,791,945	12,162,649	9,704,043
Total governmental activities program revenues	<u>50,237,144</u>	<u>52,863,660</u>	<u>37,509,300</u>	<u>39,643,825</u>	<u>36,361,938</u>
Business-type activities:					
Charges for services					
Sewage disposal works	6,643,974	7,827,281	8,924,785	10,025,673	10,582,662
Water utility	5,638,277	6,037,073	6,922,582	7,248,790	7,463,430
Stormwater utility	2,993,539	3,180,134	3,192,256	3,224,504	3,490,040
Parking facilities	2,750,610	2,908,989	2,883,865	2,920,148	3,036,214
America's River Project	-	-	-	-	-
Refuse collection	3,082,197	3,257,960	3,346,795	3,700,922	3,783,493
Transit system	193,236	278,835	307,314	275,907	397,545
Salt	773,258	665,942	395,000	45,600	232,271
Operating grants and contributions	2,773,933	1,579,493	2,264,695	1,717,208	1,866,535
Capital grants and contributions	6,536,527	5,323,486	1,240,583	2,920,942	10,020,715
Total business-type activities program revenues	<u>31,385,551</u>	<u>31,059,193</u>	<u>29,477,875</u>	<u>32,079,694</u>	<u>40,872,905</u>
Total primary government program revenues	<u>\$ 81,622,695</u>	<u>\$ 83,922,853</u>	<u>\$ 66,987,175</u>	<u>\$ 71,723,519</u>	<u>\$ 77,234,843</u>

TABLE 2

Year					
	2016	2017	2018	2019	2020
\$	26,851,624	\$ 30,020,343	\$ 29,482,962	\$ 29,637,417	\$ 32,079,903
	24,323,023	19,608,137	20,393,871	24,835,035	22,667,132
	967,936	815,251	883,217	1,442,658	1,677,181
	12,993,331	13,653,509	14,323,710	12,916,646	13,576,571
	15,464,781	18,096,170	21,109,384	15,837,039	17,848,570
	4,101,423	8,982,668	7,573,081	5,944,116	8,821,692
	2,963,134	3,467,685	3,129,502	3,387,730	2,929,997
	87,665,252	94,643,763	96,895,727	94,000,641	99,601,046
	12,817,669	11,326,661	11,614,347	12,177,352	11,725,889
	6,483,229	6,807,217	7,109,421	7,892,423	7,631,411
	5,021,523	6,234,015	6,159,039	7,025,525	5,887,171
	3,420,296	3,547,856	2,866,510	2,845,911	3,414,851
	21,521	22,893	10,143	19,874	3,161
	3,968,761	4,208,268	4,244,551	4,215,881	4,387,683
	4,274,967	4,237,054	4,722,979	4,533,060	4,748,463
	181,617	45,039	119,421	182,092	333,556
	36,189,583	36,429,003	36,846,411	38,892,118	38,132,185
\$	123,854,835	\$ 131,072,766	\$ 133,742,138	\$ 132,892,759	\$ 137,733,231
	2,713,065	2,930,068	2,600,751	2,535,504	2,641,633
	5,765,075	5,681,107	6,654,101	7,327,692	6,732,825
	2,723,270	2,767,636	2,874,493	2,459,644	2,237,000
	3,887,056	3,541,205	5,864,541	3,815,321	5,455,952
	15,301,219	15,028,527	21,569,356	23,198,271	14,484,320
	18,667,619	13,360,280	7,779,713	11,048,200	15,450,271
	49,057,304	43,308,823	47,342,955	50,384,632	47,002,001
	12,158,439	12,442,584	12,659,662	12,479,684	12,606,632
	8,406,928	8,553,225	8,906,136	8,959,023	9,273,720
	3,754,148	4,076,396	4,367,963	4,714,670	5,061,855
	3,247,383	3,286,947	3,034,744	3,066,118	2,313,344
	1,605	4	4	4	-
	3,857,340	4,185,051	4,232,542	4,351,428	4,448,317
	463,688	459,258	465,550	512,385	400,576
	81,720	86,887	96,273	174,784	346,753
	1,648,077	1,700,171	1,648,403	1,917,366	2,967,619
	7,607,721	14,160,820	5,705,262	6,215,459	6,410,594
	41,227,049	48,951,343	41,116,539	42,390,921	43,829,410
\$	90,284,353	\$ 92,260,166	\$ 88,459,494	\$ 92,775,553	\$ 90,831,411

(Continued)

CITY OF DUBUQUE, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal -			
	2011	2012	2013	2015
Net (Expense)/Revenue				
Governmental activities	\$ (29,722,923)	\$ (41,503,811)	\$ (54,441,708)	\$ (51,879,637)
Business-type activities	2,746,810	539,985	(979,144)	(3,065,070)
Total primary government net expense	<u>\$ (26,976,113)</u>	<u>\$ (40,963,826)</u>	<u>\$ (55,420,852)</u>	<u>\$ (54,944,707)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
General Revenues				
Property taxes	\$ 28,249,114	\$ 30,816,614	\$ 32,668,554	\$ 33,264,283
Local option sales tax	7,929,761	8,459,888	8,764,787	8,211,366
Hotel/motel tax	1,826,809	1,903,944	1,953,763	2,006,514
Utility franchise fees	2,488,858	2,272,481	2,568,347	2,609,421
Gaming	13,327,223	8,785,453	8,452,298	7,878,008
Unrestricted investment earnings	668,363	1,529,149	201,153	777,958
Gain on sale of capital assets	149,937	1,417,048	907,122	483,782
Other	622,494	-	-	-
Transfers	(1,211,263)	(4,749,948)	(1,092,236)	(2,444,846)
Total governmental activities	<u>54,051,296</u>	<u>50,434,629</u>	<u>54,423,788</u>	<u>52,786,486</u>
Business-type activities:				
General Revenues				
Unrestricted investment earnings	184,581	206,672	65,321	135,461
Gain on sale of capital assets	19,337	84,178	384,697	180,229
Extraordinary item	(2,253,036)	(243,722)	(555,031)	-
Transfers	1,211,263	4,749,948	1,092,236	2,444,846
Total business-type activities	<u>(837,855)</u>	<u>4,797,076</u>	<u>987,223</u>	<u>2,760,536</u>
Total primary government	<u>\$ 53,213,441</u>	<u>\$ 55,231,705</u>	<u>\$ 55,411,011</u>	<u>\$ 55,547,022</u>
Change in Net Position				
Governmental activities	\$ 24,328,373	\$ 8,930,818	\$ (17,920)	\$ 906,849
Business-type activities	1,908,955	5,337,061	8,079	(304,534)
Total primary government	<u>\$ 26,237,328</u>	<u>\$ 14,267,879</u>	<u>\$ (9,841)</u>	<u>\$ 602,315</u>

TABLE 2
(continued)

Year				
2016	2017	2018	2019	2020
\$ (38,607,948)	\$ (51,334,940)	\$ (49,552,772)	\$ (43,616,009)	\$ (52,599,045)
5,037,466	12,522,340	4,270,124	3,494,540	5,697,225
<u>\$ (33,570,482)</u>	<u>\$ (38,812,600)</u>	<u>\$ (45,282,648)</u>	<u>\$ (40,121,469)</u>	<u>\$ (46,901,820)</u>
\$ 36,518,506	\$ 39,678,473	\$ 39,632,246	\$ 37,973,888	\$ 38,354,691
9,155,411	8,890,046	8,610,948	8,940,109	9,652,332
2,128,042	2,821,745	2,286,469	2,113,273	2,117,506
4,360,107	4,558,847	4,832,958	5,072,350	4,976,472
8,440,161	8,098,324	8,062,251	8,730,986	7,394,294
1,082,165	335,577	688,769	1,858,476	1,857,420
813,492	83,720	309,857	94,980	23,866
-	-	-	-	-
(979,900)	(1,071,163)	(5,423,015)	(8,981,064)	(10,561,636)
<u>61,517,984</u>	<u>63,395,569</u>	<u>59,000,483</u>	<u>55,802,998</u>	<u>53,814,945</u>
407,528	231,746	268,283	798,497	796,494
102,824	54,074	4,680	80,479	16,500
-	-	-	-	-
979,900	1,071,163	5,423,015	8,981,064	10,561,636
<u>1,490,252</u>	<u>1,356,983</u>	<u>5,695,978</u>	<u>9,860,040</u>	<u>11,374,630</u>
<u>\$ 63,008,236</u>	<u>\$ 64,752,552</u>	<u>\$ 64,696,461</u>	<u>\$ 65,663,038</u>	<u>\$ 65,189,575</u>
\$ 22,910,036	\$ 12,060,629	\$ 9,447,711	\$ 12,186,989	\$ 1,215,900
6,527,718	13,879,323	9,966,102	13,354,580	17,071,855
<u>\$ 29,437,754</u>	<u>\$ 25,939,952</u>	<u>\$ 19,413,813</u>	<u>\$ 25,541,569</u>	<u>\$ 18,287,755</u>

CITY OF DUBUQUE, IOWA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal -				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 868,631	\$ 5,613,359	\$ 6,646,278	\$ 6,549,063	\$ 6,082,043
Restricted	-	-	-	-	-
Assigned	8,904,490	5,549,803	3,434,440	1,904,805	647,772
Unassigned	6,139,306	9,371,016	8,806,171	7,356,066	8,693,524
Total general fund	<u>\$ 15,912,427</u>	<u>\$ 20,534,178</u>	<u>\$ 18,886,889</u>	<u>\$ 15,809,934</u>	<u>\$ 15,423,339</u>
All Other Governmental Funds					
Nonspendable	\$ 10,320,305	\$ 10,975,468	\$ 9,092,520	\$ 8,640,780	\$ 1,183,423
Restricted	18,010,570	31,362,126	30,738,046	23,620,615	30,496,183
Committed	5,203,472	5,843,671	10,827,172	10,548,592	12,298,896
Unassigned	<u>(377,363)</u>	<u>(429,344)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 33,156,984</u>	<u>\$ 47,751,921</u>	<u>\$ 50,657,738</u>	<u>\$ 42,809,987</u>	<u>\$ 43,978,502</u>

TABLE 3

Year				
2016	2017	2018	2019	2020
\$ 6,049,052	\$ 5,585,672	\$ 5,414,922	\$ 5,369,478	\$ 5,145,558
-	2,208	-	229,995	219,741
1,015,935	1,590,065	1,267,250	1,438,616	1,396,196
10,908,497	12,582,596	15,193,241	19,276,479	20,128,223
<u>\$ 17,973,484</u>	<u>\$ 19,760,541</u>	<u>\$ 21,875,413</u>	<u>\$ 26,314,568</u>	<u>\$ 26,889,718</u>
\$ 553,292	\$ 944,856	\$ 415,271	\$ 406,813	\$ 1,030,515
27,450,187	28,103,397	30,347,598	34,367,024	30,247,351
7,635,502	6,592,154	4,660,158	3,009,111	5,823,218
-	-	(2,021,937)	(1,185,047)	(2,703,558)
<u>\$ 35,638,981</u>	<u>\$ 35,640,407</u>	<u>\$ 33,401,090</u>	<u>\$ 36,597,901</u>	<u>\$ 34,397,526</u>

CITY OF DUBUQUE, IOWA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal -				
	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 40,428,894	\$ 43,443,669	\$ 45,440,973	\$ 46,034,361	\$ 50,490,204
Special assessments	232,535	596,138	175,486	154,692	85,501
Licenses and permits	1,170,922	1,570,022	1,271,771	1,136,941	1,198,420
Intergovernmental	26,171,082	37,574,783	26,580,831	23,050,052	20,828,524
Charges for services	8,723,086	9,296,329	8,952,179	10,264,257	10,711,243
Fines and forfeits	454,117	525,389	484,128	455,219	362,661
Investment earnings	654,587	1,511,437	180,016	756,809	668,134
Contributions	1,297,621	1,578,376	370,154	678,561	789,268
Gaming	13,327,223	8,785,453	8,452,298	7,878,008	7,397,709
Miscellaneous	2,075,262	1,319,558	1,315,915	1,705,275	1,466,542
Total revenues	94,535,329	106,201,154	93,223,751	92,114,175	93,998,206
Expenditures					
Current					
Public safety	23,950,386	24,476,772	26,506,714	27,644,190	27,570,773
Public works	14,429,415	12,385,929	13,416,108	13,942,772	11,200,427
Health and social services	1,040,114	828,837	680,466	1,049,194	939,172
Culture and recreation	11,279,951	10,873,474	11,218,019	12,351,497	12,300,454
Community and economic development	12,361,176	22,237,140	18,678,496	14,420,980	16,418,909
General government	7,686,929	6,335,947	5,035,108	5,898,293	5,977,605
Debt service					
Principal	2,820,371	3,224,680	3,182,240	4,595,808	4,910,735
Interest	3,321,157	3,220,546	3,991,115	3,650,694	3,577,829
Capital projects	15,102,893	23,459,891	16,636,698	18,779,651	14,829,037
Total expenditures	91,992,392	107,043,216	99,344,964	102,333,079	97,724,941
Excess (deficiency) of revenues over (under) expenditures	2,542,937	(842,062)	(6,121,213)	(10,218,904)	(3,726,735)
Other Financing Sources (Uses)					
Issuance of bonds	6,996,722	27,215,363	6,577,268	-	11,137,321
Discount on bonds	(39,547)	(71,689)	-	-	72,852
Premiums on bonds	1,642	123,990	-	-	-
Issuance of refunding bonds	705,000	-	4,949,148	-	-
Payment to refunded bonds escrow agent	(690,000)	-	(4,949,148)	-	-
Transfers in	15,850,523	8,773,387	15,295,630	15,862,516	18,073,553
Transfers out	(18,961,892)	(18,336,603)	(16,981,203)	(17,294,762)	(25,241,795)
Insurance recovery	628,482	132,425	49,209	59,796	106,288
Sale of capital assets	753,153	2,221,877	2,438,837	666,648	360,436
Total other financing sources (uses)	5,244,083	20,058,750	7,379,741	(705,802)	4,508,655
Net change in fund balances	\$ 7,787,020	\$ 19,216,688	\$ 1,258,528	\$ (10,924,706)	\$ 781,920
Debt service as a percentage of noncapital expenditures	8.49%	7.65%	8.57%	9.51%	9.97%

TABLE 4

Year					
	2016	2017	2018	2019	2020
\$	51,580,084	\$ 55,949,111	\$ 55,362,621	\$ 54,101,901	\$ 54,818,674
	111,193	261,233	122,968	113,178	76,394
	1,480,643	1,505,564	1,642,498	1,619,892	1,497,086
	29,302,824	26,314,297	27,229,554	31,359,695	28,618,060
	10,919,854	10,816,025	11,559,017	12,476,036	10,994,598
	421,925	484,687	407,322	404,400	365,458
	1,082,165	335,577	688,769	1,701,846	1,699,015
	1,440,405	689,237	816,922	1,343,916	1,163,721
	8,440,161	8,098,324	8,062,251	8,708,702	7,394,294
	1,367,875	1,811,681	1,589,072	1,526,804	3,517,089
	106,147,129	106,265,736	107,480,994	113,356,370	110,144,389
	28,036,551	29,155,128	28,581,466	28,807,920	29,518,515
	14,597,823	11,728,716	11,687,309	12,851,393	11,838,812
	1,015,987	868,280	854,045	1,046,184	1,340,544
	11,909,029	12,397,294	12,776,591	13,037,048	13,199,378
	13,473,413	16,474,553	20,350,200	15,730,191	16,685,406
	6,436,114	7,287,586	6,755,479	6,571,094	7,447,439
	10,302,412	17,615,698	7,989,850	5,509,605	7,065,499
	3,707,268	3,579,807	3,274,200	3,320,911	3,044,421
	31,504,581	16,260,851	17,402,848	20,145,054	21,089,439
	120,983,178	115,367,913	109,671,988	107,019,400	111,229,453
	(14,836,049)	(9,102,177)	(2,190,994)	6,336,970	(1,085,064)
	3,933,882	230,000	110,000	2,883,875	1,372,907
	292,521	319,384	16,915	81,693	62,182
	-	-	-	-	-
	-	11,023,700	1,778,325	-	-
	4,650,000	-	-	-	-
	17,397,007	18,814,586	18,889,096	17,025,952	17,146,200
	(18,376,907)	(19,917,219)	(20,980,391)	(18,876,402)	(19,858,343)
	86,359	41,345	98,058	87,843	71,604
	1,063,814	378,861	2,154,546	96,035	665,289
	9,046,676	10,890,657	2,066,549	1,298,996	(540,161)
\$	(5,789,373)	\$ 1,788,480	\$ (124,445)	\$ 7,635,966	\$ (1,625,225)
	15.17%	20.94%	11.96%	9.84%	11.01%

**CITY OF DUBUQUE, IOWA
TAXABLE AND ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

TABLE 5

Levy Year	Fiscal Year	Real Property		Exemptions	Total		Total Taxable Value to Total Assessed Value	Total Direct Tax Rate
		Taxable Value	Assessed Value	Real Property	Taxable Value	Assessed Value		
2009	2011	\$ 2,159,622	\$ 3,349,823	\$ 8,885	\$ 2,150,737	\$ 3,349,823	64.20 %	10.02742 %
2010	2012	2,243,474	3,406,186	8,875	2,234,599	3,406,186	65.60	10.45111
2011	2013	2,337,129	3,476,638	8,872	2,328,257	3,476,638	66.97	10.78478
2012	2014	2,398,151	3,503,774	8,799	2,389,352	3,503,774	68.19	11.02586
2013	2015	2,522,048	3,686,202	8,729	2,513,319	3,686,202	68.18	11.02588
2014	2016	2,508,933	3,723,003	8,631	2,500,302	3,723,003	67.16	11.02590
2015	2017	2,652,700	3,914,425	8,086	2,644,614	3,914,425	67.56	11.16739
2016	2018	2,686,813	3,931,498	7,783	2,679,030	3,931,498	68.14	10.89220
2017	2019	2,765,470	4,141,732	7,921	2,757,549	4,141,732	66.58	10.58844
2018	2020	2,825,245	4,185,444	7,640	2,825,245	4,185,444	67.50	10.33144

Source: Dubuque County Assessor's and Auditor's Offices

CITY OF DUBUQUE, IOWA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
TAX RATES PER \$1,000 ASSESSED VALUE

TABLE 6

Levy Year	Fiscal Year	Dubuque City	Dubuque School District	Board of Education and Independents	Area 1 Voc. Tech	Dubuque County	Total	Ratio of Dubuque City to Total
2009	2011	\$ 10.02742	\$ 16.88349	\$ 0.55740	\$ 1.03532	\$ 6.50193	\$ 35.00556	28.65 %
2010	2012	10.45111	16.87685	0.67766	1.07379	6.49167	35.57108	29.38
2011	2013	10.78477	15.40388	0.71653	0.98407	6.43124	34.32049	31.42
2012	2014	11.02586	14.60281	0.75274	0.90455	6.43124	33.71720	32.70
2013	2015	11.02588	13.99630	0.66355	0.90807	6.43124	33.02504	33.39
2014	2016	11.02590	14.05629	0.63899	0.91036	6.38779	33.01933	33.39
2015	2017	11.16739	14.97697	0.63146	0.93757	6.29673	34.01012	32.84
2016	2018	10.89220	14.95665	0.62780	1.09993	6.34143	33.91801	32.17
2017	2019	10.58844	14.59791	0.65204	1.09993	5.97760	32.91592	32.11
2018	2020	10.33144	14.71233	0.64911	1.03168	5.94098	32.66554	31.63

Separate components of the Dubuque City Rate is as follows:

Levy Year	Fiscal Year	General	Public Transit	Insurance	Employee Benefits	Debt Service	Total
2009	2011	\$ 8.10000	\$ 0.54469	\$ 0.20531	\$ 1.12441	\$ 0.05300	\$ 10.02741
2010	2012	8.10000	0.35273	0.19508	1.75052	0.05278	10.45111
2011	2013	8.10000	0.49516	0.13965	2.02267	0.02729	10.78477
2012	2014	8.10000	0.38382	0.16288	2.33093	0.04823	11.02586
2013	2015	8.10000	0.48268	0.16595	2.23209	0.04516	11.02588
2014	2016	8.10000	0.48461	0.16428	2.16440	0.11261	11.02590
2015	2017	8.10000	0.49739	0.14963	2.30637	0.11400	11.16739
2016	2018	8.10000	0.66319	0.15561	1.89350	0.07990	10.89220
2017	2019	8.10000	0.62877	0.13933	1.62026	0.10008	10.58844
2018	2020	8.10000	0.61307	0.13974	1.38492	0.09371	10.33144

Source: Dubuque County Auditor's Office.

**CITY OF DUBUQUE, IOWA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(IN THOUSANDS OF DOLLARS)**

TABLE 7

Taxpayer	2020			2011		
	Taxable Value	Rank	Percentage of Total City Taxable Value	Taxable Value	Rank	Percentage of Total City Taxable Value
Peninsula Gaming Company LLC	\$ 63,779	1	2.26 %	\$ 56,784	1	2.63 %
Kennedy Mall Inc.	38,960	2	1.38	31,133	2	1.44
GRDT Investments LLC (Queck)	31,301	3	1.11	19,157	3	0.89
ITC Midwest LLC	28,451	4	1.01			
Progressive Proccessing LLC (Hormel)	25,380	5	0.90			
Walter Development LLC	25,166	6	0.89			
MAR Holdings LLC (Medical Assoc.)	21,343	7	0.76	16,884	5	0.78
Nordstrom, Inc.	14,800	8	0.52	14,440	6	0.67
Flexsteel Industries, Inc.	14,792	9	0.52			
Platinum Holdings LLC	13,500	10	0.48	11,179	7	0.52
Lexington Dubuque LLC				9,844	10	0.46
Otto A LLC				17,500	4	0.81
Asbury Dubuque LLC				9,925	9	0.46
Minglewood Limitied Partnership				9,948	8	0.46
	<u>\$ 277,472</u>		<u>9.83 %</u>	<u>\$ 196,794</u>		<u>9.12 %</u>

Source: Dubuque County Auditor's Office

CITY OF DUBUQUE, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

TABLE 8

<u>Fiscal Year</u>	<u>Levy Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (2)</u>	<u>Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2011	2010	\$ 19,906	\$ 19,793	99.4 %	\$ 13	\$ 19,806	99.5 %	\$ 276	1.39 %
2012	2011	21,340	21,339	100.0	1	21,340	99.9	185	0.87
2013	2012	22,789	22,752	99.8	7	22,759	99.9	182	0.80
2014	2013	23,993	23,915	99.7	8	23,923	99.7	211	0.88
2015	2014	24,866	24,715	99.4	7	24,722	99.4	362	1.46
2016	2015	24,944	24,889	100.0	84	24,973	100.0	288	1.15
2017	2016	26,435	26,318	99.6	2	26,320	99.6	354	1.34
2018	2017	25,924	26,026	100	1	26,027	100.4	199	0.77
2019	2018	26,556	26,442	99.6	4	26,446	99.6	202	0.76
2020	2019	26,360	26,106	99.0	1	26,107	99.0	1,096	4.16

(1) Excludes tax increment levy.

(2) Includes taxes collected in June by the County but not received by the City until July.

CITY OF DUBUQUE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business -
	General Obligation Bonds	Tax Increment Financing Bonds	Tax Increment Financing Notes	Other Loans Payable	General Obligation Bonds
2011	\$ 32,561,048	\$ 23,037,222	\$ 1,931,348	\$ 282,857	\$ 25,254,652
2012	53,087,811	22,258,283	1,767,664	4,735,714	35,108,003
2013	56,517,165	21,920,537	1,235,903	5,638,871	34,921,131
2014	52,568,648	21,556,435	1,030,036	5,541,428	32,738,862
2015	59,614,941	21,165,946	811,608	5,444,285	45,868,394
2016	58,869,812	20,764,818	625,429	5,347,142	46,806,473
2017	53,800,719	20,333,690	451,763	4,650,000	44,487,023
2018	48,833,498	19,867,562	255,881	4,067,700	41,979,910
2019	46,917,828	19,366,434	176,054	3,984,111	39,246,002
2020	41,985,513	18,825,306	91,860	3,899,294	36,220,856

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

2016 data changed to include premium and discounts in the outstanding computation.

(1) Population and personal income data can be found in Table 18.

* Personal Income unavailable at report date

TABLE 9

Type Activities						
Capital Loan Notes	Revenue Bonds	Other Loans Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
\$ 33,195,408	\$ 6,777,793	\$ 2,252,109	\$ 125,292,437	5.1 %	\$ 2,174	
61,957,749	6,521,188	331,235	185,767,647	7.1	3,223	
75,415,431	6,260,299	309,304	202,218,641	7.8	3,508	
82,924,949	14,151,437	286,263	210,798,058	8.1	3,657	
85,477,970	34,543,432	262,055	253,188,631	10.0	4,393	
104,156,549	34,196,999	236,623	271,003,845	9.9	4,637	
110,513,944	33,840,566	5,209,900	273,287,605	10.1	4,648	
112,765,210	33,474,133	4,181,826	265,425,720	9.1	4,555	
111,655,588	33,097,700	3,152,331	257,596,051	8.4	4,446	
116,965,647	32,706,267	2,152,331	252,847,074	*	4,368	

CITY OF DUBUQUE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
DOLLARS IN THOUSANDS EXCEPT PER CAPITA

TABLE 10

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Taxable Value of Property	Assessed Value of Property	Percentage of Assessed Value of Property	Per Capita
2011	\$ 57,816	\$ 2,159,622	2.68 %	\$ 3,349,823	1.73 %	\$ 1,003
2012	88,196	2,243,474	3.93	3,406,186	2.59	1,530
2013	91,438	2,337,129	3.91	3,476,638	2.63	1,586
2014	85,308	2,398,151	3.56	3,503,774	2.43	1,480
2015	105,483	2,522,048	4.18	3,686,202	2.86	1,830
2016	105,676	2,508,933	4.21	3,723,003	2.84	1,808
2017	98,288	2,652,700	3.71	3,914,425	2.51	1,672
2018	90,813	2,686,813	3.38	3,931,498	2.31	1,558
2019	86,164	2,765,470	3.12	4,141,732	2.08	1,487
2020	78,206	2,825,245	2.77	4,185,444	1.87	1,351

*Prior year information has been modified to net GO Bonds with the fund balance in Debt Service.

*General Obligation Bonds are netted with the fund balance in the Debt Service fund.

**CITY OF DUBUQUE, IOWA
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2020**

TABLE 11

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Tax Increment Financing Bonds (1)</u>	<u>Tax Increment Financing Notes</u>	<u>Sales Tax Revenue Bonds</u>	<u>Loans Payable</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to Government</u>
Direct, City of Dubuque, Iowa	\$ 76,664,999	\$ 18,985,000	\$ 91,860	\$ -	\$ 3,899,295	100.00 %	\$ 99,641,154
Overlapping:							
Dubuque County	20,405,000	-	-	-	205,561	73.85 %	15,220,899
Dubuque Community School District	-	-	-	-	-	70.57 %	-
Northeast Iowa Community College	13,340,000	-	-	-	18,015,000	53.64 %	16,818,822
Total Overlapping	33,745,000	-	-	-	18,220,561		32,039,721
Total	\$ 110,409,999	\$ 18,985,000	\$ 91,860	\$ -	\$ 22,119,856		\$ 131,680,875

Source: Dubuque County Auditor, Dubuque Community School District and Northeast Iowa Community College

(1) Excludes sales tax revenue bonds.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Dubuque. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF DUBUQUE, IOWA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debit limit	\$ 174,333	\$ 177,668	\$ 181,668	\$ 183,621
Total net debt applicable to limit	<u>109,636</u>	<u>142,551</u>	<u>144,118</u>	<u>131,289</u>
Legal debit margin	<u>\$ 64,697</u>	<u>\$ 35,117</u>	<u>\$ 37,550</u>	<u>\$ 52,332</u>
Total net debt applicable to the debt limit as a percentage of debt limit	62.89%	80.23%	79.33%	71.50%

TABLE 12

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 193,114	\$ 196,031	\$ 207,174	\$ 209,049	\$ 221,513	\$ 239,298
<u>154,643</u>	<u>152,386</u>	<u>141,076</u>	<u>124,926</u>	<u>117,223</u>	<u>109,021</u>
<u>\$ 38,471</u>	<u>\$ 43,645</u>	<u>\$ 66,098</u>	<u>\$ 84,123</u>	<u>\$ 104,290</u>	<u>\$ 130,277</u>
80.08%	77.74%	68.10%	59.76%	52.92%	45.56%

Legal Debt Margin Calculation for Fiscal Year 2020

Estimated actual value	<u>\$ 4,785,964,957</u>
Debt limit - 5% of total actual valuation	\$ 239,298,248
Debt applicable to limit: (Including GO Debt, TIF Debt, and Lease)	(109,020,970)
Legal debt margin	<u>\$ 130,277,278</u>

**CITY OF DUBUQUE, IOWA
REVENUE DEBT COVERAGE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

TABLE 13

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Current Fiscal Year's Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
WATER UTILITY							
2011	5,680	5,316	364	70	182	252	1.44
2012	6,087	5,895	192	255	238	493	0.39
2013	6,944	5,391	1,553	260	231	491	3.16
2014	7,283	7,384	(101)	432	344	776	(0.13)
2015	7,511	6,322	1,189	275	218	493	2.41
2016	8,508	4,826	3,682	285	211	496	7.42
2017	8,589	4,678	3,911	473	305	778	5.03
2018	8,962	4,989	3,973	489	288	777	5.11
2019	9,160	5,726	3,434	505	345	850	4.04
2020	9,497	5,599	3,898	1,049	371	1,420	2.75
STORMWATER UTILITY							
2011	3,023	1,679	1,344	100	178	278	4.83
2012	3,211	1,497	1,714	231	243	474	3.62
2013	3,194	2,019	1,175	462	268	730	1.61
2014	3,240	1,833	1,407	320	309	629	2.24
2015	3,551	2,162	1,389	331	311	642	2.16
2016	3,948	2,140	1,808	341	301	642	2.82
2017	4,224	2,601	1,623	352	291	643	2.52
2018	4,486	2,374	2,112	363	283	646	3.27
2019	5,062	3,229	1,833	343	273	616	2.98
2020	5,303	1,964	3,339	1,503	711	2,214	1.51
SEWAGE DISPOSAL WORKS							
2011	6,699	6,029	670	33	382	415	1.61
2012	7,878	7,018	860	34	1,129	1,163	0.74
2013	8,951	6,113	2,838	1,719	1,443	3,162	0.90
2014	10,083	6,754	3,329	2,326	1,423	3,749	0.89
2015	10,629	6,950	3,679	2,603	1,358	3,961	0.93
2016	12,237	7,702	4,535	2,610	1,435	4,045	1.12
2017	12,475	6,082	6,393	2,652	1,454	4,106	1.56
2018	12,731	6,360	6,371	2,707	1,476	4,183	1.52
2019	12,667	7,013	5,654	2,878	1,429	4,307	1.31
2020	12,777	6,645	6,131	2,946	1,362	4,308	1.42

(1) Total revenues (including interest).

(2) Total operating expenses exclusive of depreciation.

(3) Coverage is computed by dividing net revenue available for debt service by debt service requirement.

**CITY OF DUBUQUE, IOWA
WATER AND SEWER RECEIPT HISTORY
LAST TEN FISCAL YEARS**

TABLE 14

<u>Fiscal Year</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Gallons Billed</u>
2011	\$ 5,561,910	\$ 6,502,740	1,903,364,420
2012	6,298,768	8,682,927	1,914,175,940
2013	6,701,771	8,472,382	1,945,227,547
2014	7,028,091	9,756,996	1,845,151,329
2015	7,231,393	10,417,833	1,864,028,948
2016	8,159,240	11,772,847	1,883,797,577
2017	8,248,796	12,000,115	1,844,997,668
2018	8,525,072	12,015,480	1,632,426,374
2019	8,636,521	12,266,217	1,750,735,443
2020	8,958,162	12,395,751	1,738,198,948

Source: Cash basis receipt ledgers.

*Revenue includes penalties and investment earnings collected.

New in 2015 - revenue does not include sales tax. All years reflect this change.

WATER RATE SCHEDULE HISTORY

<u>Steps</u>	<u>Gallons</u>		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
First	22,440	@	\$ 0.00512	\$ 0.00512	\$ 0.00488	\$ 0.00474	\$ 0.00447	\$ 0.00406	\$ 0.00387	\$ 0.00355
Next	89,760	@	0.00419	0.00419	0.00399	0.00387	0.00365	0.00332	0.00316	0.00290
Next	261,800	@	0.00391	0.00391	0.00372	0.00361	0.00340	0.00309	0.00294	0.00270
Next	374,000	@	0.00345	0.00345	0.00329	0.00280	0.00301	0.00274	0.00261	0.00239
Excess		@	0.00302	0.00302	0.00288	0.00280	0.00264	0.00240	0.00229	0.00210

**CITY OF DUBUQUE, IOWA
WATER METERS BY RATE CLASS
LAST TEN FISCAL YEARS**

TABLE 15

Fiscal Year	Residential	Commercial	Industrial	Government	Total
2011	20,338	1,904	79	51	22,372
2012	20,532	1,902	79	52	22,565
2013	20,753	1,921	80	53	22,807
2014	20,887	1,945	81	68	22,981
2015	20,969	1,968	83	76	23,096
2016	21,157	1,972	84	104	23,317
2017	21,522	2,061	83	114	23,780
2018	20,498	2,019	83	115	22,715
2019	20,523	2,148	80	147	22,898
2020	21,886	1,941	69	138	24,034

**CITY OF DUBUQUE, IOWA
LARGEST WATER AND SEWER CUSTOMERS
FISCAL YEAR 2020**

TABLE 16

Customer	Water Receipts	Rank	Percentage of Total Water Receipts		Sewer Receipts	Rank	Percentage of Total Sewer Receipts
Rousselot Inc #155296	\$ 390,478	1	3.50	%			
Prairie Farms Dairy Inc	218,443	2	1.96				
Hormel Foods Corporation*	163,328	3	1.46	\$	368,486	1	2.97 %
Hormel Foods Corporation*	157,032	4	1.41		353,173	2	2.85
Alpine Park Community	47,996	5	0.43		96,599	3	0.78
Finley Hospital	47,717	6	0.43		73,714	6	0.59
Stonehill Nursing Home	45,411	7	0.41		83,082	4	0.67
Yes Companies Exp Fred, LLC	41,322	8	0.37		80,595	5	0.65
APC, Inc.	40,960	9	0.37				
Georgia Pacific	38,867	10	0.35		61,002	7	0.49
IADU Table Mound MHP LLC					60,801	8	0.49
Grand Harbor Resor & Waterpark					52,534	9	0.42
Ronsan Enterprises Inc/Days Inn					42,670	10	0.34
Total Receipts	<u>\$ 11,168,595</u>				<u>\$ 12,395,751</u>		

*Same company, separate accounts. Previously combined several accounts under same business, now listed separately.

**CITY OF DUBUQUE, IOWA
SALES TAX INCREMENT BONDS
FISCAL YEAR ENDING JUNE 30, 2020**

TABLE 17

Fiscal Year	Estimated Sales Tax Increment Revenue Receipts*	Senior Lien Series 2015A Net Debt Service (1)	Remaining Revenues After Senior Lien Debt Service	Second Lien Series 2014 Net Debt Service (2)	Remaining Revenues After Second Lien Debt Service
2015 *	\$ 2,037,489	\$ -	\$ 2,037,489	\$ -	\$ 2,037,489
2016 *	2,532,846	-	2,532,846	-	2,532,846
2017 *	3,945,134	-	3,945,134	(323,100)	3,622,034
2018 *	3,654,915	(762,650)	2,892,265	(323,100)	2,569,165
2019 *	4,207,297	(762,650)	3,444,647	(323,100)	3,121,547
2020 *	4,709,559	(762,650)	3,946,909	(323,100)	3,623,809
2021	5,574,673	(762,650)	4,812,023	(323,100)	4,488,923
2022	6,380,938	(762,650)	5,618,288	(323,100)	5,295,188
2023	6,866,198	(2,767,650)	4,098,548	(438,100)	3,660,448
2024	6,956,351	(2,771,000)	4,185,351	(1,393,500)	2,791,851
2025	6,957,401	(2,768,969)	4,188,432	(1,400,500)	2,787,932
2026	6,952,046	(2,771,031)	4,181,015	(1,344,250)	2,836,765
2027	6,952,532	(2,768,719)	4,183,813	(1,363,000)	2,820,813
2028	6,947,494	(2,768,394)	4,179,100	(1,365,000)	2,814,100
2029	6,723,750	(2,767,300)	3,956,450	(1,365,000)	2,591,450
2030	6,250,000	(2,768,800)	3,481,200	-	3,481,200
2031	4,467,912	(2,766,400)	1,701,512	-	1,701,512
2032	2,217,912	-	2,217,912	-	2,217,912
2033	2,250,000	-	2,250,000	-	2,250,000

* Actual receipts.

(1) Net of capitalized interest and the debt service reserve fund.

(2) Net of capitalized interest.

**CITY OF DUBUQUE, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

TABLE 18

Year	Population	Personal Income	Per Capita Personal Income (1)	Median Age (2)	Public School Enrollment (3)	Unemployment Rate (4)
2011	57,637	\$ 2,354,759,635	40,855	37	10,467	5.8 %
2012	57,637	2,453,952,912	42,576	37	10,469	5.2
2013	57,637	2,489,053,845	43,185	39	10,513	4.6
2014	57,637	2,560,293,177	44,421	39	10,578	4.4
2015	57,637	2,645,653,574	45,902	38	10,634	3.7
2016	58,436	2,734,454,184	46,794	38	10,588	3.9
2017	58,799	2,717,101,790	46,210	38	10,556	2.9
2018	58,276	2,903,485,148	49,823	37	10,507	2.2
2019	57,941	3,049,782,476	52,636	38	10,459	2.2
2020	57,882	*	*	38	10,489	8.7

Data Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis.
- (2) Greater Dubuque Development Corporation.
- (3) Dubuque Community School District.
- (4) Iowa Department of Employment Services as of June 30.

* Unavailable at report date.

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**CITY OF DUBUQUE, IOWA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE 19

Employer	2020			2011		
	# of Employees	Rank	Percentage of Total City Employment (1)	# of Employees	Rank	Percentage of Total City Employment (1)
John Deere (2)	2,600	1	4.88 %	1,946	2	3.58 %
Dubuque Community Schools	1,957	2	3.67	2,065	1	3.80
Mercy One	1,410	3	2.65	1,324	3	2.44
Medical Associates	1,061	4	1.99	999	5	1.84
Unity Point Health-Finley Hospital	975	5	1.83	920	6	1.69
Andersen Windows	750	6	1.41	550	9	1.01
City of Dubuque	737	7	1.38	666	7	1.26
Sedgwick	725	8	1.36			
Cottingham & Butler	715	9	1.34			
Dubuque Bank & Trust and Heartland Financial USA,	600	10	1.13			
IBM				1,300	4	2.39
Holy Family Catholic Schools				575	8	1.06
Prudential Retirement				550	9	1.01
Dubuque Racing Association				413	10	0.76
	<u>11,530</u>		21.63 %	<u>11,308</u>		20.86 %

Source: Greater Dubuque Development Corp.

(1) Based on the percentage of total employment for Dubuque area from the U.S. Department of Labor, Bureau of Labor Statistics.

(2) Located just outside City Limits.

**CITY OF DUBUQUE, IOWA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY
FUNCTION/DEPARTMENT
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014
Public Safety				
Emergency Communications	13.00	13.00	13.00	13.00
Fire	90.00	90.00	90.00	90.00
Police	113.34	114.25	115.00	115.08
Building Services	9.00	9.00	9.00	9.24
Public Works				
Public Works	87.42	87.42	86.17	86.42
Engineering	27.00	27.00	29.00	29.00
Health & Social Services				
Health Services	4.00	4.00	4.00	4.00
Human Rights	3.00	4.00	5.00	5.00
Cultural and Recreation				
Civic Center	0.15	0.15	0.15	0.15
Library	18.00	18.00	19.00	19.00
Park	22.50	23.50	23.50	23.50
Recreation	8.93	9.93	9.93	9.93
Community & Economic Development				
Community / Economic Dev	3.00	3.00	3.00	4.00
Housing Services	22.25	23.00	25.80	27.00
Planning Services	8.00	8.00	8.00	8.00
General Government				
Airport	12.00	12.00	12.00	12.00
Cable TV	2.00	2.00	2.00	2.00
City Clerk's Office	3.00	3.00	3.00	3.00
City Manager's Office	15.00	14.00	15.00	15.00
Finance	14.00	14.00	14.00	14.08
Legal	5.00	5.00	5.00	5.00
Information Services	7.00	7.00	7.50	8.00
Business Type				
Water	25.00	25.00	25.00	26.00
Water & Resource Recovery Center	18.00	18.00	18.00	18.00
Parking	9.00	9.00	9.00	9.00
Transit	7.00	6.00	6.00	6.32
Total	<u>546.59</u>	<u>549.25</u>	<u>557.05</u>	<u>561.72</u>

Source: City Budget Records

Departments with employees who are allocated to more than one function are reflected in the area with largest number of employees.

TABLE 20

2015	2016	2017	2018	2019	2020
13.00	13.00	14.00	14.00	14.00	15.00
90.00	90.00	90.00	90.00	90.00	91.00
115.88	116.00	116.00	116.00	117.00	118.00
11.66	12.00	12.00	12.00	11.00	11.00
86.42	86.42	86.42	86.42	87.42	87.42
29.00	30.00	30.00	26.06	26.00	27.00
4.00	4.00	4.00	4.00	4.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
0.15	0.15	0.15	0.15	0.15	0.15
19.00	19.00	19.00	19.00	19.00	19.00
23.50	23.50	22.50	22.50	22.50	22.50
10.93	11.93	11.93	11.93	11.93	11.93
4.00	2.00	2.00	3.00	3.00	3.00
26.00	21.00	25.00	25.00	23.52	27.00
8.00	8.00	8.00	8.00	8.00	8.00
12.00	12.00	12.00	12.00	12.00	12.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
16.00	16.00	16.00	17.00	17.50	15.50
14.88	15.00	15.00	15.00	14.00	19.00
5.00	5.00	5.00	4.00	4.00	4.00
8.00	8.00	8.00	8.00	8.00	8.00
26.00	25.00	25.00	25.00	24.00	25.00
18.00	17.00	17.00	17.00	15.00	15.00
9.00	9.00	8.00	7.00	-	-
8.00	13.00	13.00	14.00	20.00	23.00
568.42	567.00	570.00	567.06	562.02	577.50

**CITY OF DUBUQUE, IOWA
OPERATING INDICATORS BY
FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2011	2012	2013	Fiscal - 2014
Public Safety				
Police				
Physical arrests	6,350	6,319	6,106	5,532
Traffic violations	12,289	11,836	12,089	8,959
Parking violations	35,799	34,910	35,516	36,768
Fire				
Number of calls answered	4,884	5,307	4,792	5,165
Inspections conducted	555	589	512	471
Sewer				
Sewage system				
Daily average treatment in gallons	8,132,000	7,817,000	10,987,000	7,091,000
Maximum daily capacity of treatment plant in gallons	23,240,000	23,240,000	23,240,000	24,500,000
Water systems				
Daily average consumption in gallons	7,636,000	7,226,000	6,953,000	7,235,000
Maximum daily capacity of plant in gallons	18,000,000	18,000,000	18,000,000	18,000,000
Refuse (Municipal Collection)				
Tonnage	10,660	11,180	10,535	10,311

Sources: Various City Departments.

Statistics updated for fiscal year 2017

TABLE 21

Year					
2015	2016	2017	2018	2019	2020
3,767	3,397	3,238	3,519	3,403	2,830
7,354	9,058	9,063	9,415	8,369	7,156
37,635	38,880	33,953	32,857	25,685	18,044
5,603	5,750	5,990	5,949	6,058	6,304
791	993	1,649	1,675	1,232	1,260
7,237,000	7,016,000	7,377,000	7,900,000	7,930,000	8,730,000
24,500,000	24,500,000	24,500,000	24,500,000	24,500,000	24,500,000
6,956,000	7,068,184	7,200,000	6,917,000	6,133,000	6,210,000
18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
10,690	11,098	11,284	11,481	11,569	12,212

**CITY OF DUBUQUE, IOWA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	22	22	22
Fire				
Stations	6	6	6	6
Aerial trucks	3	3	3	3
Public works				
Streets				
Miles (1)	325	328	329	331
Street lights (1)	1,931	2,081	2,084	2,110
Health and social services				
Hospital	2	2	2	2
Number of patient beds	389	389	389	389
Cultural and recreation				
Library	1	1	1	1
Golf	1	1	1	1
Parks	48	51	51	51
Acreage	901	1,001	1,001	1,001
Recreation				
Civic center	1	1	1	1
Swimming pools	2	2	2	2
Softball fields	7	7	7	7
Baseball fields	1		1	1
Tennis courts	20	20	20	20
Sewer				
Sewage system				
Miles of sanitary sewer (1)	300	304	304	307
Miles of storm sewers (1)	150	155	141	144
Number of treatment plants	1	1	1	1
Number of service connectors	21,702	22,393	22,428	22,888
Water systems				
Miles of water mains	319	320	321	315
Number of service connectors	22,092	22,161	22,536	22,702
Number of city owned fire hydrants	2,854	2,863	2,879	2,336

Sources: Various City Departments.

(1) City GIS System

TABLE 22

2015	2016	2017	2018	2019	2020
1 22	1 22	1 22	1 22	1 22	1 22
6 3	6 3	6 3	6 3	6 3	6 3
333 2,161	332 2,162	336 2,184	334 2,312	340 2,436	331 2,489
2 373	2 373	2 373	2 373	2 373	2 373
1 1 53 974	1 1 53 974	1 1 53 974	1 1 53 974	1 1 53 974	1 1 53 985
1 2 11 1 20	1 2 11 1 20	1 2 11 1 20	1 2 11 1 20	1 2 10 1 16	1 2 10 1 16
320 145 1 22,928	322 147 1 23,119	326 152 1 23,343	321 156 1 23,423	332 158 1 23,488	333 151 1 23,601
318 22,787 2,346	329 22,970 2,380	337 23,443 2,450	370 23,546 2,973	410 23,605 2,539	325 23,695 2,553

**CITY OF DUBUQUE, IOWA
RETAIL SALES
LAST TEN CALENDAR YEARS**

TABLE 23

Year	Taxable Retail Sales	Number of Businesses
2011	\$ 1,014,284,468	2,009
2012	1,060,222,499	1,993
2013	1,057,837,212	2,008
2014	1,240,664,593	3,337
2015	1,305,893,119	3,347
2016	1,316,561,626	2,997
2017	1,324,993,666	2,971
2018	1,323,052,623	2,970
2019	1,353,208,250	3,353
2020	*	*

Data Sources:
Iowa Department of Revenue

* Unavailable at report date

Compliance Section
June 30, 2020
City of Dubuque, Iowa

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dubuque, Iowa, (City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 15, 2021.

The financial statements of Dubuque Initiatives and Subsidiaries, a discretely presented component unit which was audited by other auditors, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

The financial statements of Dubuque Convention and Visitors Bureau, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Erik Bailly in cursive script.

Dubuque, Iowa
January 15, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the City of Dubuque, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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 opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
January 15, 2021

City of Dubuque, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct program				
Soil and Water Conservation	10.902		\$ 71,799	\$ -
Environmental Quality Incentives Program	10.912		15,094	-
Conservation Stewardship Program	10.924		2,594	-
Total U.S. Department of Agriculture			89,487	-
<u>U.S. Department of Housing and Urban Development</u>				
Direct program				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		49,237	-
Community Development Block Grants/Entitlement Grants	14.218		251,317	-
Community Development Block Grants/Entitlement Grants	14.218		312,448	-
Community Development Block Grants/Entitlement Grants	14.218		846,560	115,880
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		172,900	-
Total CDBG - Entitlement Grants Cluster			1,632,462	115,880
Continuum of Care Program	14.267		84,739	-
Pass-through program from				
Iowa Economic Development Authority				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster National Resiliency Disaster Recovery Competition	14.272	B-13-DS-19-001	9,680,113	-
Direct program				
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856		92,080	-
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		5,343,226	-
Section 8 Housing Choice Vouchers	14.871		66,740	-
Total Housing Voucher Cluster			5,409,966	-
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		545,198	-
Total U.S. Department of Housing and Urban Development			17,444,558	115,880
<u>U.S. Department of Interior</u>				
Pass-through program from				
Iowa Department of Cultural Affairs				
Historic Preservation Fund Grants-In-Aid	15.904	2019-03	6,589	-
<u>U.S. Department of Justice</u>				
Direct program				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		1,742	-
Pass-through program from				
Iowa Department of Justice				
Violence Against Women Formula Grants	16.588	VW-19-14-CJ	1,216	-
Violence Against Women Formula Grants	16.588	VW-20-41-LE	1,470	-
			2,686	-

City of Dubuque, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Justice (continued)</u>				
Direct program				
Bulletproof Vest Partnership Program	16.607		\$ 4,428	\$ -
Pass-through program from				
Iowa Department of Justice				
Public Safety Partnership and Community				
Policing Grants	16.710	18-CAMP-05	5,315	-
Public Safety Partnership and Community				
Policing Grants	16.710	18-COPS-HEROIN-02	2,618	-
			<u>7,933</u>	<u>-</u>
Direct program				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738		7,185	-
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738		12,168	-
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738		19,548	-
Pass-through program from				
Dubuque County Sheriff's Office				
Edward Byrne Memorial Justice				
Assistance Grant Program	16.738	17-JAG-299019	31,658	-
			<u>70,559</u>	<u>-</u>
Total U.S. Department of Justice			<u>87,348</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Direct program				
Airport Improvement Program	20.106		294,122	-
COVID-19 - Airport Improvement Program	20.106		274,162	-
Airport Improvement Program	20.106		581,546	-
Airport Improvement Program	20.106		338,794	-
			<u>1,488,624</u>	<u>-</u>
Highway Planning and Construction Cluster				
Pass-through program from				
Iowa Department of Transportation				
Highway Planning and Construction	20.205	EDP-2100(695)-7Y-31	547,006	-
Highway Planning and Construction	20.205	HDP-2100 (664)--71-31	7,916	-
Highway Planning and Construction	20.205	HDP-2100(679)-71-31	307,591	-
Highway Planning and Construction	20.205	SB-IA-2100(675)--7T-31	17,000	-
Highway Planning and Construction	20.205	STP-U-2100(693)-70-31	282,070	-
Highway Planning and Construction	20.205	STP-U-2100(634)-70-31	11,469	-
Highway Planning and Construction	20.205	TAP-U-2100(683)--8I-31	15,668	-
			<u>1,188,720</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>1,188,720</u>	<u>-</u>
Federal Transit Cluster				
Direct program				
Federal Transit - Formula Grants	20.507		80,130	-
COVID-19 - Federal Transit - Formula Grants	20.507		1,175,154	-
Federal Transit - Formula Grants	20.507		767,200	-
			<u>2,022,484</u>	<u>-</u>
Buses and Bus Facilities Formula, Competitive, and				
Low or No Emissions Programs	20.526		1,632,894	-
Total Federal Transit Cluster			<u>3,655,378</u>	<u>-</u>

City of Dubuque, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Transportation (continued)</u>				
Pass-through program from				
Iowa Department of Transportation				
Formula Grants for Rural Areas				
and Tribal Transit Program	20.509	ICB-CY19	\$ 6,792	\$ -
Transit Services Program Cluster				
Enhanced Mobility of Seniors and				
Individuals with Disabilities	20.513	2020-001-00-SFY20	60,614	-
Highway Safety Cluster				
Iowa Department of Public Safety				
State and Community Highway Safety	20.600	PAP 19-402-MOOP	12,435	-
State and Community Highway Safety	20.600	PAP 20-402-MOOP	8,184	-
Total Highway Safety Cluster			20,619	-
Total U.S. Department of Transportation			6,420,747	-
<u>Environmental Protection Agency</u>				
Direct program				
Brownsfields Assessment and Cleanup				
Cooperative Agreements	66.818		48,878	-
Brownsfields Assessment and Cleanup				
Cooperative Agreements	66.818		99,773	-
Brownsfields Assessment and Cleanup				
Cooperative Agreements	66.818		61,289	-
Brownsfields Assessment and Cleanup				
Cooperative Agreements	66.818		500	-
Total Environmental Protection Agency			210,440	-
<u>Corporation for National and Community Service</u>				
Pass-through program from				
Iowa Commission on Volunteers				
AmeriCorps	94.006	19-AC-10	119,916	-
AmeriCorps	94.006	19-AF-05	35,297	-
AmeriCorps	94.006	18-AC-10	45,459	-
AmeriCorps	94.006	18-FP-02	6,725	-
Total Corporation for National and Community Service			207,397	-
Total			\$ 24,466,566	\$ 115,880

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Dubuque, Iowa, (the City) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, fund balance, or cash flows of the City.

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimis cost rate.

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

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster National Resiliency Disaster Recovery Competition	14.272
Housing Voucher Cluster Section 8 Housing Choice Vouchers	14.871
Airport Improvement Program	20.106
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Part II: Findings related to Financial Statements

Material Weakness

2020-001 Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – During the course of our engagement, we proposed material audit adjustments to accounts payable and the Schedule of Expenditures of Federal Awards. We also proposed significant audit adjustments to receivables, unavailable revenue, and capital assets.

Cause – The City’s existing internal controls over accounts payable, the Schedule of Expenditures of Federal Awards, receivables, unavailable revenue, and capital assets are limited.

Effect – The effect of this condition was financial data not in accordance with generally accepted accounting principles.

Recommendation – We recommend the City increase procedures over accounts payable, the Schedule of Expenditures of Federal Awards, receivables, unavailable revenue, and capital assets.

Views of Responsible Officials – We agree with the auditor’s comments. The City of Dubuque Finance Department has experienced significant staff turnover, including key management staff, in the past twelve months. The following action will be taken to improve the situation. An Assistant Director of Finance, who possesses significant government accounting experience, was hired on April 1, 2020. The Assistant Director of Finance has taken the lead of the audit and financial preparation and will continue to improve procedures. In addition, the City is in the process of selecting a new Enterprise Resource Planning (ERP) system to be implemented over the next two years. The new ERP system will have better management and controls over accounts payable, grants, accounts receivable, unearned revenue, and assets. The current ERP system lacks functionality and the procedures related to accounts payable, grants, accounts receivable, unearned revenue, and capital assets are all manual and compiled by reviewing invoices and receipts and compiling the information into spreadsheets.

Part III: Findings and Questioned Costs for Federal Awards

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting

2020-IA-A Certified Budget – Disbursements during the year ended June 30, 2020 did not exceed the budget by function.

2020-IA-B Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

2020-IA-C Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2020-IA-D Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Riley Fairchild, City employee, spouse is owner of Fairchild Business Coaching	Services	\$ 18,950
Mike Kerth, City employee, spouse is co-owner of Steve's Ace Hardware	Supplies	14,100
Gina Hodgson, City employee, spouse is Bob Hodgson	Crop Cover	1,635
Paula Cook, City employee, spouse is owner of JASC Property LLC.	Services	483
Douglas Merke, City employee, spouse is owner of River Valley Veterinary Services	Services	450
John Hefel, City employee, spouse is owner of A Frame of Mind Framing & Gallery	Services	318

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction with Gina Hodgson, Paula Cook, Douglas Merke, and John Hefel do not appear to represent conflict of interest since the total transaction was less than \$6,000 during the fiscal year. The transactions with Riley Fairchild and Mike Kerth may represent conflicts of interest since they were not entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

2020-IA-E Restricted Donor Activity – No transactions were noted between the City, City officials, City employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.

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

- 2020-IA-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 the coverage is adequate for current operations.
- 2020-IA-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2020-IA-H Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2020-IA-I Revenue Debt** – No instances of non-compliance with the provisions of the Sewage Disposal Works, Water Utility, or Stormwater Utility revenue debt resolutions were noted.
- 2020-IA-J Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1. However, we noted instances in which TIF debt balances did not reconcile with City records.

Recommendation – The City should implement additional preparation and review procedures relating to the Annual Urban Renewal Report.

Response – We agree with the auditor’s comments. The following action will be taken to improve the situation. The annual TIF Debt Certification to the County and the Annual Urban Renewal Report will be prepared at the same time. A reconciliation will be done between both reports prior to submittal.

- 2020-IA-K Solid Waste Tonnage Fees Retained** – No instances of non-compliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa by the Dubuque Metropolitan Area Solid Waste Agency, a component unit of the City, were noted.
- 2020-IA-L Financial Assurance** – The Dubuque Metropolitan Area Solid Waste Agency, a component unit of the City, has demonstrated financial assurance for closure and postclosure care costs by establishing a local government dedicated fund as provided in 567-113.14(6) of the Iowa Administrative Code.
- 2020-IA-M Public Improvement Projects** – During our audit, we noted one project in which the City published a notice of public hearing 24 days before the date of the public hearing. To be in accordance with Chapter 26.12 and Chapter 362.3 of the Code of Iowa, a notice of public hearing must be published for public improvement projects between 4-20 days before the public hearing date.

Recommendation – The City should ensure all notices are published in accordance with Chapter 26.12 and Chapter 362.3 of the Code of Iowa.

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

Response – We agree with the auditor’s comments. The following action will be taken to improve the situation. The notice for the Jackson Street Construction Project should have been split into two separate notices: Notice of Hearing and the Notice to Property Owners. A notice to property owners has a different timeline and publication requirement than a Notice of Hearing. In the future, notices for construction projects will be reviewed to ensure that publication requirements are met.

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