

ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2023



THIS PAGE IS INTENTIONALLY LEFT BLANK

Introductory Section

June 30, 2023

City of Dubuque, Iowa

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF DUBUQUE, IOWA
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION (Unaudited)		
Table of Contents		1-2
Letter of Transmittal		3-11
City Organizational Chart		12
Officials		13
Certificate of Achievement for Excellence in Financial Reporting		14
FINANCIAL SECTION		
Independent Auditor's Report		15-17
Management's Discussion and Analysis (Unaudited)		18-27
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	1	28-29
Statement of Activities	2	30
Fund Financial Statements		
Balance Sheet – Governmental Funds	3	31-32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3-1	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	34-35
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	4-1	36
Statement of Net Position – Proprietary Funds	5	37-40
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	6	41-42
Statement of Cash Flows – Proprietary Funds	7	43-46
Statement of Fiduciary Net Position - Custodial Funds	8	47
Statement of Changes in Fiduciary Net Position - Custodial Funds	9	48
Notes to Financial Statements		49-107
Required Supplementary Information (Unaudited)		
Schedule of Receipts, Expenditures, and Changes in Balances – Budget and Actual (Budgetary Basis) – Governmental Funds and Enterprise Funds		108
Note to Required Supplementary Information – Budgetary Reporting		109
Schedule of the City's Proportionate Share of Net Pension Liability – Iowa Employees' Retirement System		110
Schedule of City's Contribution – Iowa Employees' Retirement System		111
Notes to Required Supplementary Information – Net Pension Liability IPERS		112
Schedule of the City's Proportionate Share of Net Pension Liability – Municipal Fire and Police Retirement System of Iowa		113
Schedule of City's Contributions – Municipal Fire and Police Retirement System of Iowa		114
Notes to Required Supplementary Information – Net Pension Liability MFPRSI		115
Schedule of Changed in Total OPEB Liability, Related Ratios and Notes		116
Supplementary Information		
Combining Fund Statements		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	117-119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	120-122
Combining Statement of Net Position – Nonmajor Enterprise Funds	B-1	123
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds	B-2	124

CITY OF DUBUQUE, IOWA
TABLE OF CONTENTS

FINANCIAL SECTION (continued)	<u>Exhibit</u>	<u>Page</u>
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	B-3	125-126
Combining Statement of Net Position – Internal Service Funds	C-1	127-128
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit) – Internal Service Funds	C-2	129-130
Combining Statement of Cash Flows – Internal Service Funds	C-3	131-132
STATISTICAL SECTION (Unaudited)	<u>Table</u>	<u>Page</u>
Statistical Section Contents		133
Financial Trends		
Net Position by Component	1	134-135
Changes in Net Position	2	136-139
Fund Balances of Governmental Funds	3	140-141
Changes in Fund Balances of Governmental Funds	4	142-143
Revenue Capacity		
Taxable and Assessed Value of Property	5	144
Property Tax Rates – Direct and Overlapping Governments	6	155
Principal Property Taxpayers	7	146
Property Tax Levies and Collections	8	147
Debt Capacity		
Ratios of Outstanding Debt by Type	9	148-149
Ratios of General Bonded Debt Outstanding	10	150
Direct and Overlapping Governmental Activities Debt	11	151
Legal Debt Margin Information	12	152-153
Revenue Debt Coverage	13	154
Water and Sewer Receipt History	14	155
Water Meters by Rate Class	15	156
Largest Water and Sewer Customers	16	157
Sales Tax Increment Actual Receipts and Cumulative Sales Tax Balance Remaining	17	158
Demographic and Economic Information		
Demographic and Economic Statistics	18	159
Principal Employers	19	160
Operating Information		
Full-Time Equivalent City Government Employees by Function/Department	20	161-162
Operating Indicators by Function/Program	21	163-164
Capital Asset Statistics by Function	22	165-166
Retail Sales	23	167
COMPLIANCE SECTION		
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 <i>Government Auditing Standards</i>		168-169
Independent Auditor's Report on Compliance with Requirements for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance		170-172
Schedule of Expenditures of Federal Awards		173-175
Notes to the Schedule of Expenditures of Federal Awards		176
Schedule of Findings and Questioned Costs		177-181



Finance Department
50 West 13th Street
Dubuque, Iowa 52001-4805
Office (563) 589-4133
Fax (563) 690-6689
TTY (563) 690-6678
finance@cityofdubuque.org
www.cityofdubuque.org

September 30, 2024

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

The City of Dubuque, Iowa, pursuant to the requirements set forth by state and federal regulations, hereby submits the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 FORVIS LLP conducted the audit for fiscal year 2023. The independent auditors' report is included in the Financial Section of this report. 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 Principals, 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 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; parks, 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. The City has no blended component units. 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, Inc. is a sustainable, non-profit organization, working as a community partner and catalyst, to undertake challenging projects involving job creation and/or community revitalization that supports a viable, livable and equitable community. In the event of dissolution, any assets or property of the organization are transferred to the City. Travel Dubuque'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 of which operating as a non-profit (DRA) with annual net revenues disbursed equally to the City's general fund, to the DRA for distribution to local non-profits in the form of grants, and for the redevelopment of Chaplain Schmitt Island. 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 32.3 square miles, and a census 2020 population of 59,667. 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 May 2024, the City's unemployment rate was 2.7%, below the state unemployment rate of 2.8% and below the 4.0% 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 21% 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. Local unemployment rates are below (2.8%) statewide (2.9%) and below the national (4.0%) figures.

Industrial

In fiscal year 2023, the City of Dubuque experienced an expansion of industrial development in multiple regions of the city. These regions include the Dubuque Industrial Center West (DICW), the Dubuque Industrial

Center South (DICS), the Kerper Boulevard industrial area, and the Dubuque Industrial Crossroads (DIC). The Dubuque Industrial Center West and South (DICW and DICS) together are a total 713 acres of developable land. These industrial centers contain more than forty-five different businesses which have brought hundreds of jobs to the region. The area continues to have available lots for future investment and job creation. In fiscal year 2023 the DICW and DICS saw expansions to a number of existing businesses including:

- Green Industrial Supply (1525 Innovation Drive): 88,000 square foot addition
- Geisler Brothers Co. (1500 Radford Road): 55,985 square foot addition
- Simmons Pet Food (501 Seippel Road): 254,880 square foot remodel and addition
- Tri-State Quality Metals (651 Seippel Road): 31,350 square foot addition
- Dubuque Screw Products (6500 Chavenelle Road): 23,000 square foot addition

Also in 2023, along Kerper Boulevard, industrial development expansion included Klauer Manufacturing which constructed a 67,197 square foot addition to their existing facility.

The year also brought about the beginning steps in the development of a new industrial center, the Dubuque Industrial Crossroads (DIC). The DIC is located at the southwest corner of the intersection of US Highways 151/61 and US Highway 52 (Southwest Arterial). Here, the city acquired 156 acres to accommodate future business development.

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. Heartland Financial and Cottingham & Butler partnered in 2019 to purchase the Roshek Building in order to accommodate their quickly expanding workforce. Their subsequent buildout provides office space on all floors of the building to support hundreds of additional Heartland and Cottingham & Butler employees at this location. The COVID-19 pandemic has changed business practices in relation to on-site employment, but all floors of the facility are prepared for a full return to the office. This continued use of an iconic historic building in Dubuque's downtown supports our local retail.

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, as well as over 200 residential units, with nearly 200 additional units planned to begin construction in 2025. 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.

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.

Phase I of Mt. Carmel campus for construction of a new senior housing development by BVM-PHS Senior Housing, Inc. has been completed. Phase II is in plan review. When all four phases are completed, a total of 450 dwelling units will be available.

In 2022, The John F. Kennedy Road Commercial Corridor sees continued redevelopment with the construction of 7500 sf Green State Credit Union on a 55,407 sf site at the corner of Stoneman Road and JFK., a five (5) unit 11,407 sf multi-tenant commercial building on a 63,346 sf site at 3415 Stoneman Road and Collins Community Credit Union constructing a 29,799 sf three (3) story building on a 100,137 sf site at the former Shopko Site.

Asbury Plaza continues to be developed with the additions of Starbucks and future construction of a Brakes Plus facility.

Residential

In fiscal year 2023, the City of Dubuque saw an expansion of residential projects. Residential development included market rate apartments, single-family lots, duplex lots, a cooperative community, and workforce housing units. The following residential developments were reviewed, completed, or under construction during the fiscal year:

- Fox Hills Apartments (3920 Plaza Drive): 390-unit market rate apartments
- Silver Oaks Subdivision #3 (end of Elmwood Drive): 128 single-family/duplex lots
- Vintae Estates of Dubuque (end of Barnwood Lane): 35 single-family cooperative community
- Old Prescott School (1199 Central Avenue): 14-unit market rate apartments
- Miller 4-Plex (end of Eastgate Court): 4-unit market rate apartments
- Rustic Point Estates #2 (Kennedy Road & Derby Grange Road): 45 single-family/duplex lots
- Roosevelt West (1895 Radford Road): 50-unit affordable workforce housing development
- The Gardens of Dubuque (1895 Radford Road): 50-unit affordable workforce housing development

Health Services

MercyOne Dubuque along with Medical Associates Clinic constructed 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.

Grand River Medical Center constructed a 45,000 square foot, three-story, acute care medical facility in Westmark Business Park off of the Northwest Arterial and Pennsylvania Avenue.

Medical Associates Clinic is in the process of grading 5 1/2 acres located on the northwest corner of the intersection of Chavenelle Road and the Northwest Arterial for a future medical clinic.

Crescent Community Health Center, a Federally Qualified Health Center (FQHC), expanded services and their clinic space at 1690 Elm Street to include behavioral health services, and an urgent care clinic. The clinic is now expanding dental services as well as it's wellness services in an out building at their address. Crescent acquired In Focus pharmacy, located on the second floor of 1690 Elm Street, and will now offer pharmacy services.

Education

The Dubuque community takes great pride in the quality of its educational system and it is a top priority for Dubuque residents 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 two 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.

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.

Creating an Equitable Community for All: Several City Council policy agenda priorities in the past year focused on creating a more equitable community for all. Notably, Council prioritized implementation of the Equitable Poverty Reduction and Prevention Plan and Equitable Fine and Fee Reform.

In 2021, the City Council prioritized the creation of an Equitable Poverty Reduction and Prevention Plan. The Plan was delivered to Council by Public Works LLC, and lays out an implementation strategy to reduce poverty, especially in communities of color. The FY22 budget recommended funding for Public Works LLC to continue assisting the City in implementation. It also recommends the creation of a new Office of Shared Prosperity and Neighborhood Support.

The Equitable Fine and Fee Reform priority examines how the City's fines and fee structures impact our most vulnerable population, particularly communities of color. Key issues include a thorough analysis of quantitative and qualitative data to understand impact, legislative advocacy at the county, state, and federal level, and actions to restructure fine and fee schedules and practices. Staff capacity to manage recommended programs will be key to successful implementation. The Community Impact Division was established in Leisure Services with two positions, Community Diversion and Prevention Coordinator and Community Service Outreach Coordinator to focus on this work.

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 in the summer of 2017. The \$25.9 million Bee Branch Creek Railroad Culverts Project was awarded in early 2019 and was completed in late 2022. Since the fall of 2021, the

improvements have provided for an increase in the level of flood protection for over 1,300 homes and businesses from a 1 in 75- year rain to a 1 in 500 - year rain.

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 also provided \$24.9 million for stormwater infrastructure improvements related to the Bee Branch Watershed Flood Mitigation Project. Specifically, this includes funding towards the \$25.9 million Bee Branch Creek Railroad Culverts Project that involves the installation of six 8-foot diameter culverts to pass floodwaters from the Upper Bee Branch to the Lower Bee Branch through the railway yard on Garfield Avenue. The grant also provided funding to provide drainage improvements from the Bee Branch Creek to the west along 22nd Street up Kaufmann Avenue to North Main Street. Finally, the grant provided funding for drainage improvements from the Bee Branch Creek to the west along 17th Street from Elm Street to N. Main Street. The HUD Resiliency Grant will expedite the completion of the Bee Branch Watershed Flood Mitigation Project, lessening the potential flood damage caused by future flash floods.

Another phase of the Bee Branch project is the \$18.9 million Bee Branch Stormwater Pumping Project that involves improvements 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. 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 has increased by \$8.9 million, due in part to site challenges. The City is evaluating alternative designs that would be ready for bidding in late 2023. Unfortunately, the economic impact of the COVID-19 pandemic did delay the project.

Chaplain Schmitt Island Master Plan: As part of a commitment to create a variety of fun things to do for all, the City is part of a team lead by the DRA which is implementing the Chaplain Schmitt Island Master Plan. The Plan identifies a strategy to redevelop the island, beginning with the additional enhancements to the Veterans Memorial Plaza and including developing/redeveloping recreational amenities, business development, self-sufficiency of the Q Casino + Resort, construction of a new hotel, and redevelopment of the 16th Street Corridor onto the Island. The ImOn Arena (ice rink and event center) transferred from a non-profit operation to City to now management by Schmitt Island Development Corporation, the first of many partnerships to be developed with this partner. The work will be done while focusing on the environmental integrity of the island with the US Army Corps of Engineers and the Iowa Department of Natural Resources.

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 residents 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 custodial 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) had investment gains of \$5,558,933 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. 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 \$1,035,888 net position as of June 30, 2023. 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 \$5,773,859 as of June 30, 2023. 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 upgraded to the Aa2 rating on outstanding general obligation unlimited tax (GOULT) debt on July 10, 2023; a Aa2 rating on outstanding second lien sales tax increment debt that is ultimately backed by an unlimited property tax pledge; and an A1 rating on outstanding senior lien sales tax increment revenue bonds. The Aa2 rating reflects strong financial operations and ample revenue-raising flexibility, which has resulted in steadily improved available fund balance and cash. The City serves as a regional economic center and its regional economic growth rate has outpaced the nation over the past five years. On July 13, 2021, Moody's upgraded the rating on the water revenue debt from A2 to A1. The A1 rating reflects the water enterprise's very strong cash position, updated system condition, and strong capital and operational planning with unlimited rate setting authority.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 35th 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

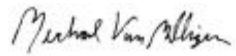
A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2024. 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 18th 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 to be reviewed every five years by the APT US&C. The investment policy was successfully recertified in 2023.

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, FORVIS LLP, whose competent assistance and technical expertise have enabled the production of this report.

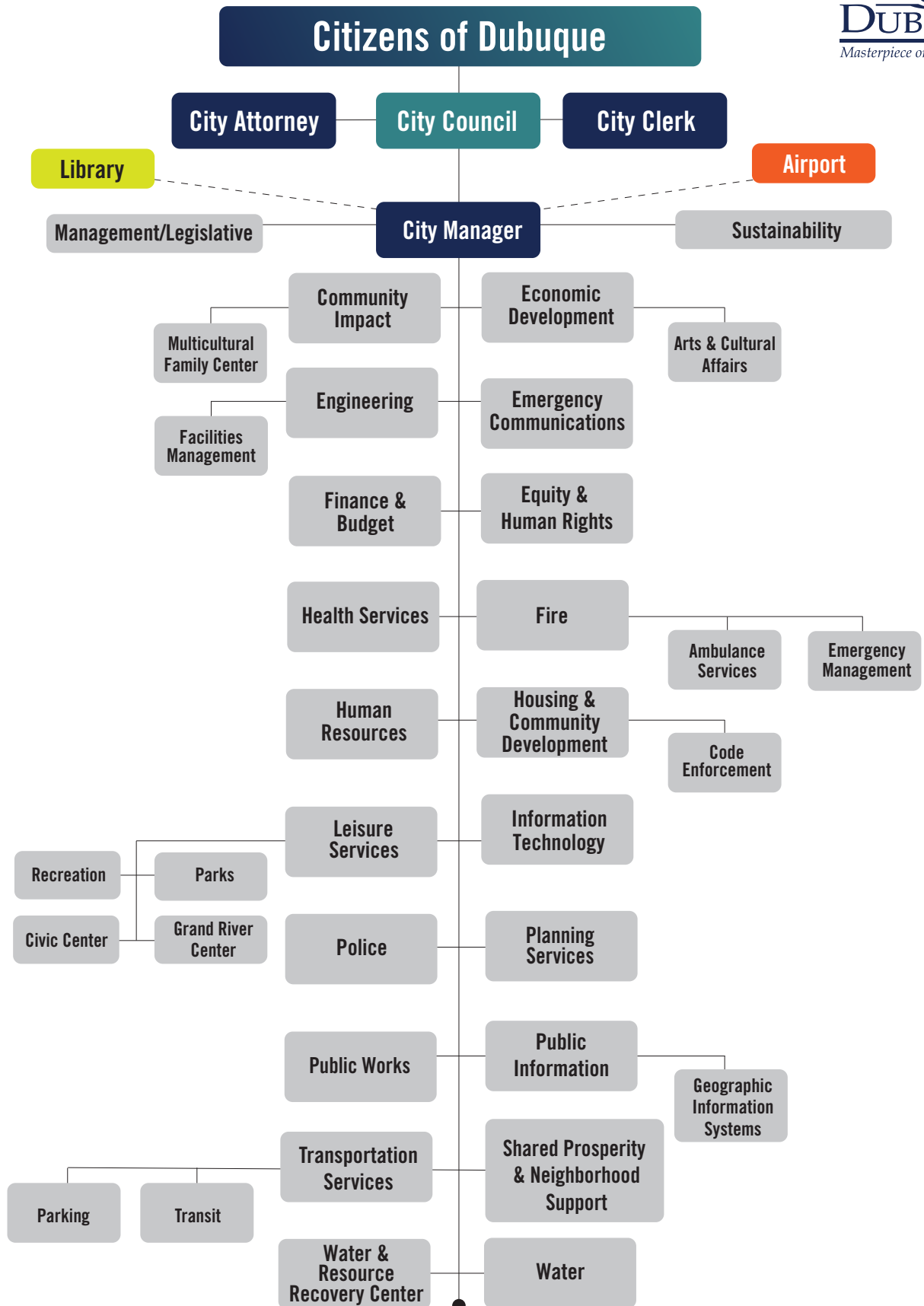
Sincerely,

A handwritten signature in blue ink, reading "Michael Van Milligen".

Michael C. Van Milligen
City Manager

A handwritten signature in blue ink, reading "Jennifer M. Larson".

Jennifer M. Larson
Chief Financial Officer



KEY

- 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, 2023

CITY COUNCIL

Brad M. Cavanagh
Ric W. Jones
David T. Resnick
Susan R. Farber
Laura J. Roussell
Daniel C. Sprank
Katy A. Wethal

Mayor
Council Member, At-Large Representative
Council Member, At-Large Representative
Council Member, Ward One Representative
Council Member, Ward Two Representative
Council Member, Ward Three Representative
Council Member, Ward Four Representative

COUNCIL APPOINTED OFFICIALS

Michael C. Van Milligen
Barry A. Lindahl
Crenna M. Brumwell
Jason Lehman
Adrienne N. Breittfelder

City Manager
Senior Counsel
City Attorney
Assistant City Attorney
City Clerk

DEPARTMENT MANAGERS

Todd E. Dalsing
Cori L. Burbach
Gus N. Psihoyos
Jennifer M. Larson
Therese H. Goodmann
Jill M. Connors
Jessica George-Rethwisch
Amy Scheller
Mary Rose Corrigan
Alexis M. Steger
Shelley M. Stickfort
Antonio Mouzon
Christine A. Kohlmann
Marie L. Ware
Nicholas L. Rossman
Randy W. Gehl
Arielle Swift
Wally C. Wernimont
Jeremy Jensen
Gina S. Bell
Ryan Knuckey
Christopher J. Lester
Deron Muehring
Gisella Aitken-Shandle
Anderson Sainci

Airport Director
Assistant City Manager
City Engineer
Chief Financial Officer
Director of Strategic Partnerships
Economic Development Director
Emergency Communications Director
Fire Chief
Public Health Director
Housing and Community Development Director
Chief Human Resources Officer
Community Impact Director
Chief Information Officer
Leisure Services Director
Library Director
Public Information Officer
Public Works Director
Planning Services Director
Police Chief
Director of Sustainable
Director of Transportation Services
Water Department Director
Water & Resource Recovery Center Director
Chief of Equity and Human Rights
Director of the Office of Shared Prosperity & Neighborhood Support



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dubuque
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

Honorable Mayor and City Council
City of Dubuque, Iowa
Dubuque, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited 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 (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, as of June 30, 2023, 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.

We did not audit the financial statements of Dubuque Initiatives and Subsidiaries and Dubuque Convention and Visitors Bureau, which represent 29% and 2%, respectively, of the assets and 1% and 17%, respectively, of the revenues of the aggregate discretely presented component units as of June 30, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Dubuque Initiatives and Subsidiaries and Dubuque Convention and Visitors Bureau, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As described in Note 17 to the financial statements, in 2023, the City adopted Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund statements and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining nonmajor fund 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2024, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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.

Forvis Mazars, LLP

West Des Moines, Iowa
September 29, 2024

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. Comparative information from the previously issued financial statements for the year ended June 30, 2022, is also included. The 2022 information has not been restated for the implementation of GASB Statement No. 96. 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 \$709,270,904 compared to net position of \$665,485,190 for fiscal year 2022.
- Governmental program revenues increased by \$8,397,772 from fiscal year 2022. This increase was due largely in part to a significant increase in grant revenues in public works related to the Northwest Arterial project. There was also an increase in general government capital grants related to Federal Covid Fund projects.
- The City's business type activities program revenues increased by \$5,798,047. Charges for services increased by \$1,895,498. Rate increases included 5% for water, 5% for sewer, 1.69% for stormwater, and a 2.6 % increase for refuse in fiscal year 2023. Operating grants and contributions increased by \$2,067,312. The Transit System had an increase in operating grants and contributions related to federal operating grants. Capital contributions received from governmental funds were \$1,299,847 and are shown in the transfers line and are detailed out in Note 6.
- Expenses of the City's governmental activities increased approximately 11.2%, or \$10,503,323 from fiscal year 2022 to fiscal year 2023. The increase was seen mainly in culture and recreation, community and economic development and general government, which is due to additional programming costs in recreation, additional development related costs and subscription asset related amortization.
- The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended June 30, 2023. This resulted in a restatement as of July 1, 2022 for subscription assets and subscription liabilities. The effect of implementing this Statement did not result in a restatement of beginning net position. See Note 17 for further information.

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.

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets plus deferred outflows, and liabilities plus deferred inflows of resources 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, additional non-financial factors should be considered, such as changes in the City's property tax base and the condition of the City's infrastructure.

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, and transit.

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.

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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.

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, and salt. 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 general services, garage services, stores/printing, health insurance, and workers' compensation. The engineering services fund is used to budget for engineering staff time expected to be spent on capital projects, but the actual time spent working on capital projects is directly charged to the funds that the capital projects are budgeted. 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 two fiduciary funds, a custodial fund reporting resources held for the Dubuque Racing Association for improvements at the greyhound racing facility and a custodial fund used for reporting resources from police seizures.

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 the total OPEB liability.

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

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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, lease and subscription 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	
	2023	2022*	2023	2022*	2023	2022*
Current and other assets	\$ 195,308,266	\$ 196,804,646	\$ 58,314,028	\$ 53,694,044	\$ 253,622,294	\$ 250,498,690
Capital, lease, and subscription assets	434,690,348	420,411,188	388,775,568	387,565,873	823,465,916	807,977,061
Total assets	<u>629,998,614</u>	<u>617,215,834</u>	<u>447,089,596</u>	<u>441,259,917</u>	<u>1,077,088,210</u>	<u>1,058,475,751</u>
Deferred outflows of resources	9,403,632	8,681,034	1,341,811	1,031,486	10,745,443	9,712,520
Long-term liabilities	105,570,830	85,447,508	157,122,209	165,553,863	262,693,039	251,001,371
Other liabilities	34,689,475	40,251,472	17,022,908	15,658,748	51,712,383	55,910,220
Total liabilities	<u>140,260,305</u>	<u>125,698,980</u>	<u>174,145,117</u>	<u>181,212,611</u>	<u>314,405,422</u>	<u>306,911,591</u>
Deferred inflows of resources	62,480,241	90,404,860	1,677,086	5,386,630	64,157,327	95,791,490
Net position:						
Net investment in capital assets	400,952,682	386,739,779	231,850,352	219,652,664	632,803,034	606,392,443
Restricted	47,002,287	35,584,078	2,828,344	3,124,213	49,830,631	38,708,291
Unrestricted	(11,293,269)	(12,530,829)	37,930,508	32,915,285	26,637,239	20,384,456
Total net position	<u>436,661,700</u>	<u>\$ 409,793,028</u>	<u>272,609,204</u>	<u>\$ 255,692,162</u>	<u>709,270,904</u>	<u>\$ 665,485,190</u>

*Not restated for the implementation of GASB Statement No. 96

Net position of the governmental activities increased \$26,868,672 over fiscal year 2022 balance of \$409,793,028. There was a \$14,279,230 increase in capital assets. The increase is due to construction of building and infrastructure and the implementation of GASB 96. Unearned revenue decreased by \$3,507,748 related to American Rescue Plan Act funds spent. The net pension liability increased by \$23,357,985 which was offset by pension related deferred inflows that decreased by \$27,924,619.

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

Net position for the business-type activities increased \$16,917,042 over fiscal year 2022 of \$255,692,162. Charges for services increased \$1,689,147. Operating grants and contributions increased \$2,067,312 due to increased funding. Capital grants and contributions increased \$1,835,237. The Transit Fund saw an increase in federal operating grants related to its operations.

The largest portion of the City's net position, \$632,803,334 or 89.2% reflects its investment in capital assets less any related debt used to acquire these assets that is still outstanding. Restricted net position in the amount of \$49,830,631 or 7.0% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$26,637,239, or 3.8% may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities. Taxes are the largest source of governmental revenues with property taxes of \$40,211,474 in 2023. Other governmental revenues included gaming \$9,846,790, local option sales taxes \$12,154,160, and charges for services \$19,957,341. In calendar year 2023, gross gaming revenues decreased 9.7% for the Dubuque Racing Associations (DRA) and the Diamond Jo increased 3.6% as compared to calendar year 2022. Gross gaming revenue for DRA was impacted by construction disruption as the property underwent redevelopment starting in Spring 2023. In calendar year 2023, the DRA showed increases of 15.6%, in sports betting revenue, hotel room revenue, food and beverage sales, entertainment sales and other revenue as compared to calendar year 2022. This resulted in calendar year 2023 total gross revenue decreasing 5.0% as compared to calendar year 2022. The current Dubuque market is approximately \$123.6 million annually in 2023 down from the \$126 million market in 2022 and up from the \$120 million market in 2019 (pre COVID). DRA share of the market was 37.8% in 2023 (impacted by construction disruption), 41.1% in 2022, 41.2% in 2021 and 41.2% in 2019. Local option sales taxes decreased based on a change in the timing of payments by the Iowa Department of Revenue.

Governmental operating expenses during 2023 totaled \$104,589,968. Public Safety increased \$1,348,141 due to additional positions being filled at the police and fire departments. Public works increased \$1,234,558 due to additional snow removal costs and street maintenance costs. Culture and recreation increased \$2,830,123 due to additional programming costs in parks and recreation, specifically noting both City pools being open in 2023. Community and economic development increased \$2,227,724 due to additional housing and grant activities. General government increased \$2,383,974 due to subscription based asset costs and an increase in payment to other agencies due to a change in private management company for the Grand River Center.

Business-type activities. Charges for services increased \$1,689,147 based on rate increases included 5% for water, 5% for sewer, 1.69% for stormwater, and a 2.6% increase for refuse in fiscal year 2023. Operating grants and contributions increased \$2,067,312 due to additional federal funding received in 2023. Operating expenses increased from \$33,935,701 in 2022 to \$37,757,629 in 2023. The increase was primarily in employee expense and supplies and services. Nonoperating expenses consist of interest expense of \$3,821,170. Investment earnings increased from \$119,466 in 2022 to \$1,571,115 in 2023.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Revenues:						
Program revenues						
Charges for services	\$ 19,957,341	\$ 22,700,982	\$ 38,792,295	\$ 37,103,148	\$ 58,749,636	\$ 59,804,130
Operating grants and contributions	18,825,358	19,956,589	4,349,167	2,281,855	23,174,525	22,238,444
Capital grants and contributions	16,280,486	4,007,842	9,279,293	7,444,056	25,559,779	11,451,898
General revenues						
Property taxes	40,211,474	39,406,493	-	-	40,211,474	39,406,493
Local option sales tax	12,154,160	12,738,941	-	-	12,154,160	12,738,941
Hotel/motel tax	3,071,858	2,915,854	-	-	3,071,858	2,915,854
Utility franchise fees	7,061,030	6,044,713	-	-	7,061,030	6,044,713
Gaming	9,846,790	12,000,140	-	-	9,846,790	12,000,140
Unrestricted investment earnings	5,674,974	(390,365)	1,571,115	119,466	7,246,089	(270,899)
Miscellaneous	2,058,660	-	435,822	-	2,494,482	-
Gain on sale of capital assets	-	244,104	57,732	(206,351)	57,732	37,753
Total revenues	<u>135,142,131</u>	<u>119,625,293</u>	<u>54,485,424</u>	<u>46,742,174</u>	<u>189,627,555</u>	<u>166,367,467</u>
Expenses:						
Public safety	31,897,099	30,548,958	-	-	31,897,099	30,548,958
Public works	23,176,938	21,942,380	-	-	23,176,938	21,942,380
Health and social services	966,542	1,003,870	-	-	966,542	1,003,870
Culture and recreation	17,282,589	14,452,466	-	-	17,282,589	14,452,466
Community and economic development	19,094,222	16,866,498	-	-	19,094,222	16,866,498
General government	9,651,738	7,267,764	-	-	9,651,738	7,267,764
Interest on long-term debt	2,520,840	2,004,709	-	-	2,520,840	2,004,709
Sewage disposal works	-	-	13,038,176	12,197,134	13,038,176	12,197,134
Water utility	-	-	8,140,552	7,212,652	8,140,552	7,212,652
Stormwater utility	-	-	6,493,098	6,047,606	6,493,098	6,047,606
Parking facilities	-	-	3,261,531	2,972,990	3,261,531	2,972,990
Refuse collection	-	-	5,599,895	4,452,838	5,599,895	4,452,838
Transit system	-	-	4,615,225	4,027,600	4,615,225	4,027,600
Salt	-	-	103,396	129,265	103,396	129,265
Total expenses	<u>104,589,968</u>	<u>94,086,645</u>	<u>41,251,873</u>	<u>37,040,085</u>	<u>145,841,841</u>	<u>131,126,730</u>
Increase in net position before transfers	30,552,163	25,538,648	13,233,551	9,702,089	43,785,714	35,240,737
Transfers	(3,683,491)	(7,430,546)	3,683,491	7,430,546	-	-
Increase in net position	<u>26,868,672</u>	<u>18,108,102</u>	<u>16,917,042</u>	<u>17,132,635</u>	<u>43,785,714</u>	<u>35,240,737</u>
Net position, beginning, as restated	409,793,028	391,684,926	255,692,162	238,559,527	665,485,190	630,244,453
Net position, ending	<u>\$ 436,661,700</u>	<u>\$ 409,793,028</u>	<u>\$ 272,609,204</u>	<u>\$ 255,692,162</u>	<u>\$ 709,270,904</u>	<u>\$ 665,485,190</u>

*Not restated for the implementation of GASB Statement No. 96

CITY OF DUBUQUE, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

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 \$100,515,736 at June 30, 2023. \$3,795,901 is in nonspendable for inventory, long-term receivables, and prepaid items. \$69,412 is nonspendable endowment corpus. \$45,553,740 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 \$3,769,015 for capital improvements. \$4,336,311 is assigned for capital improvements and cable equipment replacement. This leaves \$43,060,769 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 \$6,833,019 to \$51,554,442. Charges for Services increased by \$465,187, investment earnings increased by \$4,862,537, and contributions increased by \$1,160,246. These increases were offset by a decrease in gaming revenues of \$2,153,350 or 17.9% in fiscal year 2023. General Fund expenditures increased from \$67,924,133 in 2022 to \$86,919,488 in 2023. The \$18,995,355 increase was primarily due to purchases of capital assets of \$11,481,795, increase in principal payments of \$2,430,462 and increase in culture and recreation expenditures of \$2,418,139.

The fund balance of special revenue fund Tax Increment Financing increased by \$5,360,492 to \$15,952,920. Tax revenues increased by \$705,619 due to an increase in debt certified in the North Cascade Housing TIF, which increased tax revenues. Investment earnings increased by \$618,884. Tax Increment Financing transfers out decreased \$2,201,208.

The fund balance of the special revenue Community Development Fund decreased by \$690,133 to \$5,914,591. Intergovernmental revenue decreased from \$4,648,280 in 2022 to \$3,386,788 in 2023 primarily due to the decrease in Section 8 Housing related revenue.

The fund balance of the Debt Service Fund decreased by \$223,412 to a deficit of \$164,295. The Debt Service Fund paid \$4,378,537 in principal and \$2,650,791 in interest and fiscal charges during fiscal year 2023.

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, 2023, totaled \$271,051,811 of which the unrestricted is \$36,373,115.

The Sewer Fund had an increase of \$3,665,019 for total net position of \$36,545,265. Operating expenses increased \$964,345 primarily for utilities and supplies and services. The Sewer Fund operating income from operations was \$3,327,040.

The Water Utility had an increase in net position by \$3,605,193 for total net position of \$44,141,087. There was a 5% increase in water rates in 2023.

The Storm Water Utility had an increase in net position of \$7,941,351. Ending net position is \$118,035,954. Storm Water Utility had capital contributions of \$7,585,240 which consisted of a contribution of assets from governmental funds \$391,046 and a capital grant of \$7,079,324.

CITY OF DUBUQUE, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

The Parking Facilities had a decrease in net position of \$33,411. Ending net position is \$49,990,937. Parking Facilities had operating loss of \$918,664 after depreciation of \$1,095,203 for fiscal year 2023.

Other Enterprise Funds net position increased by \$1,365,895 to \$22,338,568. This was primarily due to Transit's increase of \$2,073,787 in net position which was offset by the decrease of \$685,440 in Refuse Collection.

BUDGETARY HIGHLIGHTS

There were two amendments to the City's 2022-2023 cash basis budget. The first amendment was passed in October 2022 to reflect operating and capital budget carryovers (continuing appropriation authority) from fiscal year 2022 and amended the fiscal year 2023 budget for operating and capital City Council actions since the beginning of the fiscal year. The second budget amendment was passed in May 2023 to reflect City Council actions since the first budget amendment and amendments to add additional appropriation authority due to increased revenues.

The final budget for total cash basis receipts increased by \$29,856,772. 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 \$115,301,373 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 \$38,442,762 less than the final amended budget; and, cash basis expenditures were \$135,697,859 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, 2023

CAPITAL, LEASE AND SUBSCRIPTION ASSETS AND DEBT ADMINISTRATION

Capital, lease and subscription assets. The City's investment in capital, lease and subscription assets for its governmental and business-type activities as of June 30, 2023, amounts to \$823,465,916 (net of accumulated depreciation and amortization). This investment in capital and lease assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, lease assets, subscription assets, 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, LEASE, AND SUBSCRIPTION ASSETS
(net of accumulated depreciation/amortization)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 108,554,411	\$ 109,344,920	\$ 24,996,358	\$ 24,996,358	\$ 133,550,769	\$ 134,341,278
Buildings	147,433,210	143,501,321	157,433,288	157,433,288	304,866,498	300,934,609
Improvements other than buildings	28,773,920	28,347,112	226,502,056	191,738,459	255,275,976	220,085,571
Machinery and equipment	56,224,961	56,334,774	126,450,411	124,741,230	182,675,372	181,076,004
Infrastructure	275,039,351	272,137,258	-	-	275,039,351	272,137,258
Lease equipment	55,894	55,894	267,361	267,361	323,255	323,255
Lease real estate	208,093	208,093	10,990	10,990	219,083	219,083
Subscription assets	3,483,380	-	21,549	-	3,504,929	-
Construction in progress	17,083,741	4,048,607	16,179,533	42,436,293	33,263,274	46,484,900
Accumulated depreciation/amortization	(202,166,613)	(193,566,791)	(163,085,978)	(154,058,106)	(365,252,591)	(347,624,897)
Total assets	\$ 434,690,348	\$ 420,411,188	\$ 388,775,568	\$ 387,565,873	\$ 823,465,916	\$ 807,977,061

*Not restated for the implementation of GASB Statement No. 96

Major expenditures during 2022-2023 were for the construction work on Bee Branch Creek Railroad culverts, Ice Center remediation project, and the Northwest arterial rehab project.

Long-term debt. At year end, the City had \$239,143,838 of debt outstanding. During fiscal year 2023, the City implemented GASB 96, which resulted in increases to subscriptions payable in the amount of \$1,798,899 as of year-end.

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 \$1,651,152 of SRF debt in 2023. 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 \$259,297,290. With \$101,742,461 of debt applicable against the capacity, the City is utilizing 39.24% 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, 2023**

ECONOMIC FACTORS

The City's unemployment rate as of June 2023 was unchanged from 3.0% in October 2022. The national average was 3.6% for June 2023, according to the Bureau of Labor Statistics. State of Iowa was 2.9% as reported in June 2023.

The assessed valuation of taxable property, net of exemptions, increased by 2.34% to \$2,973,185,000. In fiscal year 2023, there was 2.6 % increase to the minimum monthly refuse rate of \$15.38, a 5% increase to sewer rate, a 5% increase to water rates, and a 1.69% increase to the storm water monthly fee (\$9.00 per single family unit (SFU)).

Rate increases included 5% for water, 5% for sewer, 1.69% for stormwater, and no increase for refuse in fiscal year 2023.

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 Chief Financial Officer, 50 West 13th Street, Dubuque, Iowa 52001-4864.

Basic Financial Statements
Fiscal Year Ended June 30, 2023
City of Dubuque, Iowa

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2023

	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 investments	\$ 108,403,110	\$ 43,354,028	\$ 151,757,138	\$ 11,192,033	\$ 10,314,830	\$ 365,402
Receivables						
Property tax						
Delinquent	465,807	-	465,807	-	-	-
Succeeding year	26,623,300	-	26,623,300	-	-	-
Accounts and other	3,445,219	4,569,793	8,015,012	527,960	14,643	109,399
Leases	1,437,046	90,807	1,527,853	39,747	-	-
Special assessments	733,077	170,937	904,014	-	-	-
Accrued interest	815,921	321,632	1,137,553	70,903	-	-
Notes	531,262	-	531,262	-	178,369	-
Intergovernmental	5,240,908	1,915,167	7,156,075	-	-	-
Internal balances	(1,974,860)	1,974,860	-	-	-	-
Inventories	934,106	1,414,948	2,349,054	-	127,779	7,799
Prepaid items	575,541	112,469	688,010	31,330	-	2,500
Total Current Assets	147,230,437	53,924,641	201,155,078	11,861,973	10,635,621	485,100
NONCURRENT ASSETS						
Restricted cash and investments	12,460,024	3,777,185	16,237,209	5,826,770	1,575,837	289,370
Assets held for commercial development	-	-	-	-	426,419	-
Notes receivable	6,384,486	-	6,384,486	-	55,191	-
Lease receivable	29,233,319	612,202	29,845,521	-	-	-
Capital, lease and subscription assets						
Land	108,554,411	24,996,358	133,550,769	2,737,804	-	-
Buildings	147,433,210	157,433,288	304,866,498	566,523	2,500,940	265,111
Improvements other than buildings	28,773,920	226,502,056	255,275,976	21,080,570	-	27,491
Machinery and equipment	56,224,961	126,450,411	182,675,372	5,041,085	-	143,890
Infrastructure	275,039,351	-	275,039,351	-	-	-
Lease equipment	55,894	267,361	323,255	-	-	41,493
Lease real estate	208,093	10,990	219,083	-	-	-
Subscription assets	3,483,380	21,549	3,504,929	-	-	-
Construction in progress	17,083,741	16,179,533	33,263,274	-	-	-
Accumulated depreciation and amortization	(202,166,613)	(163,085,978)	(365,252,591)	(11,352,401)	-	(181,592)
Total Noncurrent Assets	482,768,177	393,164,955	875,933,132	23,900,351	4,558,387	585,763
Total Assets	\$ 629,998,614	\$ 447,089,596	\$ 1,077,088,210	\$ 35,762,324	\$ 15,194,008	\$ 1,070,863
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	\$ 8,832,591	\$ 1,142,975	\$ 9,975,566	\$ 83,804	\$ -	\$ -
OPEB related deferred outflows	571,041	198,836	769,877	14,919	-	-
Total Deferred Outflows of Resources	\$ 9,403,632	\$ 1,341,811	\$ 10,745,443	\$ 98,723	\$ -	\$ -

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2023

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	\$ 6,956,309	\$ 3,428,442	\$ 10,384,751	\$ 359,254	\$ 107,926	\$ 318,258
Accrued payroll	870,150	154,630	1,024,780	11,992	-	56,817
Leases payable	22,354	21,833	44,187	-	-	41,334
Subscription payable	718,361	11,549	729,910	-	-	-
Loans payable	269,674	-	269,674	-	-	-
Notes payable	-	6,437,000	6,437,000	-	-	-
General obligation bonds payable	3,368,873	3,061,127	6,430,000	465,000	-	-
Revenue bonds payable	-	3,515,000	3,515,000	-	-	-
Tax increment financing bonds payable	730,000	-	730,000	-	-	-
Line of credit	-	-	-	-	2,500,000	-
Accrued compensated absences	688,647	71,677	760,324	11,779	-	14,469
Accrued interest payable	227,779	321,650	549,429	35,351	-	-
Intergovernmental payable	-	-	-	98,718	-	7,958
Unearned revenue	20,507,475	-	20,507,475	-	-	10,501
OPEB liability	329,853	-	329,853	-	-	-
Total Current Liabilities	<u>34,689,475</u>	<u>17,022,908</u>	<u>51,712,383</u>	<u>982,094</u>	<u>2,607,926</u>	<u>449,337</u>
NONCURRENT LIABILITIES						
Lease Payable	141,788	203,103	344,891	-	-	2,963
Subscription payable	1,080,538	-	1,080,538	-	-	-
Loans payable	2,940,483	-	2,940,483	-	-	-
Notes payable	-	102,084,425	102,084,425	-	-	-
General obligation bonds payable	40,345,552	24,241,864	64,587,416	6,311,101	-	-
Revenue bonds payable	-	25,581,115	25,581,115	-	-	-
Landfill closure and post-closure care	-	-	-	3,610,397	-	-
Tax increment financing bonds payable	16,255,776	-	16,255,776	-	-	-
Accrued compensated absences	6,599,148	753,951	7,353,099	215,540	-	-
Net pension liability	33,654,102	3,266,545	36,920,647	271,136	-	-
OPEB liability	4,553,443	991,206	5,544,649	89,459	-	-
Total Noncurrent Liabilities	<u>105,570,830</u>	<u>157,122,209</u>	<u>262,693,039</u>	<u>10,497,633</u>	<u>-</u>	<u>2,963</u>
Total Liabilities	<u>140,260,305</u>	<u>174,145,117</u>	<u>314,405,422</u>	<u>11,479,727</u>	<u>2,607,926</u>	<u>452,300</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	4,445,747	615,064	5,060,811	95,387	-	-
OPEB related deferred inflows	848,340	272,566	1,120,906	46,955	-	-
Lease related deferred inflows	30,299,378	673,281	30,972,659	35,878	-	-
Succeeding year property tax	26,623,300	-	26,623,300	-	-	-
Deferred gain on refunding	263,476	116,175	379,651	-	-	-
Total deferred inflows of resources	<u>62,480,241</u>	<u>1,677,086</u>	<u>64,157,327</u>	<u>178,220</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	400,952,682	231,850,352	632,803,034	11,297,480	-	-
Restricted for/by:						
Bond ordinance development agreement	5,060,955	2,828,344	7,889,299	-	-	-
Debt service	124,192	-	124,192	-	-	-
Employee benefits	20,312	-	20,312	-	-	-
Community development	14,790,275	-	14,790,275	-	-	-
Iowa Finance Authority Trust	1,638,134	-	1,638,134	-	-	-
Capital projects	21,531,697	-	21,531,697	-	-	-
Franchise agreement	1,073,474	-	1,073,474	-	-	-
Endowments, expendable	102,047	-	102,047	-	-	-
Endowments, nonexpendable	87,869	-	87,869	-	-	-
Other	2,573,332	-	2,573,332	-	-	-
State statute	-	-	-	350,364	-	-
Landfill closure and post closure care	-	-	-	1,866,009	-	-
Minority interest	-	-	-	2,426,459	-	-
Unrestricted	(11,293,269)	37,930,508	26,637,239	8,262,788	12,586,082	618,563
Total Net Position	<u>\$ 436,661,700</u>	<u>\$ 272,609,204</u>	<u>\$ 709,270,904</u>	<u>\$ 24,203,100</u>	<u>\$ 12,586,082</u>	<u>\$ 618,563</u>

See notes to financial statements.

**CITY OF DUBUQUE, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 31,897,099	\$ 4,966,834	\$ 916,835	\$ -	\$ 5,883,669	\$ (26,013,430)	\$ -	\$ (26,013,430)			
Public works	23,176,938	5,707,265	7,441,175	11,254,259	24,402,699	1,225,761	-	1,225,761			
Health and social services	966,542	167,639	17,504	-	185,143	(781,399)	-	(781,399)			
Culture and recreation	17,282,589	3,233,591	531,783	-	3,765,374	(13,517,215)	-	(13,517,215)			
Community and economic development	19,094,222	988,475	9,697,465	160,446	10,846,386	(8,247,836)	-	(8,247,836)			
General government	9,651,738	4,893,537	220,596	4,865,781	9,979,914	328,176	-	328,176			
Interest on long-term debt	2,520,840	-	-	-	-	(2,520,840)	-	(2,520,840)			
Total governmental activities	<u>104,589,968</u>	<u>19,957,341</u>	<u>18,825,358</u>	<u>16,280,486</u>	<u>55,063,185</u>	<u>(49,526,783)</u>	<u>-</u>	<u>(49,526,783)</u>			
Business-type activities											
Sewage disposal works	13,038,176	14,835,494	-	651,479	15,486,973	-	2,448,797	2,448,797			
Water utility	8,140,552	10,802,909	-	901,195	11,704,104	-	3,563,552	3,563,552			
Stormwater utility	6,493,098	5,611,781	81,079	7,586,737	13,279,597	-	6,786,499	6,786,499			
Parking facilities	3,261,531	2,202,247	93,526	-	2,295,773	-	(965,758)	(965,758)			
Refuse collection	5,599,895	4,801,782	-	-	4,801,782	-	(798,113)	(798,113)			
Transit system	4,615,225	458,919	4,174,562	139,882	4,773,363	-	158,138	158,138			
Salt	103,396	79,163	-	-	79,163	-	(24,233)	(24,233)			
Total business-type activities	<u>41,251,873</u>	<u>38,792,295</u>	<u>4,349,167</u>	<u>9,279,293</u>	<u>52,420,755</u>	<u>-</u>	<u>11,168,882</u>	<u>11,168,882</u>			
Total primary government	<u>\$ 145,841,841</u>	<u>\$ 58,749,636</u>	<u>\$ 23,174,525</u>	<u>\$ 25,559,779</u>	<u>\$ 107,483,940</u>	<u>\$ (49,526,783)</u>	<u>\$ 11,168,882</u>	<u>\$ (38,357,901)</u>			
Component units											
Dubuque Metropolitan Area Solid Waste Agency	\$ 6,012,582	\$ 8,007,326	\$ 50,946	\$ -	\$ 8,058,272				\$ 2,045,690	\$ -	\$ -
Dubuque Initiatives and Subsidiaries	232,055	4,993	-	-	4,993				-	(227,062)	-
Dubuque Convention and Visitors Bureau	2,143,055	394,588	1,355,188	-	1,749,776				-	-	(393,279)
Total Component Units	<u>\$ 8,387,692</u>	<u>\$ 8,406,907</u>	<u>\$ 1,406,134</u>	<u>\$ -</u>	<u>\$ 9,813,041</u>				<u>2,045,690</u>	<u>(227,062)</u>	<u>(393,279)</u>
General revenues											
Property taxes						\$ 40,211,474	\$ -	\$ 40,211,474	-	-	-
Local option sales tax						12,154,160	-	12,154,160	-	-	-
Hotel motel tax						3,071,858	-	3,071,858	-	-	-
Utility franchise fees						7,061,030	-	7,061,030	-	-	-
Gaming						9,846,790	-	9,846,790	-	-	-
Unrestricted investment earnings						5,674,974	1,571,115	7,246,089	225,986	(305,313)	768
Miscellaneous						2,058,660	435,822	2,494,482	-	110,151	-
Gain (loss) on disposal of capital assets						-	57,732	57,732	9,710	-	-
Transfers						(3,683,491)	3,683,491	-	-	-	-
Total general revenues and transfers						<u>76,395,455</u>	<u>5,748,160</u>	<u>82,143,615</u>	<u>235,696</u>	<u>(195,162)</u>	<u>768</u>
Change in Net Position						26,868,672	16,917,042	43,785,714	2,281,386	(422,224)	(392,511)
Net position, beginning of year						409,793,028	255,692,162	665,485,190	21,921,714	13,008,306	1,011,074
Net position, ending of year						<u>\$ 436,661,700</u>	<u>\$ 272,609,204</u>	<u>\$ 709,270,904</u>	<u>\$ 24,203,100</u>	<u>\$ 12,586,082</u>	<u>\$ 618,563</u>

See notes to financial statements

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF DUBUQUE, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

		Special Revenue	
	General	Tax Incremental Financing	Community Development
ASSETS			
Cash and investments	\$ 64,110,644	\$ 12,437,065	\$ 3,027,197
Receivables			
Property tax			
Delinquent	191,496	256,292	-
Succeeding year	23,866,093	-	-
Accounts and other	3,100,189	-	-
Special assessments	68,213	-	-
Accrued interest	535,533	144,562	-
Notes	2,780,505	-	2,995,085
Intergovernmental	2,386,670	-	386,721
Leases	30,670,365	-	-
Due from other funds	3,010,351	-	-
Inventories	268,191	-	80,632
Prepaid items	324,448	-	12,660
Restricted cash and investments	216,513	3,211,039	-
Total Assets	<u>131,529,211</u>	<u>16,048,958</u>	<u>6,502,295</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	2,825,426	96,038	156,624
Accrued payroll	766,801	-	13,613
Intergovernmental payable	-	-	-
Due to other funds	-	-	417,467
Unearned revenue	20,507,475	-	-
Total Liabilities	<u>24,099,702</u>	<u>96,038</u>	<u>587,704</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenues			
Succeeding year property tax	23,866,093	-	-
Lease related deferred inflows	30,299,378	-	-
Special assessments	68,213	-	-
Grants	777,637	-	-
Other	863,746	-	-
Total Deferred Inflows of Resources	<u>55,875,067</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Endowment corpus	-	-	-
Inventory	268,191	-	80,632
Long-term notes receivable	2,557,886	-	-
Prepaid items	324,448	-	12,660
Restricted			
Endowments	-	-	-
Library	-	-	-
Police	-	-	-
Veterans	-	-	-
Debt service	-	-	-
Bond ordinance	-	2,920,215	-
Capital improvements	-	13,032,705	-
Franchise agreement	-	-	-
Special assessments	-	-	-
Iowa Finance Authority Trust	-	-	-
Community programs	-	-	6,604,724
Employee benefits	-	-	-
Committed, capital improvements	-		
Assigned			
Dubuque Racing gaming/distribution	2,992,649	-	-
Cable equipment replacement	1,343,662	-	-
Unassigned	44,067,606	-	(783,425)
Total Fund Balances	<u>51,554,442</u>	<u>15,952,920</u>	<u>5,914,591</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 131,529,211</u>	<u>\$ 16,048,958</u>	<u>\$ 6,502,295</u>

See notes to financial statements.

EXHIBIT 3

Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 20,447,411	\$ 100,022,317
828	17,191	465,807
304,738	2,452,469	26,623,300
-	151,870	3,252,059
-	664,864	733,077
-	84,219	764,314
-	1,140,158	6,915,748
-	2,433,731	5,207,122
-	-	30,670,365
-	-	3,010,351
-	499,329	848,152
-	52,755	389,863
-	9,032,472	12,460,024
<u>305,566</u>	<u>36,976,469</u>	<u>191,362,499</u>
-	2,701,876	5,779,964
-	64,321	844,735
-	-	-
164,742	2,845,609	3,427,818
-	-	20,507,475
<u>164,742</u>	<u>5,611,806</u>	<u>30,559,992</u>
304,738	2,452,469	26,623,300
-	-	30,299,378
-	652,096	720,309
-	994,083	1,771,720
381	7,937	872,064
<u>305,119</u>	<u>4,106,585</u>	<u>60,286,771</u>
-	69,412	69,412
-	499,329	848,152
-	-	2,557,886
-	52,755	389,863
-	92,132	92,132
-	1,129,237	1,129,237
-	8,885	8,885
-	201,288	201,288
59,117	-	59,117
-	-	2,920,215
-	18,135,704	31,168,409
-	585,078	585,078
-	12,768	12,768
-	1,865,003	1,865,003
-	818,494	7,423,218
-	18,978	18,978
-	3,769,015	3,769,015
-	-	2,992,649
-	-	1,343,662
(223,412)	-	43,060,769
<u>(164,295)</u>	<u>27,258,078</u>	<u>100,515,736</u>
<u>\$ 305,566</u>	<u>\$ 36,976,469</u>	<u>\$ 191,362,499</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF DUBUQUE, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT 3-1

Total fund balances - governmental funds		100,515,736
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital, lease and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of capital, lease and subscription assets	636,495,632	
Accumulated depreciation	(201,856,277)	
		434,639,355
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:		
Special assessments	720,309	
Grants and other	2,643,784	
		3,364,093
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	(4,587,392)	
Deferred outflows of resources	9,185,103	
		4,597,711
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.		6,956,352
Internal service funds allocated to business-type activities		(1,557,393)
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	(43,714,425)	
Tax increment financing bonds	(16,985,776)	
Loans payable	(3,210,157)	
Lease payable	(164,142)	
Subscription payable	(1,798,899)	
Deferred gain on debt refundings	(263,476)	
Accrued interest	(227,779)	
Compensated absences	(7,287,795)	
Net pension liability	(33,318,409)	
Total OPEB liability	(4,883,296)	
		(111,854,154)
Net position of governmental activities		436,661,700

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, 2023

		Special Revenue	
	General	Tax Increment Financing	Community Development
REVENUES			
Taxes	\$ 40,475,333	\$ 12,910,158	\$ -
Special assessments	-	-	3,000
Licenses and permits	1,915,186	-	-
Intergovernmental	5,794,040	-	3,386,788
Charges for services	16,434,539	-	9,260
Fines and forfeits	369,273	-	-
Investment earnings	4,540,535	319,935	31,307
Contributions	1,875,957	522,933	33,689
Gaming	9,846,790	-	-
Miscellaneous	1,218,181	-	48,474
Total Revenues	82,469,834	13,753,026	3,512,518
EXPENDITURES			
Current			
Public safety	33,739,860	-	-
Public works	8,525,577	-	-
Health and social services	995,604	-	20,000
Culture and recreation	16,821,307	-	97,419
Community and economic development	4,794,754	2,714,639	3,424,801
General government	7,127,775	-	-
Debt service			
Principal	1,121,934	-	-
Interest and fiscal charges	55,247	-	-
Capital projects	4,043,866	-	860,431
Total Expenditures	77,225,924	2,714,639	4,402,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,243,910	11,038,387	(890,133)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	811,353	-	-
Transfers in	3,091,414	-	200,000
Transfers out	(2,651,986)	(6,471,725)	-
Insurance recovery	255,138	-	-
Sale of capital assets	83,190	793,830	-
Total Other Financing Sources (Uses)	1,589,109	(5,677,895)	200,000
NET CHANGE IN FUND BALANCES	6,833,019	5,360,492	(690,133)
FUND BALANCES, BEGINNING	44,721,423	10,592,428	6,604,724
FUND BALANCES, ENDING	\$ 51,554,442	\$ 15,952,920	\$ 5,914,591

See notes to financial statements.

EXHIBIT 4

Debt Service	Governmental Funds	Total
\$ 71,770	\$ 9,039,057	\$ 62,496,318
-	115,387	118,387
-	-	1,915,186
-	21,981,542	31,162,370
-	112,033	16,555,832
-	-	369,273
87,582	520,786	5,500,145
-	110,337	2,542,916
-	-	9,846,790
-	620,664	1,887,319
159,352	32,499,806	132,394,536
-	8,928	33,748,788
-	9,011,452	17,537,029
-	-	1,015,604
-	247,641	17,166,367
-	8,077,503	19,011,697
-	601,094	7,728,869
4,378,537	45,371	5,545,842
2,650,791	1,025	2,707,063
-	20,385,563	25,289,860
7,029,328	38,378,577	129,751,119
(6,869,976)	(5,878,771)	2,643,417
-	-	811,353
6,646,564	654,015	10,591,993
-	(3,851,926)	(12,975,637)
-	33,526	288,664
-	39,305	916,325
6,646,564	(3,125,080)	(367,302)
(223,412)	(9,003,851)	2,276,115
59,117	36,261,929	98,239,621
\$ (164,295)	\$ 27,258,078	\$ 100,515,736

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, 2023

EXHIBIT 4-1

Net change in fund balances - total governmental funds		2,276,115
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	23,793,645	
Transfers of capital assets to enterprise funds	(1,299,847)	
Contributions from developers	1,496,215	
Depreciation and amortization expense	<u>(10,896,810)</u>	13,093,203
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.		
		(913,743)
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:		
Special assessments	416,860	
Grants and other	<u>1,864,660</u>	2,281,520
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	(811,353)	
Debt repayments	<u>5,545,842</u>	4,734,489
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:		
Increase in accrued interest	(8,329)	
Amortization of bond discount/premium	165,085	
Increase in compensated absences	(273,219)	
Deferred amount on debt refundings	37,640	
Pension adjustment	4,012,265	
OPEB adjustment	<u>(25,402)</u>	
Total additional expenses		3,908,040
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.		
		<u>1,489,048</u>
Change in net position of governmental activities		<u><u>26,868,672</u></u>

See notes to financial statements.

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 4,748,802	\$ 10,390,943	\$ 20,544,144
Receivables			
Accounts	2,108,456	1,307,621	691,957
Accrued interest	-	-	21,604
Intergovernmental	98,938	16,628	150,913
Leases	-	90,807	-
Due from other funds	-	-	417,467
Prepaid items	8,607	38,150	12,524
Inventories	310,509	1,084,847	-
Total Current Assets	<u>7,275,312</u>	<u>12,928,996</u>	<u>21,838,609</u>
NONCURRENT ASSETS			
Restricted cash and investments	306,236	982,230	2,080,000
Lease receivable	-	612,202	-
Capital and lease assets			
Land	254,858	209,244	21,596,104
Buildings	72,257,722	11,080,162	-
Improvements to other than buildings	54,962,047	1,702,821	163,729,530
Machinery and equipment	39,185,243	71,521,482	1,720,563
Lease equipment	267,361	-	-
Lease real estate	-	-	-
Construction in progress	4,850,695	4,822,511	4,281,742
Subscription assets	-	-	-
Accumulated depreciation and amortization	(75,203,606)	(32,403,381)	(25,276,879)
Net Capital and Lease Assets	<u>96,574,320</u>	<u>56,932,839</u>	<u>166,051,060</u>
Total Noncurrent Assets	<u>96,880,556</u>	<u>58,527,271</u>	<u>168,131,060</u>
Total Assets	<u>104,155,868</u>	<u>71,456,267</u>	<u>189,969,669</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	238,570	270,190	93,729
OPEB related deferred outflows	18,266	40,625	6,748
Total Deferred Outflows of Resources	<u>256,836</u>	<u>310,815</u>	<u>100,477</u>

See notes to financial statements.

EXHIBIT 5

Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
Parking Facilities	Other Enterprise Funds	Total		
\$ 2,142,149	\$ 5,527,990	\$ 43,354,028	\$ 8,380,793	
112,411	520,285	4,740,730	193,160	
-	1,893,563	1,915,167	33,786	
10,821	44,332	321,632	51,607	
-	-	90,807	-	
-	-	417,467	-	
10,656	42,532	112,469	185,678	
-	19,592	1,414,948	85,954	
<u>2,276,037</u>	<u>8,048,294</u>	<u>52,367,248</u>	<u>8,930,978</u>	
181,319	227,400	3,777,185	-	
-	-	612,202	-	
2,900,152	36,000	24,996,358	-	
62,216,456	11,878,948	157,433,288	-	
4,625,254	1,482,404	226,502,056	-	
2,284,678	11,738,445	126,450,411	361,329	
-	-	267,361	-	
10,990	-	10,990	-	
2,224,585	-	16,179,533	-	
-	21,549	21,549	-	
<u>(22,304,842)</u>	<u>(7,897,270)</u>	<u>(163,085,978)</u>	<u>(310,336)</u>	
<u>51,957,273</u>	<u>17,260,076</u>	<u>388,775,568</u>	<u>50,993</u>	
<u>52,138,592</u>	<u>17,487,476</u>	<u>393,164,955</u>	<u>50,993</u>	
<u>54,414,629</u>	<u>25,535,770</u>	<u>445,532,203</u>	<u>8,981,971</u>	
70,050	470,436	1,142,975	218,529	
24,256	108,941	198,836	-	
<u>94,306</u>	<u>579,377</u>	<u>1,341,811</u>	<u>218,529</u>	

CITY OF DUBUQUE, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 1,754,169	\$ 600,175	\$ 739,472
Leases Payable	21,833	-	-
Accrued payroll	30,695	40,115	11,661
General obligation bonds payable	683,736	784,451	965,883
Subscription liability	-	-	-
Revenue bonds payable	-	370,000	3,145,000
Capital loan notes payable	3,191,000	919,000	2,327,000
Accrued compensated absences - current	16,606	16,121	16,202
Accrued interest payable	107,723	41,276	159,739
Total Current Liabilities	5,805,762	2,771,138	7,364,957
NONCURRENT LIABILITIES			
Leases Payable	203,103	-	-
General obligation bonds payable	7,089,248	8,352,161	4,375,273
Revenue bonds payable	-	2,549,840	23,031,275
Capital loan notes payable	53,479,987	11,676,355	36,928,083
Accrued compensated absences	190,425	275,089	-
Net pension liability	710,119	813,408	180,757
Total OPEB liability	171,165	230,805	63,217
Total Noncurrent Liabilities	61,844,047	23,897,658	64,578,605
Total Liabilities	67,649,809	26,668,796	71,943,562
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	123,440	135,262	46,446
OPEB related deferred inflows	76,260	60,857	33,738
Leases related deferred inflows	-	673,281	-
Deferred amount on refunding	17,930	87,799	10,446
Total Deferred Inflows of Resources	217,630	957,199	90,630
NET POSITION			
Net investment in capital assets	38,984,720	32,655,780	95,875,761
Restricted by bond ordinance/development agreement	-	567,025	2,080,000
Unrestricted	(2,439,455)	10,918,282	20,080,193
Total Net Position	\$ 36,545,265	\$ 44,141,087	\$ 118,035,954

Adjustment to reflect the consolidation of internal service
fund activities related to enterprise funds.

NET POSITION OF BUSINESS-TYPE ACTIVITIES

See notes to financial statements.

EXHIBIT 5

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Facilities	Other Enterprise Funds	Total	
\$ 145,064	\$ 189,562	\$ 3,428,442	\$ 1,176,345
-	-	21,833	-
9,780	62,379	154,630	25,415
574,159	52,898	3,061,127	-
-	11,549	11,549	-
-	-	3,515,000	-
-	-	6,437,000	-
1,701	21,047	71,677	-
9,592	3,320	321,650	-
740,296	340,755	17,022,908	1,201,760
-	-	203,103	-
3,426,254	998,928	24,241,864	-
-	-	25,581,115	-
-	-	102,084,425	-
15,735	272,702	753,951	-
206,580	1,355,681	3,266,545	335,693
69,181	456,838	991,206	-
3,717,750	3,084,149	157,122,209	335,693
4,458,046	3,424,904	174,145,117	1,537,453
48,125	261,791	615,064	706,695
11,827	89,884	272,566	-
-	-	673,281	-
-	-	116,175	-
59,952	351,675	1,677,086	706,695
47,909,990	16,424,101	231,850,352	50,993
181,319	-	2,828,344	-
1,899,628	5,914,467	36,373,115	6,905,359
\$ 49,990,937	\$ 22,338,568	271,051,811	\$ 6,956,352
		1,557,393	
		\$ 272,609,204	

CITY OF DUBUQUE, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds		
	Sewage Disposal Works	Water Utility	Stormwater Utility
OPERATING REVENUES			
Charges for sales and services	\$ 14,835,234	\$ 10,733,853	\$ 5,572,643
Other	197,706	45,722	39,138
Total Operating Revenues	15,032,940	10,779,575	5,611,781
OPERATING EXPENSES			
Employee expense	3,932,200	2,949,429	1,282,887
Utilities	1,171,396	990,126	46,930
Repairs and maintenance	779,540	568,514	33,462
Supplies and services	2,208,371	1,840,469	1,067,161
Insurance	144,343	128,568	30,384
Depreciation	3,470,050	1,323,313	2,198,033
Total Operating Expenses	11,705,900	7,800,419	4,658,857
OPERATING INCOME (LOSS)	3,327,040	2,979,156	952,924
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	-	81,079
Investment earnings	353,686	219,246	756,346
Contributions	-	-	1,497
Interest expense	(1,404,244)	(424,926)	(1,856,543)
Gain (loss) on disposal of assets	260	23,334	7,690
Net Nonoperating Revenues (Expenses)	(1,050,298)	(182,346)	(1,009,931)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,276,742	2,796,810	(57,007)
CAPITAL CONTRIBUTIONS	1,433,526	929,580	7,585,240
TRANSFERS IN	97,635	21,687	479,065
TRANSFERS OUT	(142,884)	(142,884)	(65,947)
CHANGE IN NET POSITION	3,665,019	3,605,193	7,941,351
NET POSITION, BEGINNING	32,880,246	40,535,894	110,094,603
NET POSITION, ENDING	\$ 36,545,265	\$ 44,141,087	\$ 118,035,954

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds

CHANGE IN NET POSITION OF BUSINESS-TYPE
ACTIVITIES

See notes to financial statements.

EXHIBIT 6

Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
Parking Facilities	Other Enterprise Funds	Total	
\$ 2,079,471	\$ 5,330,093	\$ 38,551,294	\$ 15,013,586
167,458	60,228	510,252	106,122
<u>2,246,929</u>	<u>5,390,321</u>	<u>39,061,546</u>	<u>15,119,708</u>
832,639	5,605,274	14,602,429	940,689
306,258	135,121	2,649,831	47,733
107,856	1,076,828	2,566,200	211,240
701,345	2,372,350	8,189,696	12,158,424
122,292	112,392	537,979	110,403
1,095,203	1,124,895	9,211,494	10,756
<u>3,165,593</u>	<u>10,426,860</u>	<u>37,757,629</u>	<u>13,479,245</u>
(918,664)	(5,036,539)	1,303,917	1,640,463
-	4,324,215	4,405,294	-
55,480	141,036	1,525,794	220,150
226,064	668	228,229	-
(111,259)	(24,198)	(3,821,170)	-
-	49,294	80,578	1,430
<u>170,285</u>	<u>4,491,015</u>	<u>2,418,725</u>	<u>221,580</u>
(748,379)	(545,524)	3,722,642	1,862,043
489,415	-	10,437,761	-
280,000	2,263,281	3,141,668	-
(54,447)	(351,862)	(758,024)	-
(33,411)	1,365,895	16,544,047	1,862,043
<u>50,024,348</u>	<u>20,972,673</u>	<u>254,507,764</u>	<u>5,094,309</u>
<u>\$ 49,990,937</u>	<u>\$ 22,338,568</u>	<u>\$ 271,051,811</u>	<u>\$ 6,956,352</u>
		<u>372,995</u>	
		<u>\$ 16,917,042</u>	

CITY OF DUBUQUE, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds			
	Sewage Disposal Works	Water Utility	Stormwater Utility	Parking Facilities
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 14,613,830	\$ 10,779,468	\$ 5,497,522	\$ 2,185,427
Cash payments to suppliers for goods and services	(3,843,410)	(3,612,326)	(392,388)	(1,155,201)
Cash payments to employees for services	(4,141,631)	(3,181,193)	(1,326,739)	(890,076)
Other operating receipts	197,706	45,722	39,138	167,458
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	6,826,495	4,031,671	3,817,533	307,608
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	97,635	21,687	479,065	280,000
Transfers to other funds	(142,884)	(142,884)	(65,947)	(54,447)
Payment of interfund balances	-	-	(417,467)	-
Contributions	-	-	1,497	226,064
Intergovernmental grant proceeds	-	-	178,013	-
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(45,249)	(121,197)	175,161	451,617
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	260	23,334	7,690	-
Acquisition and construction of capital assets	(2,105,113)	(1,968,070)	(3,989,003)	(29,594)
Principal and interest received from lease receivable	-	9,780	-	-
Proceeds from issuance of debt	415,365	201,097	1,034,691	-
Payment of debt	(3,818,591)	(1,959,653)	(5,469,422)	(618,728)
Interest paid	(1,448,076)	(513,803)	(1,965,939)	(132,127)
Capital contribution	-	-	7,194,194	-
NET CASH PROVIDED (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(6,956,155)	(4,207,315)	(3,187,789)	(780,449)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest received	261,425	203,680	611,475	45,176
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	86,516	(93,161)	1,416,380	23,952
CASH AND CASH EQUIVALENTS, BEGINNING	4,968,522	10,941,134	19,127,764	2,299,516
CASH AND CASH EQUIVALENTS, ENDING	\$ 5,055,038	\$ 10,847,973	\$ 20,544,144	\$ 2,323,468

See notes to financial statements.

EXHIBIT 7

Business-type Activities-Enterprise Funds		
Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
\$ 5,219,173	\$ 38,295,420	\$ 14,914,590
(3,617,149)	(12,620,474)	(13,741,210)
(5,994,891)	(15,534,530)	(1,154,325)
60,228	510,252	106,122
(4,332,639)	10,650,668	125,177
2,263,281	3,141,668	-
(351,862)	(758,024)	-
-	(417,467)	-
668	228,229	-
3,580,864	3,758,877	-
5,492,951	5,953,283	-
49,294	80,578	1,430
(179,345)	(8,271,125)	-
-	9,780	-
-	1,651,153	-
(62,487)	(11,928,881)	-
(25,292)	(4,085,237)	-
-	7,194,194	-
(217,830)	(15,349,538)	1,430
96,704	1,218,460	180,475
1,039,186	2,472,873	307,082
4,716,204	42,053,140	8,073,711
\$ 5,755,390	\$ 44,526,013	\$ 8,380,793

CITY OF DUBUQUE, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	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)	\$ 3,327,040	\$ 2,979,156	\$ 952,924	\$ (918,664)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	3,470,050	1,323,313	2,198,033	1,095,203
Noncash lease revenue	-	(176,410)	-	-
Change in assets and liabilities				
(Increase) decrease in receivables	(221,404)	45,615	(75,121)	105,956
(Increase) decrease in inventories and prepaid items	(56,149)	(86,945)	14,962	(1,488)
Increase (decrease) in accounts payable	518,630	205,802	771,893	86,325
(Decrease) increase in accrued liabilities	(63,610)	(73,173)	(7,279)	(18,410)
Increase in net pension liability	686,772	786,585	176,061	198,858
(Increase) in deferred outflows - pension related	(70,137)	(77,803)	(56,767)	(194)
Decrease (increase) in deferred outflows - OPEB related	8,128	9,338	1,595	(10,187)
(Decrease) increase in deferred inflows - pension related	(756,667)	(867,770)	(152,779)	(240,334)
Increase (decrease) in deferred inflows - OPEB related	24,905	11,720	(1,534)	683
Increase in deferred amount on refunding	(2,241)	(27,096)	(1,306)	(2,287)
(Decrease) increase in total OPEB liability	(38,822)	(20,661)	(3,149)	12,147
Total Adjustments	<u>3,499,455</u>	<u>1,052,515</u>	<u>2,864,609</u>	<u>1,226,272</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 6,826,495</u>	<u>\$ 4,031,671</u>	<u>\$ 3,817,533</u>	<u>\$ 307,608</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO SPECIFIC ASSETS ON THE COMBINED STATEMENT OF NET POSITION				
Cash and investments, current and restricted	5,055,038	11,373,173	22,624,144	2,323,468
Less items not meeting the definition of cash equivalents	<u>-</u>	<u>(525,200)</u>	<u>(2,080,000)</u>	<u>-</u>
Cash and cash equivalents at end of the year	<u>5,055,038</u>	<u>10,847,973</u>	<u>20,544,144</u>	<u>2,323,468</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contribution of capital assets from outside sources	<u>\$ 651,479</u>	<u>\$ 901,195</u>	<u>\$ 391,046</u>	<u>\$ -</u>
Amortization of bond discount (premium)	<u>\$ 37,351</u>	<u>\$ 85,464</u>	<u>\$ 112,947</u>	<u>\$ 19,302</u>
Net acquisition of capital assets through accounts and retainage payable	<u>\$ 654,713</u>	<u>\$ (328,314)</u>	<u>\$ (1,344,733)</u>	<u>\$ 24,695</u>
Contributions of capital assets from Governmental Activities	<u>\$ 782,047</u>	<u>\$ 28,385</u>	<u>\$ -</u>	<u>\$ 489,415</u>
Acquisition of capital assets through financing arrangement	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

EXHIBIT 7
(continued)

Business-type Activities-Enterprise Funds		
Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
\$ (5,036,539)	\$ 1,303,917	\$ 1,640,463
1,124,895	9,211,494	10,756
-	(176,410)	-
(110,920)	(255,874)	(98,996)
(27,184)	(156,804)	(167,708)
106,726	1,689,376	(1,045,702)
(133,897)	(296,369)	(20,645)
1,309,032	3,157,308	304,218
(54,237)	(259,138)	12,719
(60,061)	(51,187)	-
(1,518,800)	(3,536,350)	(509,928)
372	36,146	-
-	(32,930)	-
67,974	17,489	-
<u>703,900</u>	<u>9,346,751</u>	<u>(1,515,286)</u>
\$ <u><u>(4,332,639)</u></u>	\$ <u><u>10,650,668</u></u>	\$ <u><u>125,177</u></u>
5,755,390	47,131,213	8,380,793
-	(2,605,200)	-
<u>5,755,390</u>	<u>44,526,013</u>	<u>8,380,793</u>
\$ <u>-</u>	\$ <u>1,943,720</u>	\$ <u>-</u>
\$ <u>812</u>	\$ <u>255,876</u>	\$ <u>-</u>
\$ <u>(121,413)</u>	\$ <u>(1,115,052)</u>	\$ <u>-</u>
\$ <u>-</u>	\$ <u>1,299,847</u>	\$ <u>-</u>
\$ <u>21,549</u>	\$ <u>21,549</u>	\$ <u>-</u>

CITY OF DUBUQUE, IOWA
STATEMENT OF FIDUCIARY NET POSITON
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023

EXHIBIT 8

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ <u>327,398</u>
Total Assets	<u>327,398</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>327,398</u>
Total Net Position	\$ <u>327,398</u>

See notes to financial statements.

CITY OF DUBUQUE, IOWA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT 9

		<u>Custodial Funds</u>
ADDITIONS		
Collections on behalf of individuals	\$	345,525
Investment earnings		9,350
Total Additions		<u>354,875</u>
DEDUCTIONS		
Payment to individuals, organization, or other agencies		<u>1,253,146</u>
Total Deductions		<u>1,253,146</u>
CHANGE IN NET POSITION		(898,271)
NET POSITION, BEGINNING		<u>1,225,669</u>
NET POSITION, ENDING	\$	<u><u>327,398</u></u>

See notes to financial statements.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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
17. Adoption of New Standard

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 has a June 30 year end. During the year ended June 30, 2023, \$695,947 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 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 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, 2023

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. *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 fiduciary funds, 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, 2023

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, including the custodial funds, use the *economic resources measurement focus* and the *full accrual basis of accounting*. The City reports Custodial Funds to account for assets held by the City as an agent for the Dubuque Racing Association and assets obtained in police seizures. This fund is used to account for the resources held for improvements at the greyhound racing facility.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 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, 2023

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, 2023, and 2023 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 31 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, 2023

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, Lease and Subscription Assets

Capital assets, lease assets and subscription 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 including lease assets and subscription 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.

Capital assets of the primary government, as well as the component units, are depreciated or amortized 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	2 to 75

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases - Lessor

The City is a lessor in leases of real estate and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary, and governmental fund financial statements. For regulated lessor contracts, the City recognizes inflows of resources (revenues) based on the payment provisions of the lease contract.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines 1) the discount rate it uses to discount the expected lease receipts to present value 2) lease term, and 3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets 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.

Leases - Lessee

The City is a lessee in leases of real estate, buildings, and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines 1) the discount rate it uses to discount the expected lease payments to present value 2) lease term, and 3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-based Information Technology Agreements (SBITAs)

The City is a subscriber to various information technology agreements. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide and proprietary financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments related to subscriptions include how the City determines 1) the discount rate it uses to discount the expected subscription payments to present value 2) subscription term, and 3) subscription payments. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancellable period of the Subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments. The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 issuances are reported as other financing sources while discounts on debt issuances 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 Section VIII Housing Fund.

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 represent a consumption of net assets 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, OPEB, and lease revenue.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, lease and subscription assets, net of accumulated depreciation and amortization, 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 \$8,532,503 for the governmental activities and \$948,842 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, 2023 consists of \$124,192 for debt service and \$20,312 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- **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.

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.

Implementation of GASB Statement No. 96

As of July 1, 2022 the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The effect on the implementation of this standard on beginning net position is disclosed in Note 17.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – DEFICIT FUND EQUITY

The following funds had a deficit net position/fund balance amount as of June 30, 2023:

Major Governmental Fund:	
Debt Service	\$ 164,295
Internal Service Fund:	
General Service	102,948

The Debt Service Fund deficit will be addressed the next fiscal year with additional transfers to the fund. The General Service Fund 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 \$14,495 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 \$141,568,186, and the bank balance was \$137,521,683. The City's deposits in banks at June 30, 2023, 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 \$17,017,603 and the bank balance was \$17,299,405. The Agency's deposits in banks at June 30, 2023, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

Investments. As of June 30, 2023, 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	\$ 1,840,938	\$ -	\$ -	\$ -	1,840,938
U.S. Treasury Securities	720,879	3,484,088	678,047	-	4,883,014
Federal Agency Obligations	921,472	15,022,117	478,299	3,525,609	19,947,497
Corporate Stock	67,615	-	-	-	67,615
	\$ 3,550,904	\$ 18,506,205	\$ 1,156,346	\$ 3,525,609	\$ 26,739,064

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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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 by Standard & Poor's.

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.

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 investment 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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 primary government and statement of fiduciary assets and liabilities follows:

Cash on hand	\$ 14,495
Carrying amount of deposits	141,568,186
Carrying amount of investments	26,739,064
Total	<u>\$ 168,321,745</u>

Government-wide	
Cash and investments	\$ 151,757,138
Cash and investments - restricted	16,237,209
Fiduciary	
Cash and investments	327,398
Total	<u>\$ 168,321,745</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	17,017,603
Total	<u>\$ 17,018,803</u>
Cash and investments	\$ 11,192,033
Cash and investments - restricted	5,826,770
Total	<u>\$ 17,018,803</u>

A reconciliation of cash and investments as shown on the government-wide statement of net position for the Dubuque Initiatives and Subsidiaries (December 31, 2022) follows:

Deposits	\$ 10,314,830
Beneficial interest in assets held by others	1,575,837
Total	<u>\$ 11,890,667</u>
Cash and investments	\$ 10,314,830
Cash and investments-restricted	1,575,837
Total	<u>\$ 11,890,667</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 Convention and Visitors Bureau (June 30, 2023) follows:

Deposits	\$ 654,772
Total	<u>\$ 654,772</u>
Cash and investments	\$ 365,402
Cash and investments-restricted	<u>289,370</u>
Total	<u>\$ 654,772</u>

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, 2023 the City had the following notes receivable.

	Original Balance	Interest Rate	Issued	Maturity	Balance	Current Portion
Downtown Rehabilitation						
Loan Program						
Judy Davison	\$ 300,000	3 %	2020	12/1/2040	\$ 284,000	\$ -
Gronen Adaptive	300,000	2	2006	5/1/2036	123,394	7,993
CARich Properties, LLC	120,000	-	2020	9/1/2030	87,000	12,000
Franklin Investments, LLC	300,000	3	2021	4/1/2041	258,000	-
HJD Landlord LLC	466,000	3	2016	4/1/2036	410,917	26,654
Interstate Building LLP	300,000	3	2010	9/22/2030	160,139	18,617
Downtown Housing Incentive						
Loan Caradco Landlord, LLC	4,500,000	3	2012	6/1/2030	2,759,754	219,618
					<u>\$ 4,083,204</u>	<u>\$ 284,882</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 %	\$ 219,333	\$ 43,000
Local Housing Assistance Program (LHAP)	6	500	500
Homebuyers Assistance Program	6	921,056	141,000
Infill	6	24,779	3,607
RRP Reserve	-	14,760	720
Washington Neighborhood Revitalize	-	117,064	10,000
The Accessibility Rehabilitation Program (for rentals)	6	20,751	3,000
Iowa Finance Authority	-	252,249	4,000
HOME Program (1)	-	1,125,397	32,553
Historic Preservation Revolving Loan Fund/Historic Preservation		90,650	5,000
Housing Forgivable Loan Program	6	3,759	1,000
MicroLending	-	42,246	2,000
		<u>\$ 2,832,544</u>	<u>\$ 246,380</u>

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

At December 31, 2022, Dubuque Initiatives and Subsidiaries had the following notes receivable:

City of Dubuque, 5.00%, unsecured, matures July 2023	\$ 18,645
Various Small Businesses, 1%, unsecured, matures July 2023 (2)	274,514
Less: allowance for doubtful accounts	<u>(59,599)</u>
Total notes receivable	<u>\$ 233,560</u>

(2) The Organization offered local small businesses \$10,000 to provide bridge financing for working capital until borrower received additional funding from state, federal or local program funding related to COVID-19. There were 76 local participants that participated in this bridge loan program. Notes receivable are unsecured and due in monthly payments ranging from \$135 to \$530 beginning five months from the date of the note, including interest at 1.00%. All unpaid principal and interest due at various dates from March 2023 through June 2024.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2023, include amounts due to/from other funds. Interfund balances are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,010,351	\$ -
Community Development	-	417,467
Debt Service	-	164,742
Nonmajor Governmental	-	2,845,609
Stormwater Utility	417,467	-
	<u>\$ 3,427,818</u>	<u>\$ 3,427,818</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, 2023

NOTE 5 – INTERFUND BALANCES AND TRANSFERS (continued)

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfer to	Transfers From								Total
	General	Tax Increment Financing	Nonmajor Governmental	Sewer Disposal Works	Water Utility	Stormwater Utility	Parking Facilities	Nonmajor Enterprise	
General	\$ -	\$ 467,212	\$ 2,338,434	\$ 142,884	\$ 142,884	\$ -	\$ -	\$ -	\$ 3,091,414
Community Development	-	200,000	-	-	-	-	-	-	200,000
Debt Service	404,278	4,819,908	1,156,434	-	-	-	54,447	211,497	6,646,564
Nonmajor Governmental	172,382	423,205	58,428	-	-	-	-	-	654,015
Sewage Disposal Works	31,008	-	680	-	-	65,947	-	-	97,635
Water Utility	21,687	-	-	-	-	-	-	-	21,687
Stormwater Utility	181,115	-	297,950	-	-	-	-	-	479,065
Parking Facilities	-	280,000	-	-	-	-	-	-	280,000
Nonmajor Enterprise	1,841,516	281,400	-	-	-	-	-	140,365	2,263,281
	<u>\$ 2,651,986</u>	<u>\$ 6,471,725</u>	<u>\$ 3,851,926</u>	<u>\$ 142,884</u>	<u>\$ 142,884</u>	<u>\$ 65,947</u>	<u>\$ 54,447</u>	<u>\$ 351,862</u>	<u>\$ 13,733,661</u>

Net capital assets of \$782,047, \$28,385 and \$489,415 were transferred from governmental capital assets to Sewage Disposal Works, Water Utility and Parking Facilities, respectively. The transfers were reported as a capital contribution in those 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, 2023

NOTE 6 – CAPITAL, LEASE AND SUBSCRIPTION ASSETS

Capital, lease and subscription asset activity for the year ended June 30, 2023, was as follows:

Primary Government:

Governmental activities:

	Beginning Balance (as restated)	Transfers In	Transfers Out	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 109,344,921	\$ -	\$ -	\$ 42,872	\$ (833,382)	\$ 108,554,411
Construction in Progress	4,048,608	-	(1,299,847)	15,009,728	(674,748)	17,083,741
Total Capital assets, not being depreciated	113,393,529	-	(1,299,847)	15,052,600	(1,508,130)	125,638,152
Capital and lease assets, being depreciated:						
Buildings	143,501,321	-	-	4,088,449	(156,560)	147,433,210
Improvements other than buildings	28,347,112	-	-	426,808	-	28,773,920
Machinery and equipment	56,334,774	-	-	2,169,528	(2,279,341)	56,224,961
Lease equipment	55,894	-	-	-	-	55,894
Lease real estate	208,093	-	-	-	-	208,093
Subscription asset	2,110,456	-	-	1,372,924	-	3,483,380
Infrastructure	272,137,257	-	-	2,902,094	-	275,039,351
Total capital and lease assets, being depreciated	502,694,907	-	-	10,959,803	(2,435,901)	511,218,809
Less accumulated depreciation and amortization for:						
Buildings	(50,533,827)	-	-	(2,390,331)	136,604	(52,787,554)
Improvements other than buildings	(14,478,719)	-	-	(879,609)	-	(15,358,328)
Machinery and Equipment	(34,850,981)	-	-	(2,855,502)	2,171,144	(35,535,339)
Lease equipment	(33,430)	-	-	(16,847)	-	(50,277)
Lease real estate	(20,809)	-	-	(20,809)	-	(41,618)
Subscription asset	-	-	-	(784,083)	-	(784,083)
Infrastructure	(93,649,027)	-	-	(3,960,387)	-	(97,609,414)
Total accumulated depreciation and amortization	(193,566,793)	-	-	(10,907,568)	2,307,748	(202,166,613)
Total capital and lease assets, being depreciated, net	309,128,114	-	-	52,235	(128,153)	309,052,196
Governmental activities capital and lease assets, net	\$ 422,521,643	\$ -	\$ (1,299,847)	\$ 15,104,835	\$ (1,636,283)	\$ 434,690,348

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – CAPITAL, LEASE AND SUBSCRIPTION ASSETS (continued)

Business-type activities:

	Beginning Balance (as restated)	Transfers In	Transfers Out	Increases	Decreases	Ending Balance
Capital and lease assets, not being depreciated:						
Land	\$ 24,996,358	\$ -	\$ -	\$ -	\$ -	\$ 24,996,358
Construction in progress	42,436,293	1,299,847	-	6,465,436	(34,022,043)	16,179,533
Total Capital and lease assets, not being depreciated	67,432,651	1,299,847	-	6,465,436	(34,022,043)	41,175,891
Capital and lease assets, being depreciated / amortized:						
Buildings	157,433,288	-	-	-	-	157,433,288
Improvements other than buildings	191,738,459	-	-	34,763,597	-	226,502,056
Machinery and equipment	124,741,230	-	-	1,892,803	(183,622)	126,450,411
Lease equipment	267,361	-	-	-	-	267,361
Lease real estate	10,990	-	-	-	-	10,990
Subscription asset	-	-	-	21,549	-	21,549
Total capital and lease assets, being depreciated / amortized	474,191,328	-	-	36,677,949	(183,622)	510,685,655
Less accumulated depreciation and amortization for:						
Buildings	(59,811,602)	-	-	(2,026,802)	-	(61,838,404)
Improvements other than buildings	(44,793,651)	-	-	(3,255,569)	-	(48,049,220)
Machinery and equipment	(49,423,235)	-	-	(3,893,220)	183,622	(53,132,833)
Lease equipment	(24,123)	-	-	(24,123)	-	(48,246)
Lease real estate	(5,495)	-	-	(5,495)	-	(10,990)
Subscription asset	-	-	-	(6,285)	-	(6,285)
Total accumulated depreciation / amortization	(154,058,106)	-	-	(9,211,494)	183,622	(163,085,978)
Total capital and lease assets, being depreciated, net	320,133,222	-	-	27,466,455	-	347,599,677
Business-type activities capital and lease assets, net	\$ 387,565,873	\$ 1,299,847	\$ -	\$ 33,931,891	\$ (34,022,043)	\$ 388,775,568

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – CAPITAL, LEASE AND SUBSCRIPTION ASSETS (continued)

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

Governmental activities:	
Public safety	\$ 877,811
Public works	6,025,089
Health and social services	1,458
Culture and recreation	1,973,732
Community and economic development	163,821
General government	1,854,901
Capital assets held by the government's internal service funds are charged to various functions based on their usage of their assets	10,756
Total depreciation and amortization expense - governmental activities	<u>\$ 10,907,568</u>
Business-type activities:	
Sewage disposal works	\$ 3,470,050
Water utility	1,323,313
Stormwater utility	2,198,033
Parking facilities	1,095,203
Refuse collection	251,529
Salt	27,639
Transit system	845,727
Total depreciation and amortization expense - business-type activities	<u>\$ 9,211,494</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – CAPITAL, LEASE AND SUBSCRIPTION 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	874,435	-	(874,435)	-
Total Capital assets, not being depreciated	<u>3,612,239</u>	<u>-</u>	<u>(874,435)</u>	<u>2,737,804</u>
Capital assets, being depreciated:				
Buildings	368,779	197,744	-	566,523
Improvements other than buildings	19,854,404	1,226,166	-	21,080,570
Machinery and equipment	<u>4,176,483</u>	<u>896,050</u>	<u>(31,448)</u>	<u>5,041,085</u>
Total capital assets, being depreciated	<u>24,399,666</u>	<u>2,319,960</u>	<u>(31,448)</u>	<u>26,688,178</u>
Less accumulated depreciation for:				
Buildings	(154,530)	(40,366)	-	(194,896)
Improvements other than buildings	(7,661,261)	(782,738)	20,512	(8,423,487)
Machinery and equipment	<u>(2,442,923)</u>	<u>(302,031)</u>	<u>10,936</u>	<u>(2,734,018)</u>
Total accumulated depreciation	<u>(10,258,714)</u>	<u>(1,125,135)</u>	<u>31,448</u>	<u>(11,352,401)</u>
Total capital assets, being depreciated, net	<u>14,140,952</u>	<u>1,194,825</u>	<u>-</u>	<u>15,335,777</u>
Dubuque Metropolitan Area Solid Waste, capital assets	<u>\$ 17,753,191</u>	<u>1,194,825</u>	<u>(874,435)</u>	<u>\$ 18,073,581</u>

Depreciation expense of \$1,125,135 was charged to the Dubuque Metropolitan Area Solid Waste Agency.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 \$101,645,500. During fiscal year 2023, the City did not issue and debt.

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, 2023, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Corporate Purpose Series 2016A	4/4/2016	06/01/17-06/01/35	2.00-3.75 %	\$ 2,830,000	\$ 1,900,000
Corporate Purpose Refunding Series 2016B	4/4/2016	06/01/16-06/01/28	2.00-3.00	10,920,000	1,740,000
Corporate Purpose Series 2016C	4/4/2016	06/01/17-06/01/35	2.00-3.13	4,145,000	2,835,000
Corporate Purpose Series 2017A	4/17/2017	06/01/18-06/01/30	3.00	8,495,000	2,847,584
Corporate Purpose Refunding Series 2017B	4/17/2017	06/01/18-06/01/30	3.00	9,745,500	5,465,000
Corporate Purpose Refunding Series 2017C	4/17/2017	06/01/18-06/01/30	3.00-3.45	2,120,000	1,300,000
Corporate Purpose Series 2018A	3/19/2018	06/01/18-06/01/31	3.00-4.00	4,950,000	3,259,997
Corporate Purpose Refunding Series 2018B	3/19/2018	06/01/18-06/01/26	3.00-3.15	1,005,000	410,000
Corporate Purpose Series 2019A	6/20/2019	06/01/22-06/01/39	3	2,240,000	2,105,000
Corporate Purpose Series 2019B	6/20/2019	06/20/20-06/01/27	3	860,000	440,000
Corporate Purpose Refunding Series 2019C	7/3/2019	06/01/20-06/01/32	3	4,240,000	2,855,000
Corporate Purpose Refunding Series 2021A	6/2/2021	06/01/22-06/01/41	2	27,995,000	23,795,000
Corporate Purpose Refunding Series 2021B	6/2/2021	06/01/22-06/01/36	2	12,535,000	10,755,000
Corporate Purpose Refunding Series 2022A	5/16/2022	06/01/22-06/01/42	4.00-4.125	2,345,000	2,345,000
Corporate Purpose Refunding Series 2022B	5/16/2022	06/01/22-06/01/42	4.00-4.70	7,220,000	7,220,000
				<u>\$ 101,645,500</u>	<u>\$ 69,272,581</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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
2024	\$ 3,368,873	\$ 1,165,192	\$ 3,061,127	\$ 681,944
2025	3,636,269	1,086,971	3,018,770	600,014
2026	3,616,038	999,548	2,908,939	519,489
2027	3,791,973	911,442	2,983,045	442,200
2028	3,749,566	815,947	2,995,476	361,618
2029-2033	14,805,743	2,729,985	9,726,764	819,338
2034-2038	6,108,179	1,291,845	1,756,821	78,563
2039-2043	3,585,574	390,556	159,424	6,205
Total	<u>\$ 42,662,215</u>	<u>\$ 9,391,486</u>	<u>\$ 26,610,366</u>	<u>\$ 3,509,371</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, 2023, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount	Amount	Current Portion
				Originally Issued	Outstanding End of Year	
Diamond Jo Parking Ramp	10/16/2007	06/01/11-06/01/37	7.50%	\$ 23,025,000	\$ 17,080,000	\$ 730,000

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

Fiscal Year June 30	Governmental Activities	
	Principal	Interest
2024	\$ 730,000	\$ 1,281,000
2025	785,000	1,226,250
2026	845,000	1,167,375
2027	910,000	1,104,000
2028	975,000	1,055,750
2029-2033	6,100,000	3,963,750
2034-2038	6,735,000	1,308,375
Total	<u>\$ 17,080,000</u>	<u>\$ 11,106,500</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount Originally Issued	Amount Outstanding End of Year
Sales Tax Incremental 2014	6/14/2014	06/01/23-06/01/29	4.00-5.00 %	\$ 7,190,000	\$ 7,075,000
Sales Tax Incremental 2015A	6/15/2015	06/01/23-06/01/31	3.25-4.00	20,800,000	18,795,000
Water Revenue Refunding Series 2021C	7/19/2021	06/01/22-06/01/30	2.00	3,505,000	2,805,000
				<u>\$ 31,495,000</u>	<u>\$ 28,675,000</u>

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) provide for 100% of the budgeted Operation and Maintenance Expenses and for the accumulation in the Revenue Fund of a reasonable reserve; and b) produce net revenues in each fiscal year which (1) equal at least 125% of the debt service requirement of all bonds and parity obligations then outstanding for the year of computation; (2) 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 income, plus interest earnings, plus depreciation expense) were \$423,300 and \$4,503,361, respectively.

During the year ended June 30, 2023, 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 2015A 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 \$33,417,163.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

The City issued \$7,190,000 Sales Tax Increment Revenue Bonds, June 2014 and \$20,800,000 June 2015, 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 2015A Bonds a deposit of \$2,080,000 was made into the Debt Service Reserve Account, and the Series 2015A 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.

The Sales Tax Increment Revenue Bonds will be paid from increased sales tax revenues paid to the City by the Iowa Department of Revenue per the Iowa Code and related regulations and the Flood Mitigation grant award program.

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year	Business-type Activities	
	Principal	Interest
June 30		
2024	\$ 3,515,000	\$ 1,075,600
2025	3,655,000	943,169
2026	3,740,000	806,381
2027	3,895,000	670,019
2028	4,035,000	533,694
2029-2033	9,835,000	713,300
Total	<u>\$ 28,675,000</u>	<u>\$ 4,742,163</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 \$57,433 of SRF debt in 2023 as part of the sanitary sewer master plan, \$26,388 for Auburn and Custer project, \$191,000 for the High Strength Waste Improvement project, \$140,544 for the Granger Creek/Twin Ridge project, \$138,430 for the Catfish Creek watershed stabilization project, \$896,261 for the Upper Bee Branch Culverts, \$5,000 for the Roosevelt Tower project, and \$196,097 for the Water Webber Extension. The City has pledged income derived from the acquired or constructed assets to pay debt service. Capital loan notes payable at June 30, 2023, are as follows:

Purpose	Date Authorized	Final Maturity Date	Interest Rates	Amount Authorized	Amount Outstanding End of Year	Current Portion
Clear Wells	10/18/2007	6/1/2028	2.00 %	\$ 1,037,000	\$ 285,000	\$ 53,000
West 32nd St. Detention Basin	1/14/2009	6/1/2028	2.00	1,847,000	573,000	107,000
North Catfish Creek Stormwater	1/13/2010	6/1/1930	2.00	800,000	339,000	44,000
North Catfish Creek Sewer	1/13/2010	6/1/1930	2.00	912,000	387,000	50,000
Water Meter Replacement	2/12/2010	6/1/1930	2.00	7,676,000	1,515,000	169,000
Water and Resource Recovery Center	8/18/2010	6/1/1939	2.00	74,285,000	50,195,000	2,693,000
Bee Branch Stormwater	10/27/2010	6/1/1941	2.00	7,850,000	5,570,000	233,000
Cogeneration	5/17/2013	6/1/1933	2.00	3,048,000	1,675,000	153,000
Meter Replacement Sewer	5/31/2013	6/1/1930	2.00	3,058,000	1,515,000	169,000
Lower Bee Branch Stormwater	2/28/2014	6/1/1933	2.00	1,029,000	185,000	17,000
Bee Branch Stormwater	4/30/2021	6/1/1937	1.43	22,138,000	18,274,083	1,210,000
CIWA Purchase	7/7/2017	6/1/1937	2.00	10,198,000	6,659,000	511,000
Roosevelt Tower	9/22/2017	6/1/1940	2.00	4,400,000	3,840,000	186,000
Kerper Blvd	3/8/2019	6/1/1938	0.75	2,992,000	2,034,538	126,000
Bee Branch Culverts	6/7/2019	6/1/1940	2.00	16,382,000	14,314,000	716,000
Catfish and Granger Creek Sanitary	3/19/2021	3/19/2024	-	350,000	349,709	-
Auburn/Custer/Center Pl/Hawthorne	3/19/2021	3/19/2024	-	160,000	58,935	-
Sanitary Sewer Master Plan	3/19/2021	3/19/2024	-	970,000	116,985	-
Granger Creek / Twin Ridge	1/7/2022	1/7/2025	-	465,000	147,821	-
Water Webber Extension	1/7/2022	1/7/2025	-	1,570,000	296,354	-
High Strength Waste	7/7/2023	7/7/2045	-	290,000	191,000	-
				<u>\$ 161,457,000</u>	<u>\$ 108,521,425</u>	<u>\$ 6,437,000</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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

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 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 2030. 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 Bee Branch Creek Restoration by the Stormwater 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 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 2.00%. Annual payments began in Fiscal Year 2013, with the last payment in Fiscal Year 2033. 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 2.00%. Annual payments began in Fiscal Year 2013, with the last payment in Fiscal Year 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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

On February 28, 2014 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$1.029 million. This line of credit was issued to finance the costs of construction storm water drainage projects and improvements, including those costs associated with the Lower Bee Branch Creek Restoration Project by the Stormwater Fund. The interest rate for this line of credit is 2.00%. Annual payments began in Fiscal Year 2014, with the last payment in Fiscal Year 2033. 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 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 refunded on April 30, 2021 for \$22.138 million to change the type of debt from revenue debt to general obligation debt. This line of credit was issued to finance the Upper Bee Branch Creek Restoration project and Catfish Creek Sponsorship project by the Stormwater 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 Stormwater Fund. The debt is owned by the Iowa Finance Authority and; therefore, constitutes direct borrowing.

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 \$2.992 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 September 22, 2017 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, 2023

NOTE 7 – LONG-TERM DEBT (continued)

On March 19, 2021 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$350,000. This line of credit was issued to finance the planning and design of the Catfish and Granger Creek Sanitary Sewer projects by the Sanitary Sewer Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2024. 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 March 19, 2021 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$160,000. This line of credit was issued to finance the planning and design of the Auburn and Custer/Center Place/Cooper and Maiden/Hawthorne to Fengler Sanitary Sewer projects by the Sanitary Sewer Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2024. 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 March 19, 2021 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$970,000. This line of credit was issued to finance the planning and design of the Sanitary Sewer Master Plan project by the Sanitary Sewer Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2024. 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 January 7, 2022 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$400,000. This line of credit was issued to finance the planning and design of the Sanitary Sewer 42-Inch Force Main Stabilization project by the Sanitary Sewer Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2025. 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 January 7, 2022 the City entered into an agreement with the Iowa Finance Authority Clean Water Program Revolving Loan Fund for a line of credit up to \$465,000. This line of credit was issued to finance the planning and design of the Sanitary Sewer Granger Creek Interceptor Sewer Improvements project by the Sanitary Sewer Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2025. 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 January 7, 2022 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 \$1.57 million. This line of credit was issued to finance the planning and design of the Webber Property Water Distribution System Improvements project by the Water Fund. The interest rate for this line of credit is 0%. The line of credit matures in Fiscal Year 2025. 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 July 7, 2023 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 \$290,000. This line of credit was issued to finance the planning and design of the High Strength Waste Improvement project by the Sanitary Sewer Fund. The interest rate for this line of credit is 2.0%. The line of credit matures in Fiscal Year 2046. 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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

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

Fiscal Year	Business-type Activities	
	Principal	Interest
June 30		
2024	\$ 6,437,000	\$ 2,102,247
2025	6,612,914	1,997,030
2026	6,750,712	1,869,016
2027	6,896,387	1,742,096
2028	7,040,372	1,608,433
2029-2033	35,177,397	5,990,242
2034-2038	31,935,848	2,629,903
2039-2043	7,578,959	241,677
2044 - 2048	91,836	2,342
Total	<u>\$ 108,521,425</u>	<u>\$ 18,182,986</u>

At June 30, 2023, the City of Dubuque had \$4,229,436 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 years 2024 and 2025. 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, 2023, are as follows:

Purpose	Date of Issue	Maturity Dates	Interest Rates	Amount	Amount	Current Portion
				Originally Issued	Outstanding End of Year	
Iowa Finance Authority	8/26/2011	06/01/20-06/01/30	3.0	\$ 4,500,000	\$ 2,760,157	\$ 219,674
Bowling & Beyond Inc.	10/15/2012	12/04/12-12/04/32	-	1,000,000	450,000	50,000
				<u>\$ 5,500,000</u>	<u>3,210,157</u>	<u>\$ 269,674</u>

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, 2023

NOTE 7 – LONG-TERM DEBT (continued)

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

Fiscal Year June 30	Governmental Activities	
	Principal	Interest
2024	\$ 269,674	\$ 81,170
2025	276,314	74,530
2026	283,154	67,690
2027	290,202	60,642
2028	297,462	53,382
2029-2033	1,793,351	84,100
Total	<u>\$ 3,210,157</u>	<u>\$ 421,514</u>

Leases Payable. The City has entered into lease agreements for office space and equipment as a lessee. The following is a recap of leases as of June 30, 2023 in which the City is a lessee:

Purpose	Date of Issue	Maturity Dates	Discount Rate	Amount		
				Initial Liability	Outstanding End of Year	Current Portion
<i>Governmental Activities</i>						
Building Leases	7/1/2021	6/30/2031	1.57%	\$ <u>208,093</u>	\$ <u>164,142</u>	\$ <u>22,354</u>
<i>Business-Type Activities</i>						
Building Leases	7/1/2021	7/31/2032	3.03%	\$ <u>267,361</u>	\$ <u>224,936</u>	\$ <u>21,833</u>

Annual debt service requirements to maturity for leases payable are as follow:

Fiscal Year June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 22,354	\$ 2,423	\$ 21,833	\$ 6,533
2025	22,714	2,063	22,518	5,844
2025	23,074	1,704	23,210	5,152
2026	23,438	1,339	23,923	4,439
2027	23,807	971	24,649	3,714
2028 - 2032	48,755	802	108,803	7,011
	<u>\$ 164,142</u>	<u>\$ 9,302</u>	<u>\$ 224,936</u>	<u>\$ 32,693</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

Subscriptions Payable. The City has entered into subscription agreements for various computer software programs. The following is a recap of subscriptions as of June 30, 2023:

Purpose	Date of Issue	Maturity Dates	Discount Rate	Initial Liability	Amount Outstanding End of Year	Current Portion
<i>Governmental Activities</i>						
Software	7/1/2022	7/1/2025	3.00%	\$ 28,262	\$ 21,138	\$ 8,891
Software	10/1/2022	9/30/2025	3.87%	22,235	14,535	7,127
Software	7/10/2022	7/9/2025	3.86%	24,865	16,255	7,971
Software	6/1/2023	5/31/2026	5.08%	128,227	86,599	40,443
Software	7/1/2022	4/30/2026	3.88%	1,884,766	980,190	480,551
Software	7/1/2022	5/11/2027	3.89%	148,802	95,043	28,838
Software	10/1/2022	9/30/2027	3.90%	350,570	301,242	66,442
Software	6/1/2023	5/31/2028	4.83%	257,194	252,379	46,580
Software	7/1/2022	11/30/2024	3.84%	76,889	31,518	31,518
				<u>\$ 2,921,810</u>	<u>\$ 1,798,899</u>	<u>\$ 718,361</u>
<i>Business-Type Activities</i>						
Software	7/1/2022	11/30/2024	3.84%	<u>\$ 76,890</u>	<u>\$ 11,549</u>	<u>\$ 11,549</u>

Annual debt service requirements to maturity for subscriptions payable are as follow:

Fiscal Year June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 718,361	\$ 84,000	\$ 11,549	\$ 451
2025	723,371	42,553	-	-
2025	157,762	13,014	-	-
2026	128,565	6,256	-	-
2027	70,840	1,385	-	-
	<u>\$ 1,798,899</u>	<u>\$ 147,208</u>	<u>\$ 11,549</u>	<u>\$ 451</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance Beginning of Year (as restated)	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 46,097,522	\$ -	\$ (3,435,307)	\$ 42,662,215	\$ 3,368,873
Unaccreted premium	1,228,633	-	(176,423)	1,052,210	-
Total general obligation bonds	47,326,155	-	(3,611,730)	43,714,425	3,368,873
Tax increment financing bonds	17,760,000	-	(680,000)	17,080,000	730,000
Unamortized discounts	(105,562)	-	11,338	(94,224)	-
Total tax increment financing bonds	17,654,438	-	(668,662)	16,985,776	730,000
Loans payable	3,473,387	-	(263,230)	3,210,157	269,674
Lease payable	208,537	-	(44,395)	164,142	22,354
Subscriptions payable	2,110,456	811,353	(1,122,910)	1,798,899	718,361
Compensated absences	7,014,576	4,362,033	(4,088,814)	7,287,795	688,647
Total governmental activities	\$ 77,787,549	\$ 5,173,386	\$ (9,799,741)	\$ 73,161,194	\$ 5,797,909
Business-type activities:					
General obligation bonds	\$ 29,730,040	\$ -	\$ (3,119,674)	\$ 26,610,366	\$ 3,061,127
Unaccreted premium	859,689	-	(156,151)	703,538	-
Unamortized discounts	(12,733)	-	1,820	(10,913)	-
Total general obligation bonds	30,576,996	-	(3,274,005)	27,302,991	3,061,127
Revenue bonds	31,155,000	-	(2,480,000)	28,675,000	3,515,000
Unaccreted premium	560,552	-	(105,754)	454,798	-
Unamortized discounts	(37,893)	-	4,210	(33,683)	-
Total revenue bonds	31,677,659	-	(2,581,544)	29,096,115	3,515,000
Notes payable	113,108,033	1,651,152	(6,237,760)	108,521,425	6,437,000
Loans payable	54,580	-	(54,580)	-	-
Lease payable	251,803	-	(26,867)	224,936	21,833
Subscriptions payable	-	21,549	(10,000)	11,549	11,549
Compensated absences	838,075	457,146	(469,593)	825,628	71,677
Total business-type activities	\$ 176,507,146	\$ 2,129,847	\$ (12,654,349)	\$ 165,982,644	\$ 13,118,186

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, 2023

NOTE 7 – LONG-TERM DEBT (continued)

Legal Debt Margin Calculation.

Estimated actual value	\$ <u>5,185,945,799</u>
Debt limit - 5% of total actual valuation	259,297,290
Debt applicable to limit	<u>(93,412,875)</u>
Legal debt margin	\$ <u>165,884,415</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, 2023 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	\$ 2,900,000
Landfill Facility	12/28/2016	06/01/17-06/01/36	3.0%	5,100,000	3,710,000
				<u>\$ 9,600,000</u>	<u>\$ 6,610,000</u>

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

Fiscal Year	Principal	Interest
June 30		
2024	\$ 465,000	\$ 198,609
2025	475,000	186,065
2026	490,000	172,965
2027	505,000	158,865
2028	520,000	144,328
2029-2033	2,860,000	480,055
2034-2036	1,295,000	74,760
Total	<u>\$ 6,610,000</u>	<u>\$ 1,415,647</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities. Long term liability activity for the year ended June 30, 2023 is as follows:

	Balance Beginning of Year (as restated)	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bond	\$ 7,060,000	\$ -	\$ (450,000)	\$ 6,610,000	\$ 465,000
Unaccreted premium	178,958	-	(12,857)	166,101	-
Total general obligation bond	<u>\$ 7,238,958</u>	<u>\$ -</u>	<u>\$ (462,857)</u>	<u>\$ 6,776,101</u>	<u>\$ 465,000</u>

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. 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 \$471,617 in the Health Insurance Reserve Fund and \$703,944 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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RISK MANAGEMENT (continued)

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, 2023 and 2022, are summarized as follows:

	Health Insurance Reserve Fund	Workers' Compensation Reserve Fund
Liabilities at June 30, 2021	\$ 1,094,417	\$ 1,079,779
Claims and changes in estimates during fiscal year 2022	7,797,669	1,114,182
Claim payments	(8,018,884)	(872,777)
Liabilities at June 30, 2022	873,202	1,321,184
Claims and changes in estimates during fiscal year 2023	7,473,136	561,620
Claim payments	(7,874,721)	(1,178,860)
Liabilities at June 30, 2023	\$ 471,617	\$ 703,944

A portion of the Workers' Compensation Reserve is reported in the General Fund.

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, 2023, were \$1,429,332.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RISK MANAGEMENT (continued)

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, 2023, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

Members agree to continue membership in the Pool 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, 2023.

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, 2023. The City has additional commitments for signed construction contracts of \$486,394 as of June 30, 2023. These commitments will be funded by federal and state grants, cash reserves, and bond proceeds.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 615 active and 40 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 \$5,874,502 reported as of June 30, 2023 was measured as of June 30, 2023 (the measurement date), and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The City's proportion is based on the number of employees in the plan. The City's proportion was 98.50% as of June 30, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability beginning of year	\$ 5,827,804
Changes for the year:	
Service cost	214,747
Interest	230,459
Other changes	(5,704)
Changes in experience	0
Changes in assumptions	(18,042)
Benefit payments	(374,762)
Net Changes	46,698
Total OPEB Liability end of year	\$ 5,874,502

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Actuarial Methods and Assumptions - The total OPEB liability in the June 30, 2023 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, 2023	3.00% per annum
Rates of salary increase	4.00% per annum,
effective June 30, 2023	including inflation
Discount rate	4.13 % compounded annually,
effective June 30, 2023	including inflation
Healthcare cost trend rate	6.00% initial rate decreasing to an
effective June 30, 2023	ultimate rate of 4.50% (ultimate rate reached in Fiscal Year 2037)

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13% 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. The rate used is the S&P Municipal Bond 20-Year High-Grade Index as of June 30, 2023.

Mortality rates are from the PubG.H-2010 Mortality Table with Mortality Improvement using Scale MP-2020. 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 \$12,791-\$18,208 per year for retirees depending on the age of retiree. The actuarial assumptions used in the June 30, 2023 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 (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 5,446,081	\$ 5,874,502	\$ 6,343,148

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 (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	\$ 5,309,019	\$ 5,874,502	\$ 6,541,226

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2023 the City recognized OPEB expense of \$398,644. At June 30, 2023 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	\$ 217,140	\$ 147,507
Changes in Assumptions	409,814	856,767
Change in Proportion	142,923	116,632
	<u>\$ 769,877</u>	<u>\$ 1,120,906</u>

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (42,595)
2025	(42,595)
2026	(42,595)
2027	(44,378)
2028	(67,268)
Thereafter	(111,598)
	<u>\$ (351,029)</u>

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

Total OPEB Liability- DMASWA OPEB liability of \$89,459 was measured as of June 30, 2023 was measured as of June 30, 2023 (the measurement date), and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.. The Agency's portion is based on the number of employees in the plan. The Agency's portion was 1.50% as of June 30, 2023.

	Total OPEB Liability
Total OPEB Liability beginning of year	\$ 82,958
Changes for the year:	
Service Cost	3,270
Interest	3,510
Changes in experience	0
Other Changes	5,703
Changes in assumptions	(275)
Benefit payments	(5,707)
Net Changes	<u>6,501</u>
Total OPEB Liability end of year	<u>\$ 89,459</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 82,935	\$ 89,459	\$ 96,596

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 (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	\$ 80,848	\$ 89,459	\$ 99,612

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2023 the DMASWA recognized OPEB expense of \$6,071. At June 30, 2023 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	\$ 3,307	\$ 2,246
Changes in Assumptions	6,241	13,047
Change in Proportion	5,371	31,662
	<u>\$ 14,919</u>	<u>\$ 46,955</u>

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (4,657)
2025	(4,657)
2026	(4,657)
2027	(4,684)
2028	(5,033)
Thereafter	(8,348)
	<u>\$ (32,036)</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 increase in pension expense for the period associated with the net pension liability for all plans is \$2,114,014 for the primary government. Other aggregate amounts related to pension are separately displayed in the financial statements. See table below for breakdown between IPERS and MFPRSI:

	IPERS	MFPRSI	Total
Net Pension Liability	\$ 12,640,114	\$ 24,280,533	\$ 36,920,647
Deferred Inflows	2,824,111	2,236,700	5,060,811
Deferred Outflows	4,325,966	5,649,600	9,975,566
Pension Expense (Decrease)	(181,483)	2,295,497	2,114,014

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, any time 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.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

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.

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 2023, 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, 2023 were \$2,879,498. The Dubuque Metropolitan Area Solid Waste Agency's total contributions to IPERS for the year ended June 30, 2023 were \$71,555.

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, 2023, the City reported a liability of \$12,640,114 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's collective proportion was 0.318463% which was a decrease of 0.03723% from its proportion measured as of June 30, 2021. The City allocations to governmental and business-type activities according to the proportionate share of contributions in the prior year.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

For the year ended June 30, 2023, the City recognized a reduction of pension benefit of \$181,483. At June 30, 2023, 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	\$ 560,335	\$ 173,141
Changes of assumptions	10,725	301
Net difference between projected and actual earnings on IPERS' investments	-	1,353,084
Changes in proportion and differences between City's contributions and City's proportionate share of contributions	875,408	1,297,585
City contributions subsequent to the measurement date	<u>2,879,498</u>	<u>-</u>
Total	\$ <u>4,325,966</u>	\$ <u>2,824,111</u>

The \$2,879,498 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, 2024. 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	Net Deferred Outflows (Inflows) of Resources
2024	\$ (1,477,479)
2025	(1,046,388)
2026	(1,620,452)
2027	2,724,760
2028	41,916
	\$ <u>(1,377,643)</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, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the net pension liability (asset):	\$ 24,055,210	\$ 12,640,114	\$ 3,090,357

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, 2023, the DMASWA reported a liability of \$271,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the DMASWA's collective proportion was 0.006831% which was an increase of 0.000545% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the DMASWA recognized pension expense of \$3,893. At June 30, 2023, 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	\$ 12,019	\$ 3,714
Changes of assumptions	230	7
Net difference between projected and actual earnings on IPERS' investments	-	29,024
Net changes in proportion and differences between Agency's contributions and Agency's proportionate share of contributions	-	62,642
Agency contributions subsequent to the measurement date	71,555	-
Total	\$ 83,804	\$ 95,387

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

The \$71,555 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, 2024. 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
2024	\$ (89,516)
2025	(63,870)
2026	(99,311)
2027	166,989
2028	2,570
	<u>\$ (83,138)</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 (asset):	\$ 505,159	\$ 271,136	\$ 64,897

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.60% per annum
Rates of salary increase	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term Investment rate of return	7.00% , compounded annually, net of investment expense, including inflation.
Wage Growth	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, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study covering the four-year period ending June 30, 2021 (see report dated June 16, 2022).

Mortality rates are based on the PubG-2010 Generational Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale MP-2021. Different adjustments apply to pre-retirement, post-retirement, beneficiary and post-disability mortality tables.

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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.00 %	3.57%
International equity	17.50	4.79
Global smart beta equity	6.00	4.16
Core plus fixed income	20.00	1.66
Public credit	4.00	3.77
Cash	1.00	0.77
Private equity	13.00	7.57
Private real assets	8.50	3.55
Private credit	8.00	3.63
Total	100 %	

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 contributions from employees and employers will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. 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, actuarial assumed investment return 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, 2023, the City reported payables to the defined benefit pension plan of \$57,234 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.

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, 2023

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, 2023.

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 23.90% for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023 was \$3,946,616.

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, 2023.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a liability of \$24,280,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the new 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 the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2022, the City's proportion was .043237% which was a decrease of 0.001132% from its proportions measured as of June 30, 2021. This is funded by governmental activities only.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

For the year ended June 30, 2023, the City recognized pension expense of \$2,295,497. At June 30, 2023, 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	\$ 1,507,772	\$ 31,218
Changes of assumptions	68,110	-
Net difference between projected and actual earnings on pension plan investments	-	287,682
Changes in proportion and differences between City contributions and proportionate share of contributions	127,102	1,917,800
City contributions subsequent to the measurement date	<u>3,946,616</u>	<u>-</u>
Total	\$ <u><u>5,649,600</u></u>	\$ <u><u>2,236,700</u></u>

The \$3,946,616 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, 2024. 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	Net Deferred Outflows (Inflows) of Resources
2024	\$ (474,125)
2025	(964,821)
2026	(2,187,466)
2027	3,076,417
2028	16,279
	\$ <u><u>(533,716)</u></u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – EMPLOYEE PENSION PLANS (continued)

Actuarial Assumptions - The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020.

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
Broad Fixed Income	4.9%
Broad U.S. Equity	7.1
Global Equity	7.2
Broad Non-US Equity	7.4
Managed Futures	5.2
Core Real Estate	6.8
Opportunistic Real Estate	11.1
Global Infrastructure	6.9
Private Credit	10.1
Private Equity	12.1

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 (asset):	\$ 43,943,238	\$ 24,280,533	\$ 7,989,713

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, 2023, City of Dubuque, Iowa reported payables to the defined benefit pension plan of \$78,095 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, 2023

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:

	2023
Closure	\$ 4,542,350
Post-closure care	2,649,812
Totals	<u>\$ 7,192,162</u>

The total closure and post-closure care costs for the DMASWA has been estimated at approximately \$7,192,162 as of June 30, 2023, and the portion of the liability, that has been recognized is \$3,610,397. 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 36% 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 \$5,476,406 as of June 30, 2023. The Agency will recognize the remaining estimated cost of closure and post closure care of \$3,581,765 over the estimated remaining life of 16 years as the remaining capacity is filled.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 – LEASES WHERE CITY IS LESSOR

The City of Dubuque leases riverfront property, farm land, parking areas, and space for antennas on top of water towers. The following are the leases in effect at June 30, 2023 in which the City is a lessor:

Governmental Activities:

Lease Type	Lease Term		Discount Rate	Original Balance	Balance as of June 30, 2023	Due Within One Year	Rent Revenue	Interest Revenue
	Beginning	Ending						
Land	7/1/2021	7/1/2055	1.58 % - 3.57%	\$ 23,120,733	\$ 21,041,016	\$ 1,084,868	\$ 1,221,381	\$ 724,443
Building	7/1/2021	6/30/2056	1.72% - 3.57%	10,171,479	9,457,308	343,941	491,616	336,941
Other	7/1/2021	11/30/2038	3.4	194,951	172,041	8,237	11,422	5,943
				<u>\$ 33,487,163</u>	<u>\$ 30,670,365</u>	<u>\$ 1,437,046</u>	<u>\$ 1,724,419</u>	<u>\$ 1,067,327</u>

In the governmental activities the lease term for the various leases began on July 1, 2021, with the exception of one land lease in the amount of \$93,505 that was entered into in January 2022. The lease term for the lease arrangements end at various dates through June 30, 2056.

The most significant lease is the lease of the greyhound racing and gambling facility and related parking areas to the Dubuque Racing Association (DRA). The DRA lease amount is based on the association's gross gambling receipts. Total rent related to this variable lease was \$6,607,531.

The City recognized revenue of \$884,913 for payments from regulated leases not previously included in the above schedules. The following is a schedule of the future minimum payments under regulated leases:

Year Ending	Total to be paid
6/30/2024	\$ 795,044
6/30/2025	485,798
6/30/2026	317,360
6/30/2027	287,489
6/30/2028	287,489
Thereafter	6,562,748
	<u>\$ 8,735,928</u>

Business-Type Activities:

Lease Type	Lease Term		Discount Rate	Original Balance	Balance as of June 30, 2023	Due Within One Year	Rent Revenue	Interest Revenue
	Beginning	Ending						
Land	7/1/2021	2/28/2038	1.85% - 3.39%	\$ 889,248	\$ 703,009	\$ 90,807	\$ 155,269	\$ 24,343
Building	7/1/2021	6/30/2023	1.74%	131,606	-	-	65,803	544
				<u>\$ 1,020,854</u>	<u>\$ 703,009</u>	<u>\$ 90,807</u>	<u>\$ 221,072</u>	<u>\$ 24,887</u>

In the business-type activities, the lease term for the various leases began on July 1, 2021, with the exception of one land lease in the amount of \$131,587 that was entered into in November 2021. The lease term for the lease arrangements end at various dates through February 28, 2038.

Dubuque Metropolitan Area Solid Waste Agency (Component Unit):

The Agency is a lessor in one land lease that matures in April 2024. The initial lease arrangement was for \$129,470 in which \$39,747 is outstanding as of June 30, 2023. The current portion is \$39,747. Rent and interest revenue on the lease for the year ending June 30, 2023 was \$46,796 and \$1,087, respectively. The discount rate is 1.91%.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – SUBSEQUENT EVENTS

On September 18, 2023, a public hearing was held on a \$1,000,000 Sewer Revenue Capital Loan Anticipation Project SRF Note. The loan funds will be used to pay costs of the planning and design of the improvements to various elements of the existing Cedar Street Lift Station, Terminal Street Lift Station, and the associated force mains between the two and to the City's public wastewater treatment facility. The Sewer Revenue Capital Loan Anticipation Project Notes will have an interest rate of 0 percent per annum for up to three years and have not been issued.

On September 18, 2023, a public hearing was held on a \$430,000 Sewer Revenue Capital Loan Anticipation Project SRF Note. The loan funds will be used to pay costs of planning and design of the improvements on Laurel Street, on Grove Terrace, on other streets as determined necessary, and the inspection and condition assessment of other aging sewer infrastructure. The State Revolving Capital Loan Notes will have an interest rate of 0 percent per annum for up to three years and have not been issued.

NOTE 15 – 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:

GASB Statement No. 99, *Omnibus 2022* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The statement will be effective for the City at various times between upon issuance and with its year ending June 30, 2025.

GASB Statement No. 100, *Accounting Changes and Error Corrections* will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The statement will be effective for the City with its year ending June 30, 2025.

GASB Statement No. 101, *Compensated Absences* will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the City with its year ending June 30, 2025.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 – PROSPECTIVE ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 102, *Certain Risk Disclosures* will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The statement will be effective for the City with its year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements* will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The statement will be effective for the City with its year ending June 30, 2025.

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

NOTE 16 – 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, 2023, the City abated \$12,802,251 of property tax under the urban renewal and economic development projects.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 – ADOPTION OF NEW STANDARD

As of July 1, 2022 the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The objective of this Statement is to better meet the information of financial statement users by improving accounting and financial reporting for SBITAs by governments. The City restated the following balances as of July 1, 2022:

	<u>Subscription Assets</u>	<u>Subscription Payable</u>
Governmental Activities	<u>\$ 2,110,456</u>	<u>\$ 2,110,456</u>

The effect of implementing this Statement did not result in a restatement of beginning net position/fund balance as the city did not have SBITAs under previous guidance.

Required Supplementary Information
June 30, 2023
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, 2023

		Budgeted Amounts		Final to Actual
	Actual	Original	Final	Variance
RECEIPTS				
Property tax	\$ 26,230,795	\$ 25,574,621	\$ 25,574,621	\$ 656,174
Tax increment financing	12,802,251	12,965,223	12,965,223	(162,972)
Other City tax	22,998,721	23,115,778	23,115,778	(117,057)
Licenses and permits	1,971,587	2,030,903	2,030,903	(59,316)
Use of money and property	18,862,137	17,047,376	17,083,716	1,778,421
Intergovernmental	40,864,979	49,737,162	77,063,519	(36,198,540)
Charges for fees and service	43,780,650	51,581,648	51,581,648	(7,800,998)
Special assessments	235,024	184,524	184,524	50,500
Miscellaneous	14,591,524	8,686,423	11,180,498	3,411,026
Total Receipts	182,337,668	190,923,658	220,780,430	(38,442,762)
EXPENDITURES				
Public safety	34,247,064	34,578,299	35,575,411	1,328,347
Public works	15,349,486	14,734,385	17,677,774	2,328,288
Health and social services	992,669	1,071,888	1,087,591	94,922
Culture and recreation	15,060,300	15,151,001	18,560,902	3,500,602
Community and economic development	16,122,859	16,743,027	16,499,815	376,956
General government	13,007,080	12,657,367	14,393,111	1,386,031
Debt service	8,944,963	11,764,376	11,764,376	2,819,413
Capital projects	31,939,806	47,526,473	127,146,356	95,206,550
Business-type activities	65,156,356	66,990,253	93,813,106	28,656,750
Total Expenditures	200,820,583	221,217,069	336,518,442	135,697,859
EXCESS (DEFICIENCY) OF RECEIPTS				
OVER (UNDER) EXPENDITURES	(18,482,915)	(30,293,411)	(115,738,012)	97,255,097
OTHER FINANCING SOURCES, NET				
	1,651,152	17,845,215	25,624,757	(23,973,605)
EXCESS DEFICIENCY OF RECEIPTS AND				
OTHER FINANCING SOURCES OVER				
(UNDER) EXPENDITURES AND				
OTHER FINANCING USES	(16,831,763)	(12,448,196)	(90,113,255)	73,281,492
BALANCE, BEGINNING OF YEAR				
	156,174,168	83,973,157	179,887,926	156,174,168
BALANCE, ENDING OF YEAR				
	\$ 139,342,405	\$ 71,524,961	\$ 89,774,671	\$ 229,455,660

See Notes to Required Supplementary Information.

CITY OF DUBUQUE, IOWA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING FOR THE YEAR ENDED JUNE 30, 2023

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 custodial 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, 2023, was amended two times during the year to allow the City to increase function expenditures by \$115,301,373 primarily for the carry-forward of unfinished capital improvement projects. During the year ended June 30, 2023, no functional expenses exceeded the budgeted amount.

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

				Governmental	Enterprise	
	Budgetary	Accrual	Modified	Funds	Funds	
	Basis	Adjustments	Accrual/Accrual	Modified	Accrual	Total
			Basis	Accrual Basis	Basis	
Receipts/Revenue	\$ 182,337,668	\$ (4,641,691)	\$ 177,695,977	\$ 132,394,536	\$ 45,301,441	\$ 177,695,977
Expenditures/Expenses	200,820,583	(19,797,101)	181,023,482	129,751,119	41,578,799	171,329,918
Deficiency of Receipts/Revenue						
Under Expenditures/Expenses	(18,482,915)	15,155,410	(3,327,505)	2,643,417	3,722,642	6,366,059
Other Financing Sources	1,651,152	20,496,515	22,147,667	(367,302)	12,821,405	12,454,103
Net	(16,831,763)	35,651,925	18,820,162	2,276,115	16,544,047	18,820,162
Balance, Beginning	156,174,168	196,573,217	352,747,385	98,239,621	254,507,764	352,747,385
Balance, Ending	\$ 139,342,405	\$ 232,225,142	\$ 371,567,547	\$ 100,515,736	\$ 271,051,811	\$ 371,567,547

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

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.31846%	0.31474%	0.33061%	0.33194%	0.33329%	0.33490%	0.34275%	0.35135%	0.37035%
City's proportionate share of the net pension liability	\$ 12,640	\$ 441	\$ 23,063	\$ 19,350	\$ 21,091	\$ 22,309	\$ 21,570	\$ 17,358	\$ 14,688
City's covered payroll	\$ 26,888	\$ 25,496	\$ 26,048	\$ 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	47.01%	1.73%	88.54%	76.11%	84.28%	89.38%	87.69%	72.21%	60.67%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	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>2023</u>	<u>2022</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>
Statutorily required contribution	\$ <u>2,879</u>	\$ <u>2,535</u>	\$ <u>2,407</u>	\$ <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>
Contributions in relation to the statutorily required contribution	\$ <u>(2,879)</u>	\$ <u>(2,535)</u>	\$ <u>(2,407)</u>	\$ <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>
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	\$ 30,527	\$ 26,888	\$ 25,496	\$ 26,048	\$ 25,423	\$ 25,024	\$ 24,961	\$ 24,597	\$ 24,039	\$ 24,210
Contributions as a percentage of covered payroll	9.43%	9.43%	9.44%	9.44%	9.45%	8.93%	8.93%	8.93%	8.95%	8.94%

CITY OF DUBUQUE, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEMS
YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumption:

The 2022 valuation implemented the following refinements:

- Mortality assumption was changed to the family of PubG-2010 Mortality Tables for all groups, with age setbacks and set forwards, as well as other adjustments. Future mortality improvements are modeled using Scale MP-2021.
- Retirement rates were adjusted to partially reflect observed experience for regular member only.
- Disability rates were lowered for Regular members only.
- Termination rates were adjusted to partially reflect observed experience for all groups.

The 2021, 2020, and 2019 valuations did not include any changes of assumptions.

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 EIGHT FISCAL YEARS*
(IN THOUSANDS)

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	4.32%	0.44%	4.73%	4.69%	4.86%	4.78%	4.95%	4.99%	5.08%
City's proportionate share of the net pension liability	\$ 24,281	\$ 9,964	\$ 37,737	\$ 30,775	\$ 28,960	\$ 28,062	\$ 30,971	\$ 23,423	\$ 18,410
City's covered payroll	\$ 14,603	\$ 14,418	\$ 14,879	\$ 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	166.27%	69.11%	253.63%	216.68%	205.13%	207.07%	230.73%	179.46%	141.96%
Plan fiduciary net position as a percentage of the total pension liability	84.62%	93.62%	76.47%	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>2023</u>	<u>2022</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>
Statutorily required contribution	\$ 3,947	\$ 3,823	\$ 3,649	\$ 3,632	\$ 3,696	\$ 3,626	\$ 3,513	\$ 3,727	\$ 3,969	\$ 3,906
Contributions in relation to the statutorily required contribution	\$ (3,947)	\$ (3,823)	\$ (3,649)	\$ (3,632)	\$ (3,696)	\$ (3,626)	\$ (3,513)	\$ (3,727)	\$ (3,969)	\$ (3,906)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 16,513	\$ 14,603	\$ 14,418	\$ 14,879	\$ 14,203	\$ 14,118	\$ 13,552	\$ 13,423	\$ 13,052	\$ 12,968
Contributions as a percentage of covered payroll	23.90%	26.18%	25.31%	24.41%	26.02%	25.68%	25.92%	27.77%	30.41%	30.12%

CITY OF DUBUQUE, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- PENSION LIABILITY MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions

The 2022, 2021, 2020, and 2019 valuations did not include any changes of assumptions.

The 2018 valuation changed postretirement 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 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 FIVE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 214,747	\$ 306,094	\$ 303,146	\$ 288,187	\$ 296,597	\$ 277,469
Interest Cost	230,459	134,580	152,598	165,496	172,576	172,219
Changes in assumptions	(18,042)	(887,322)	254,038	(19,982)	85,951	138,371
Changes in experience	-	281,561	13	(242,263)	-	-
Other Changes	(5,704)	42,042	(11,228)	(49,950)	2,582	58,589
Benefit payments	(374,762)	(360,953)	(269,461)	(380,158)	(452,573)	(474,856)
Net change in total OPEB Liability	46,698	(483,998)	429,106	(238,670)	105,133	171,792
Total OPEB liability beginning of year	5,827,804	6,311,802	5,882,696	6,121,366	6,016,233	5,844,441
Total OPEB liability end of year	<u>\$ 5,874,502</u>	<u>\$ 5,827,804</u>	<u>\$ 6,311,802</u>	<u>\$ 5,882,696</u>	<u>\$ 6,121,366</u>	<u>\$ 6,016,233</u>
Covered-employee payroll	\$ 37,635,156	\$ 42,133,307	\$ 41,593,187	\$ 34,543,167	\$ 39,626,000	\$ 39,782,000
Total OPEB liability as a percentage of covered-employee payroll	15.61%	13.83%	15.18%	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. In Fiscal Year 2022, mortality assumption was adjusted to include mortality improvement scale MP-2020 and the withdrawal assumption was change from Table T-2 from the Pension Actuary's Handbook to Table T-3.

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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

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 maintenance.

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, 2023

Special Revenue Funds				
	Road Use Tax	Section VIII Housing	Employee Benefits	Special Assessments
ASSETS				
Cash and investments	\$ 8,325,195	\$ 364,051	\$ 9,724	\$ -
Receivables				
Property tax	-	-	-	-
Delinquent	-	-	17,191	-
Succeeding year	-	-	2,452,469	-
Accounts and other	3,012	-	-	-
Special assessments	-	-	-	664,864
Accrued interest	-	2,680	-	-
Notes	-	-	-	-
Intergovernmental	675,316	-	-	-
Inventories	255,364	-	-	-
Prepaid items	28,907	249	-	-
Restricted cash and investments	-	464,584	-	-
Total Assets	<u>9,287,794</u>	<u>831,564</u>	<u>2,479,384</u>	<u>664,864</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	669,896	1,359	-	-
Accrued payroll	31,620	11,462	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>701,516</u>	<u>12,821</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Succeeding year property tax	-	-	2,452,469	-
Special assessments	-	-	-	652,096
Grants	4,750	-	-	-
Other	-	-	7,937	-
Total Deferred Inflows of Resources	<u>4,750</u>	<u>-</u>	<u>2,460,406</u>	<u>652,096</u>
FUND BALANCES				
Nonspendable:				
Endowment corpus	-	-	-	-
Inventory	255,364	-	-	-
Prepaid items	28,907	249	-	-
Restricted:				
Endowments	-	-	-	-
Library	-	-	-	-
Police	-	-	-	-
Veterans	-	-	-	-
Capital improvements	8,297,257	-	-	-
Franchise agreement	-	-	-	-
Special assessments	-	-	-	12,768
Iowa Finance Authority Trust	-	-	-	-
Community programs	-	818,494	-	-
Employee benefits	-	-	18,978	-
Committed, capital improvements	-	-	-	-
Total Fund Balances	<u>8,581,528</u>	<u>818,743</u>	<u>18,978</u>	<u>12,768</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,287,794</u>	<u>\$ 831,564</u>	<u>\$ 2,479,384</u>	<u>\$ 664,864</u>

EXHIBIT A-1

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
\$ 473,319	\$ 1,122,094	\$ 8,824	\$ 201,640	\$ 700,891	\$ 4,673	\$ 3,181	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
116,375	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,656	7,756	61	-	-	2,734	1,861	-
-	-	-	-	1,117,082	-	23,076	-
-	-	-	-	47,481	635,147	-	180,768
-	-	-	-	-	-	243,965	-
23,599	-	-	-	-	-	-	-
-	-	-	-	-	1,269,785	3,006,435	4,130,769
<u>617,949</u>	<u>1,129,850</u>	<u>8,885</u>	<u>201,640</u>	<u>1,865,454</u>	<u>1,912,339</u>	<u>3,278,518</u>	<u>4,311,537</u>
2,995	-	-	352	117	458,020	75,025	576,936
6,277	613	-	-	334	-	3,330	176
-	-	-	-	-	878,965	1,406,173	560,471
<u>9,272</u>	<u>613</u>	<u>-</u>	<u>352</u>	<u>451</u>	<u>1,336,985</u>	<u>1,484,528</u>	<u>1,137,583</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	365,466	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,466</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	243,965	-
23,599	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,129,237	-	-	-	-	-	-
-	-	8,885	-	-	-	-	-
-	-	-	201,288	-	-	-	-
-	-	-	-	-	209,888	1,550,025	2,078,909
585,078	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,865,003	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,095,045
<u>608,677</u>	<u>1,129,237</u>	<u>8,885</u>	<u>201,288</u>	<u>1,865,003</u>	<u>209,888</u>	<u>1,793,990</u>	<u>3,173,954</u>
<u>\$ 617,949</u>	<u>\$ 1,129,850</u>	<u>\$ 8,885</u>	<u>\$ 201,640</u>	<u>\$ 1,865,454</u>	<u>\$ 1,912,339</u>	<u>\$ 3,278,518</u>	<u>\$ 4,311,537</u>

**CITY OF DUBUQUE, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

**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 investments	\$ 9,233,819	\$ -	\$ -	\$ 20,447,411
Receivables				
Property tax				
Delinquent	-	-	-	17,191
Succeeding year	-	-	-	2,452,469
Accounts and other	32,483	-	-	151,870
Special assessments	-	-	-	664,864
Accrued interest	63,826	514	131	84,219
Notes	-	-	-	1,140,158
Intergovernmental	895,019	-	-	2,433,731
Inventories	-	-	-	499,329
Prepaid items	-	-	-	52,755
Restricted cash and investments	-	141,977	18,922	9,032,472
Total Assets	10,225,147	142,491	19,053	36,976,469
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	917,176	-	-	2,701,876
Accrued payroll	10,509	-	-	64,321
Due to other funds	-	-	-	2,845,609
Total Liabilities	927,685	-	-	5,611,806
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Succeeding year property tax	-	-	-	2,452,469
Special assessments	-	-	-	652,096
Grants	623,867	-	-	994,083
Other	-	-	-	7,937
Total Deferred Inflows of Resources	623,867	-	-	4,106,585
FUND BALANCES				
Nonspendable:				
Endowment corpus	-	57,412	12,000	69,412
Inventory	-	-	-	499,329
Long-term notes receivable	-	-	-	-
Prepaid items	-	-	-	52,755
Restricted:				
Endowments	-	85,079	7,053	92,132
Library	-	-	-	1,129,237
Police	-	-	-	8,885
Veterans	-	-	-	201,288
Capital improvements	5,999,625	-	-	18,135,704
Franchise agreement	-	-	-	585,078
Special assessments	-	-	-	12,768
Iowa Finance Authority Trust	-	-	-	1,865,003
Community programs	-	-	-	818,494
Employee benefits	-	-	-	18,978
Committed, capital improvements	2,673,970	-	-	3,769,015
Total Fund Balances	8,673,595	142,491	19,053	27,258,078
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,225,147	\$ 142,491	\$ 19,053	\$ 36,976,469

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Road Use Tax	Section VIII Housing	Employee Benefits	Special Assessments
REVENUES				
Taxes	\$ -	\$ -	\$ 2,337,260	\$ -
Licenses and permits	-	-	-	-
Special assessments	-	-	-	115,387
Intergovernmental	8,340,291	6,022,137	-	-
Charges for services	-	-	-	-
Investment earnings	-	7,364	-	893
Contributions	-	-	-	-
Miscellaneous	140,494	92,157	-	-
Total Revenues	8,480,785	6,121,658	2,337,260	116,280
EXPENDITURES				
Governmental activities				
Current				
Public safety	-	-	-	-
Public works	7,196,084	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	6,390,949	-	-
General government	5,805	-	1,573	-
Debt service				
Principal	-	45,371	-	-
Interest and fiscal charges	-	1,025	-	-
Capital projects	1,840,887	-	-	-
Total Expenditures	9,042,776	6,437,345	1,573	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(561,991)	(315,687)	2,335,687	116,280
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	3,461	172,382	-	-
Transfers out	(65,475)	-	(2,326,865)	(109,231)
Insurance recovery	-	-	-	-
Sale of capital assets	39,305	-	-	-
Total Other Financing Sources (Uses)	(22,709)	172,382	(2,326,865)	(109,231)
NET CHANGE IN FUND BALANCES	(584,700)	(143,305)	8,822	7,049
FUND BALANCES, BEGINNING	9,166,228	962,048	10,156	5,719
FUND BALANCES, ENDING	\$ 8,581,528	\$ 818,743	\$ 18,978	\$ 12,768

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
\$ 624,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	181,093	493,549	560,417
-	18,745	-	-	-	67,929	-
19,932	35,175	277	2,554	-	17,003	62,030
-	-	-	55,450	-	51,894	2,990
2,221	65,109	-	-	145	-	266,956
646,870	119,029	277	58,004	181,238	630,375	892,393
-	-	59	-	-	-	-
-	-	-	-	-	400	132,481
-	107,238	-	11,550	-	-	46,324
-	-	-	-	6,074	-	1,680,480
585,871	-	-	-	-	-	7,845
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	944,764	1,048,231
585,871	107,238	59	11,550	6,074	945,164	2,915,361
60,999	11,791	218	46,454	175,164	(314,789)	(2,022,968)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	51,705	-	371,500
-	-	-	-	-	(181,054)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	51,705	(181,054)	371,500
60,999	11,791	218	46,454	226,869	(495,843)	(1,651,468)
547,678	1,117,446	8,667	154,834	1,638,134	705,731	3,445,458
\$ 608,677	\$ 1,129,237	\$ 8,885	\$ 201,288	\$ 1,865,003	\$ 209,888	\$ 1,793,990

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Projects Funds		Permanent Funds		Total
	Sales	Street	Ella	Library	Nonmajor
	Tax	Construction	Lyons	Gifts	Governmental
	Construction	Construction	Peony	Trust	Funds
	Construction	Construction	Trail Trust	Trust	Funds
REVENUES					
Taxes	\$ 2,430,832	\$ 3,646,248	\$ -	\$ -	\$ 9,039,057
Special assessments	-	-	-	-	115,387
Intergovernmental	-	6,384,055	-	-	21,981,542
Charges for services	-	25,359	-	-	112,033
Investment earnings	114,089	267,747	(6,871)	593	520,786
Contributions	-	-	-	3	110,337
Miscellaneous	7,221	46,361	-	-	620,664
Total Revenues	2,552,142	10,369,770	(6,871)	596	32,499,806
EXPENDITURES					
Governmental activities					
Current					
Public safety	8,869	-	-	-	8,928
Public works	6,368	1,676,119	-	-	9,011,452
Culture and recreation	77,562	1,327	3,640	-	247,641
Community and economic development	-	-	-	-	8,077,503
General government	-	-	-	-	601,094
Debt service					
Principal	-	-	-	-	45,371
Interest and fiscal charges	-	-	-	-	1,025
Capital projects	6,108,201	10,443,480	-	-	20,385,563
Total Expenditures	6,201,000	12,120,926	3,640	-	38,378,577
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	(3,648,858)	(1,751,156)	(10,511)	596	(5,878,771)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Transfers in	-	54,967	-	-	654,015
Transfers out	(935,163)	(234,138)	-	-	(3,851,926)
Insurance recovery	-	33,526	-	-	33,526
Sale of capital assets	-	-	-	-	39,305
Total Other Financing Sources (Uses)	(935,163)	(145,645)	-	-	(3,125,080)
NET CHANGE IN FUND BALANCES	(4,584,021)	(1,896,801)	(10,511)	596	(9,003,851)
FUND BALANCES, BEGINNING	7,757,975	10,570,396	153,002	18,457	36,261,929
FUND BALANCES, ENDING	\$ 3,173,954	\$ 8,673,595	\$ 142,491	\$ 19,053	\$ 27,258,078

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.

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023

EXHIBIT B-1

	Refuse Collection	Transit System	Salt	Total Other Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 300,669	\$ 5,159,202	\$ 68,119	\$ 5,527,990
Receivables				
Accounts	498,925	17,546	3,814	520,285
Accrued interest	8,199	35,662	471	44,332
Intergovernmental	-	1,893,563	-	1,893,563
Prepaid items	26,405	16,127	-	42,532
Inventories	-	19,592	-	19,592
Total Current Assets	<u>834,198</u>	<u>7,141,692</u>	<u>72,404</u>	<u>8,048,294</u>
NONCURRENT ASSETS				
Restricted cash and investments	-	227,400	-	227,400
Capital assets				
Land	-	36,000	-	36,000
Buildings	-	11,703,490	175,458	11,878,948
Improvements to other than buildings	-	796,092	686,312	1,482,404
Machinery and equipment	2,962,580	8,739,523	36,342	11,738,445
Subscription assets	-	21,549	-	21,549
Accumulated depreciation and amortization	(2,214,739)	(5,422,034)	(260,497)	(7,897,270)
Net Capital Assets	<u>747,841</u>	<u>15,874,620</u>	<u>637,615</u>	<u>17,260,076</u>
Total Noncurrent Assets	<u>747,841</u>	<u>16,102,020</u>	<u>637,615</u>	<u>17,487,476</u>
Total Assets	<u>1,582,039</u>	<u>23,243,712</u>	<u>710,019</u>	<u>25,535,770</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	199,607	270,829	-	470,436
OPEB related deferred outflows	42,262	66,679	-	108,941
Total Deferred Outflows of Resources	<u>241,869</u>	<u>337,508</u>	<u>-</u>	<u>579,377</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	102,609	86,953	-	189,562
Accrued payroll	27,466	34,913	-	62,379
General obligation bonds payable	6,400	46,498	-	52,898
Subscription liability	-	11,549	-	11,549
Accrued compensated absences	5,965	15,082	-	21,047
Accrued interest payable	1,435	1,885	-	3,320
Total Current Liabilities	<u>143,875</u>	<u>196,880</u>	<u>-</u>	<u>340,755</u>
NONCURRENT LIABILITIES				
General obligation bonds payable	42,743	956,185	-	998,928
Accrued compensated absences	227,483	45,219	-	272,702
Net pension liability	581,006	774,675	-	1,355,681
Total OPEB liability	<u>228,418</u>	<u>228,420</u>	<u>-</u>	<u>456,838</u>
Total Noncurrent Liabilities	<u>1,079,650</u>	<u>2,004,499</u>	<u>-</u>	<u>3,084,149</u>
Total Liabilities	<u>1,223,525</u>	<u>2,201,379</u>	<u>-</u>	<u>3,424,904</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	125,406	136,385	-	261,791
OPEB related deferred inflows	50,173	39,711	-	89,884
Total Deferred Inflows of Resources	<u>175,579</u>	<u>176,096</u>	<u>-</u>	<u>351,675</u>
NET POSITION				
Net investment in capital assets	698,698	15,087,788	637,615	16,424,101
Unrestricted	(273,894)	6,115,957	72,404	5,914,467
Total Net Position	<u>\$ 424,804</u>	<u>\$ 21,203,745</u>	<u>\$ 710,019</u>	<u>\$ 22,338,568</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-2

	Refuse Collection	Transit System	Salt	Total Other Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	\$ 4,792,011	\$ 458,919	\$ 79,163	\$ 5,330,093
Other	14,426	45,802	-	60,228
Total Operating Revenues	4,806,437	504,721	79,163	5,390,321
OPERATING EXPENSES				
Employee expense	3,214,781	2,390,493	-	5,605,274
Utilities	25,666	109,455	-	135,121
Repairs and maintenance	439,211	637,193	424	1,076,828
Supplies and services	1,714,521	582,496	75,333	2,372,350
Insurance	32,741	79,651	-	112,392
Depreciation	251,529	845,727	27,639	1,124,895
Total Operating Expenses	5,678,449	4,645,015	103,396	10,426,860
OPERATING INCOME (LOSS)	(872,012)	(4,140,294)	(24,233)	(5,036,539)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	9,771	4,314,444	-	4,324,215
Investment earnings	42,519	96,736	1,781	141,036
Contributions	668	-	-	668
Interest expense	(1,217)	(22,981)	-	(24,198)
Gain on disposal of assets	-	49,294	-	49,294
Net Nonoperating Revenues (Expenses)	51,741	4,437,493	1,781	4,491,015
INCOME (LOSS) BEFORE TRANSFERS	(820,271)	297,199	(22,452)	(545,524)
CAPITAL CONTRIBUTIONS	-	-	-	-
TRANSFERS IN	275,196	1,988,085	-	2,263,281
TRANSFERS OUT	(140,365)	(211,497)	-	(351,862)
CHANGE IN NET POSITION	(685,440)	2,073,787	(22,452)	1,365,895
NET POSITION, BEGINNING	1,110,244	19,129,958	732,471	20,972,673
NET POSITION, ENDING	\$ 424,804	\$ 21,203,745	\$ 710,019	\$ 22,338,568

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Refuse Collection	Transit System	Salt	Total Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,700,916	\$ 442,908	\$ 75,349	\$ 5,219,173
Cash payments to suppliers for goods and services	(2,194,606)	(1,346,786)	(75,757)	(3,617,149)
Cash payments to employees for services	(3,392,573)	(2,602,318)	-	(5,994,891)
Other operating receipts	14,426	45,802	-	60,228
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(871,837)	(3,460,394)	(408)	(4,332,639)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	275,196	1,988,085	-	2,263,281
Transfers to other funds	(140,365)	(211,497)	-	(351,862)
Contributions	668	-	-	668
Intergovernmental grant proceeds	9,771	3,571,093	-	3,580,864
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	145,270	5,347,681	-	5,492,951
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	-	49,294	-	49,294
Acquisition and construction of capital assets	-	(179,345)	-	(179,345)
Principal Paid	(6,018)	(56,469)	-	(62,487)
Interest paid	(1,649)	(23,643)	-	(25,292)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(7,667)	(210,163)	-	(217,830)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	34,320	61,074	1,310	96,704
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(699,914)	1,738,198	902	1,039,186
CASH AND CASH EQUIVALENTS, BEGINNING	1,000,583	3,648,404	67,217	4,716,204
CASH AND CASH EQUIVALENTS, ENDING	\$ 300,669	\$ 5,386,602	\$ 68,119	\$ 5,755,390

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-3

	Business-type Activities - Enterprise Funds			
	Refuse Collection	Transit	Salt	Total Other Enterprise Funds
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES				
Operating (loss) income	\$ <u>(872,012)</u>	\$ <u>(4,140,294)</u>	\$ <u>(24,233)</u>	\$ <u>(5,036,539)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	251,529	845,727	27,639	1,124,895
Change in assets and liabilities				
(Increase) Decrease in receivables	(91,095)	(16,011)	(3,814)	(110,920)
(Increase) decrease in inventories and prepaid items	(26,405)	(779)	-	(27,184)
Increase (decrease) in accounts payable	43,938	62,788	-	106,726
(Decrease) increase in accrued liabilities	(57,558)	(76,339)	-	(133,897)
Increase in net pension liability	561,904	747,128	-	1,309,032
(Increase) in deferred outflows - pension related	(57,386)	3,149	-	(54,237)
(Increase) in deferred outflows - OPEB related	(16,193)	(43,868)	-	(60,061)
(Decrease) in deferred inflows - pension related	(626,465)	(892,335)	-	(1,518,800)
(Decrease) increase in deferred inflows - OPEB related	(3,119)	3,491	-	372
Increase in total OPEB liability	<u>21,025</u>	<u>46,949</u>	<u>-</u>	<u>67,974</u>
Total Adjustments	<u>175</u>	<u>679,900</u>	<u>23,825</u>	<u>703,900</u>
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>(871,837)</u></u>	\$ <u><u>(3,460,394)</u></u>	\$ <u><u>(408)</u></u>	\$ <u><u>(4,332,639)</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization of bond discount (premium)	\$ 235	\$ 577	\$ -	\$ 812
Net acquisition of capital assets through accounts and retainage payable	\$ <u>-</u>	\$ <u>(121,413)</u>	\$ <u>-</u>	\$ <u>(121,413)</u>
Acquisition of capital assets through financing arrangement	\$ <u>-</u>	\$ <u>21,549</u>	\$ <u>-</u>	\$ <u>21,549</u>

INTERNAL SERVICE FUNDS

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

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

Garage Service Fund - This fund is used to account for 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, 2023

	General Service	Garage Service	Stores/ Printing
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 426,949	\$ 481,010	\$ 6,871
Receivables			
Accounts	-	2,220	-
Intergovernmental	-	33,786	-
Accrued interest	-	-	-
Inventories	-	75,019	10,935
Prepaid expenses	-	1,475	-
Total Current Assets	<u>426,949</u>	<u>593,510</u>	<u>17,806</u>
NONCURRENT ASSETS			
Capital assets			
Machinery and equipment	-	361,329	-
Accumulated depreciation and amortization	-	(310,336)	-
Net Capital Assets	<u>-</u>	<u>50,993</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>50,993</u>	<u>-</u>
Total Assets	<u>426,949</u>	<u>644,503</u>	<u>17,806</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>119,676</u>	<u>98,853</u>	<u>-</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	93,379	-
Accrued payroll	667	24,748	-
Total Current Liabilities	<u>667</u>	<u>118,127</u>	<u>-</u>
NONCURRENT LIABILITIES			
Net pension liability	-	335,693	-
Total Noncurrent Liabilities	<u>-</u>	<u>335,693</u>	<u>-</u>
Total Liabilities	<u>667</u>	<u>453,820</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	<u>648,906</u>	<u>57,789</u>	<u>-</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	-	50,993	-
Unrestricted	(102,948)	180,754	17,806
Total Net Position (Deficit)	<u>\$ (102,948)</u>	<u>\$ 231,747</u>	<u>\$ 17,806</u>

EXHIBIT C-1

Health Insurance Reserve	Workers' Compensation Reserve	Total
<u>\$ 6,011,480</u>	<u>\$ 1,454,483</u>	<u>\$ 8,380,793</u>
190,940	-	193,160
-	-	33,786
41,553	10,054	51,607
-	-	85,954
1,503	182,700	185,678
<u>6,245,476</u>	<u>1,647,237</u>	<u>8,930,978</u>
-	-	361,329
-	-	(310,336)
-	-	50,993
-	-	50,993
<u>6,245,476</u>	<u>1,647,237</u>	<u>8,981,971</u>
-	-	218,529
471,617	611,349	1,176,345
-	-	25,415
<u>471,617</u>	<u>611,349</u>	<u>1,201,760</u>
-	-	335,693
-	-	335,693
<u>471,617</u>	<u>611,349</u>	<u>1,537,453</u>
-	-	706,695
-	-	50,993
<u>5,773,859</u>	<u>1,035,888</u>	<u>6,905,359</u>
<u>\$ 5,773,859</u>	<u>\$ 1,035,888</u>	<u>\$ 6,956,352</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, 2023

	General Service	Garage Service	Stores/ Printing
OPERATING REVENUES			
Charges for sales and services	\$ -	\$ 2,796,061	\$ 10,384
Other	-	83,298	-
Total Operating Revenues	-	2,879,359	10,384
OPERATING EXPENSES			
Employee expense	(120,695)	1,061,384	-
Utilities	-	38,868	8,865
Repairs and maintenance	-	211,240	-
Supplies and services	-	1,738,716	871
Insurance	-	9,709	-
Depreciation	-	10,756	-
Total Operating Expenses	(120,695)	3,070,673	9,736
OPERATING INCOME (LOSS)	120,695	(191,314)	648
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	-	-
Gain on disposal of assets	-	1,430	-
Net Nonoperating Revenues (Expenses)	-	1,430	-
CHANGE IN NET POSITION	120,695	(189,884)	648
NET POSITION (DEFICIT), BEGINNING	(223,643)	421,631	17,158
NET POSITION (DEFICIT), ENDING	\$ (102,948)	\$ 231,747	\$ 17,806

EXHIBIT C-2

Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 11,427,511	\$ 779,630	\$ 15,013,586
-	22,824	106,122
<u>11,427,511</u>	<u>802,454</u>	<u>15,119,708</u>
-	-	940,689
-	-	47,733
-	-	211,240
10,089,978	328,859	12,158,424
-	100,694	110,403
-	-	10,756
<u>10,089,978</u>	<u>429,553</u>	<u>13,479,245</u>
1,337,533	372,901	1,640,463
191,864	28,286	220,150
-	-	1,430
<u>191,864</u>	<u>28,286</u>	<u>221,580</u>
1,529,397	401,187	1,862,043
4,244,462	634,701	5,094,309
<u>\$ 5,773,859</u>	<u>\$ 1,035,888</u>	<u>\$ 6,956,352</u>

CITY OF DUBUQUE, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Service	Garage Service	Stores/ Printing
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ -	\$ 2,760,055	\$ 10,384
Cash payments to suppliers for goods and services	-	(1,995,828)	(3,513)
Cash payments to employees for services	(2,550)	(1,151,775)	-
Other operating receipts	-	83,298	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(2,550)	(304,250)	6,871
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	1,430	-
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	-	1,430	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,550)	(302,820)	6,871
CASH AND CASH EQUIVALENTS, BEGINNING	429,499	783,830	-
CASH AND CASH EQUIVALENTS, ENDING	\$ 426,949	\$ 481,010	\$ 6,871
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income	120,695	(191,314)	648
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	-	10,756	-
Change in assets and liabilities			
(Increase) in receivables	-	(36,006)	-
Decrease (increase) in inventories and prepaid items	-	4,258	12,237
(Decrease) increase in accounts payable	-	(1,553)	(6,014)
(Decrease) increase in net pension liability	(19,869)	324,087	-
Decrease (increase) in deferred outflows - pension related	28,113	(15,394)	-
(Decrease) in deferred inflows - pension related	(132,150)	(377,778)	-
Increase (decrease) in accrued liabilities	661	(21,306)	-
Total Adjustments	(123,245)	(112,936)	6,223
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (2,550)	\$ (304,250)	\$ 6,871

EXHIBIT C-3

Health Insurance Reserve	Workers' Compensation Reserve	Total
\$ 11,374,575	\$ 769,576	\$ 14,914,590
(10,493,066)	(1,248,803)	(13,741,210)
-	-	(1,154,325)
-	22,824	106,122
881,509	(456,403)	125,177
-	-	1,430
-	-	1,430
151,990	28,485	180,475
1,033,499	(427,918)	307,082
4,977,981	1,882,401	8,073,711
\$ 6,011,480	\$ 1,454,483	\$ 8,380,793
1,337,533	372,901	1,640,463
-	-	10,756
(52,936)	(10,054)	(98,996)
(1,503)	(182,700)	(167,708)
(401,585)	(636,550)	(1,045,702)
-	-	304,218
-	-	12,719
-	-	(509,928)
-	-	(20,645)
(456,024)	(829,304)	(1,515,286)
\$ 881,509	\$ (456,403)	\$ 125,177

Statistical Section (Unaudited)

June 30, 2023

City of Dubuque, Iowa

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF DUBUQUE, IOWA

STATISTICAL SECTION

This statistical section of the City's annual comprehensive 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.	156
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	166
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.	170
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.	181
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.	184

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

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

					Fiscal -
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 354,732,451	\$ 348,173,267	\$ 369,244,904	\$ 375,578,520	\$ 379,040,697
Restricted	21,501,638	22,047,405	21,473,309	23,955,112	27,269,997
Unrestricted	<u>(18,151,279)</u>	<u>(49,579,334)</u>	<u>(47,166,839)</u>	<u>(43,921,629)</u>	<u>(41,853,174)</u>
Total governmental activities net position	<u>\$ 358,082,810</u>	<u>\$ 320,641,338</u>	<u>\$ 343,551,374</u>	<u>\$ 355,612,003</u>	<u>\$ 364,457,520</u>
Business-type activities					
Net investment in capital assets	\$ 138,842,390	\$ 148,487,126	\$ 161,326,743	\$ 164,448,390	\$ 168,205,523
Restricted	5,315,519	7,796,668	4,254,907	3,796,752	3,053,616
Unrestricted	<u>(593,202)</u>	<u>(4,568,933)</u>	<u>(7,339,071)</u>	<u>3,876,760</u>	<u>10,696,792</u>
Total business-type activities net position	<u>\$ 143,564,707</u>	<u>\$ 151,714,861</u>	<u>\$ 158,242,579</u>	<u>\$ 172,121,902</u>	<u>\$ 181,955,931</u>
Primary government					
Net investment in capital assets	\$ 493,574,841	\$ 496,660,393	\$ 530,571,647	\$ 540,026,910	\$ 547,246,220
Restricted	26,817,157	29,844,073	25,728,216	27,751,864	30,323,613
Unrestricted	<u>(18,744,481)</u>	<u>(54,148,267)</u>	<u>(54,505,910)</u>	<u>(40,044,869)</u>	<u>(31,156,382)</u>
Total primary government net positions	<u>\$ 501,647,517</u>	<u>\$ 472,356,199</u>	<u>\$ 501,793,953</u>	<u>\$ 527,733,905</u>	<u>\$ 546,413,451</u>

TABLE 1

Year				
2019	2020	2021	2022	2023
\$ 385,005,220	\$ 387,344,725	\$ 387,768,367	\$ 386,739,779	\$ 400,952,682
28,321,603	26,501,434	34,083,157	35,584,078	47,002,287
<u>(36,682,314)</u>	<u>(35,985,750)</u>	<u>(30,327,770)</u>	<u>(12,530,829)</u>	<u>(11,293,269)</u>
<u>\$ 376,644,509</u>	<u>\$ 377,860,409</u>	<u>\$ 391,523,754</u>	<u>\$ 409,793,028</u>	<u>\$ 436,661,700</u>
\$ 179,561,228	\$ 191,757,112	\$ 207,159,931	\$ 219,652,664	\$ 231,850,352
3,131,716	3,187,364	2,942,894	3,124,213	2,828,344
<u>12,617,567</u>	<u>17,437,890</u>	<u>27,491,072</u>	<u>32,915,285</u>	<u>37,930,508</u>
<u>\$ 195,310,511</u>	<u>\$ 212,382,366</u>	<u>\$ 237,593,897</u>	<u>\$ 255,692,162</u>	<u>\$ 272,609,204</u>
\$ 564,566,448	\$ 579,101,837	\$ 594,928,298	\$ 606,392,443	\$ 632,803,034
31,453,319	29,688,798	37,026,051	38,708,291	49,830,631
<u>(24,064,747)</u>	<u>(18,547,860)</u>	<u>(2,836,698)</u>	<u>20,384,456</u>	<u>26,637,239</u>
<u>\$ 571,955,020</u>	<u>\$ 590,242,775</u>	<u>\$ 629,117,651</u>	<u>\$ 665,485,190</u>	<u>\$ 709,270,904</u>

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

	Fiscal -			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
Public safety	\$ 27,578,517	\$ 25,525,937	\$ 26,851,624	\$ 30,020,343
Public works	21,306,882	19,207,837	24,323,023	19,608,137
Health and social services	1,055,398	928,968	967,936	815,251
Culture and recreation	13,696,331	13,002,690	12,993,331	13,653,509
Community and economic development	14,591,257	18,064,831	15,464,781	18,096,170
General government	9,610,084	6,420,173	4,101,423	8,982,668
Interest on long-term debt	3,684,993	3,903,667	2,963,134	3,467,685
Total governmental activities expenses	<u>\$ 91,523,462</u>	<u>\$ 87,054,103</u>	<u>\$ 87,665,252</u>	<u>\$ 94,643,763</u>
Business-type activities:				
Sewage disposal works	\$ 11,481,103	\$ 12,019,866	\$ 12,817,669	\$ 11,326,661
Water utility	8,812,340	7,800,393	6,483,229	6,807,217
Stormwater utility	3,431,096	4,131,562	5,021,523	6,234,015
Parking facilities	3,732,492	3,383,419	3,420,296	3,547,856
America's River Project	33,579	24,000	21,521	22,893
Refuse collection	3,750,366	3,740,404	3,968,761	4,208,268
Transit system	3,847,320	4,245,823	4,274,967	4,237,054
Salt	56,468	244,691	181,617	45,039
Total business-type activities expenses	<u>35,144,764</u>	<u>35,590,158</u>	<u>36,189,583</u>	<u>36,429,003</u>
Total primary government expenses	<u>\$ 126,668,226</u>	<u>\$ 122,644,261</u>	<u>\$ 123,854,835</u>	<u>\$ 131,072,766</u>
Program Revenues				
Governmental activities:				
Charges for services				
Public safety	\$ 2,624,455	\$ 2,532,114	\$ 2,713,065	\$ 2,930,068
Public works	5,829,293	6,092,356	5,765,075	5,681,107
Culture and recreation	2,321,265	2,547,843	2,723,270	2,767,636
Other activities	3,921,256	3,493,143	3,887,056	3,541,205
Operating grants and contributions	12,784,907	11,992,439	15,301,219	15,028,527
Capital grants and contributions	12,162,649	9,704,043	18,667,619	13,360,280
Total governmental activities program revenues	<u>\$ 39,643,825</u>	<u>\$ 36,361,938</u>	<u>\$ 49,057,304</u>	<u>\$ 43,308,823</u>
Business-type activities:				
Charges for services				
Sewage disposal works	\$ 10,025,673	\$ 10,582,662	\$ 12,158,439	\$ 12,442,584
Water utility	7,248,790	7,463,430	8,406,928	8,553,225
Stormwater utility	3,224,504	3,490,040	3,754,148	4,076,396
Parking facilities	2,920,148	3,036,214	3,247,383	3,286,947
America's River Project	-	-	1,605	4
Refuse collection	3,700,922	3,783,493	3,857,340	4,185,051
Transit system	275,907	397,545	463,688	459,258
Salt	45,600	232,271	81,720	86,887
Operating grants and contributions	1,717,208	1,866,535	1,648,077	1,700,171
Capital grants and contributions	2,920,942	10,020,715	7,607,721	14,160,820
Total business-type activities program revenues	<u>32,079,694</u>	<u>40,872,905</u>	<u>41,227,049</u>	<u>48,951,343</u>
Total primary government program revenues	<u>\$ 71,723,519</u>	<u>\$ 77,234,843</u>	<u>\$ 90,284,353</u>	<u>\$ 92,260,166</u>

TABLE 2

Year					
2018	2019	2020	2021	2022	2023
\$ 29,482,962	\$ 29,637,417	\$ 32,079,903	\$ 32,583,676	\$ 30,548,958	\$ 31,897,099
20,393,871	24,835,035	22,667,132	20,949,455	21,999,636	23,176,938
883,217	1,442,658	1,677,181	1,487,042	1,003,870	966,542
14,323,710	12,916,646	13,576,571	11,341,436	14,452,466	17,282,589
21,109,384	15,837,039	17,848,570	18,168,279	16,866,498	19,094,222
7,573,081	5,944,116	8,821,692	10,046,004	7,210,508	9,651,738
3,129,502	3,387,730	2,929,997	2,791,647	2,004,709	2,520,840
<u>\$ 96,895,727</u>	<u>\$ 94,000,641</u>	<u>\$ 99,601,046</u>	<u>\$ 97,367,539</u>	<u>\$ 94,086,645</u>	<u>\$ 104,589,968</u>
\$ 11,614,347	\$ 12,177,352	\$ 11,725,889	\$ 12,248,931	\$ 12,197,134	\$ 13,038,176
7,109,421	7,892,423	7,631,411	7,604,425	7,212,652	8,140,552
6,159,039	7,025,525	5,887,171	6,164,947	6,047,606	6,493,098
2,866,510	2,845,911	3,414,851	3,334,222	2,972,990	3,261,531
10,143	19,874	3,161	-	-	-
4,244,551	4,215,881	4,387,683	4,546,168	4,452,838	5,599,895
4,722,979	4,533,060	4,748,463	4,494,303	4,027,600	4,615,225
119,421	182,092	333,556	147,524	129,265	103,396
<u>36,846,411</u>	<u>38,892,118</u>	<u>38,132,185</u>	<u>38,540,520</u>	<u>37,040,085</u>	<u>41,251,873</u>
<u>\$ 133,742,138</u>	<u>\$ 132,892,759</u>	<u>\$ 137,733,231</u>	<u>\$ 135,908,059</u>	<u>\$ 131,126,730</u>	<u>\$ 145,841,841</u>
\$ 2,600,751	\$ 2,535,504	\$ 2,641,633	\$ 4,942,529	\$ 5,443,744	\$ 4,966,834
6,654,101	7,327,692	6,732,825	10,937,121	9,591,742	5,707,265
2,874,493	2,459,644	2,237,000	2,876,779	3,564,782	3,233,591
5,864,541	3,815,321	5,455,952	1,753,928	4,100,714	6,049,651
21,569,356	23,198,271	14,484,320	24,436,818	19,956,589	18,825,358
7,779,713	11,048,200	15,450,271	12,266,220	4,007,842	16,280,486
<u>\$ 47,342,955</u>	<u>\$ 50,384,632</u>	<u>\$ 47,002,001</u>	<u>\$ 57,213,395</u>	<u>\$ 46,665,413</u>	<u>\$ 55,063,185</u>
\$ 12,659,662	\$ 12,479,684	\$ 12,606,632	\$ 13,070,575	\$ 13,870,390	\$ 14,835,494
8,906,136	8,959,023	9,273,720	9,608,742	10,153,939	10,802,909
4,367,963	4,714,670	5,061,855	5,177,696	5,233,932	5,611,781
3,034,744	3,066,118	2,313,344	2,007,307	2,692,362	2,202,247
4	4	-	-	-	-
4,232,542	4,351,428	4,448,317	4,424,410	4,646,568	4,801,782
465,550	512,385	400,576	168,493	405,194	458,919
96,273	174,784	346,753	125,189	100,763	79,163
1,648,403	1,917,366	2,967,619	9,894,477	2,281,855	4,349,167
5,705,262	6,215,459	6,410,594	6,691,110	7,444,056	9,279,293
<u>41,116,539</u>	<u>42,390,921</u>	<u>43,829,410</u>	<u>51,167,999</u>	<u>46,829,059</u>	<u>52,420,755</u>
<u>\$ 88,459,494</u>	<u>\$ 92,775,553</u>	<u>\$ 90,831,411</u>	<u>\$ 108,381,394</u>	<u>\$ 93,494,472</u>	<u>\$ 107,483,940</u>

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

	Fiscal -			
	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental activities	\$ (51,879,637)	\$ (50,692,165)	\$ (38,607,948)	\$ (51,334,940)
Business-type activities	<u>(3,065,070)</u>	<u>5,282,747</u>	<u>5,037,466</u>	<u>12,522,340</u>
Total primary government net expense	<u>\$ (54,944,707)</u>	<u>\$ (45,409,418)</u>	<u>\$ (33,570,482)</u>	<u>\$ (38,812,600)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
General Revenues				
Property taxes	\$ 33,264,283	\$ 36,277,719	\$ 36,518,506	\$ 39,678,473
Local option sales tax	8,211,366	8,760,246	9,155,411	8,890,046
Hotel/motel tax	2,006,514	2,623,551	2,128,042	2,821,745
Utility franchise fees	2,609,421	2,828,688	4,360,107	4,558,847
Gaming	7,878,008	7,397,709	8,440,161	8,098,324
Unrestricted investment earnings	777,958	668,134	1,082,165	335,577
Miscellaneous	-	-	-	-
Gain on sale of capital assets	483,782	19,495	813,492	83,720
Transfers	<u>(2,444,846)</u>	<u>(7,288,593)</u>	<u>(979,900)</u>	<u>(1,071,163)</u>
Total governmental activities	<u>\$ 52,786,486</u>	<u>\$ 51,286,949</u>	<u>\$ 61,517,984</u>	<u>\$ 63,395,569</u>
Business-type activities:				
General Revenues				
Unrestricted investment earnings	\$ 135,461	\$ 185,356	\$ 407,528	\$ 231,746
Miscellaneous	-	-	-	-
Gain on sale of capital assets	180,229	6,571	102,824	54,074
Transfers	<u>2,444,846</u>	<u>7,288,593</u>	<u>979,900</u>	<u>1,071,163</u>
Total business-type activities	<u>2,760,536</u>	<u>7,480,520</u>	<u>1,490,252</u>	<u>1,356,983</u>
Total primary government	<u>\$ 55,547,022</u>	<u>\$ 58,767,469</u>	<u>\$ 63,008,236</u>	<u>\$ 64,752,552</u>
Change in Net Position				
Governmental activities	\$ 906,849	\$ 594,784	\$ 22,910,036	\$ 12,060,629
Business-type activities	<u>(304,534)</u>	<u>12,763,267</u>	<u>6,527,718</u>	<u>13,879,323</u>
Total primary government	<u>\$ 602,315</u>	<u>\$ 13,358,051</u>	<u>\$ 29,437,754</u>	<u>\$ 25,939,952</u>

TABLE 2
(continued)

Year					
2018	2019	2020	2021	2022	2023
\$ (49,552,772)	\$ (43,616,009)	\$ (52,599,045)	\$ (40,154,144)	\$ (47,421,232)	\$ (49,526,783)
<u>4,270,124</u>	<u>3,494,540</u>	<u>5,697,225</u>	<u>12,235,793</u>	<u>9,788,974</u>	<u>11,168,882</u>
<u>\$ (45,282,648)</u>	<u>\$ (40,121,469)</u>	<u>\$ (46,901,820)</u>	<u>\$ (27,918,351)</u>	<u>\$ (37,632,258)</u>	<u>\$ (38,357,901)</u>
\$ 39,632,246	\$ 37,973,888	\$ 38,354,691	\$ 39,524,078	\$ 39,406,493	\$ 40,211,474
8,610,948	8,940,109	9,652,332	11,328,295	12,738,941	12,154,160
2,286,469	2,113,273	2,117,506	2,036,045	2,915,854	3,071,858
4,832,958	5,072,350	4,976,472	4,920,610	6,044,713	7,061,030
8,062,251	8,730,986	7,394,294	8,077,003	12,000,140	9,846,790
688,769	1,858,476	1,857,420	142,102	(390,365)	5,674,974
-	-	-	-	-	2,058,660
309,857	94,980	23,866	296,969	244,104	-
<u>(5,423,015)</u>	<u>(8,981,064)</u>	<u>(10,561,636)</u>	<u>(12,845,032)</u>	<u>(7,430,546)</u>	<u>(3,683,491)</u>
<u>\$ 59,000,483</u>	<u>\$ 55,802,998</u>	<u>\$ 53,814,945</u>	<u>\$ 53,480,070</u>	<u>\$ 65,529,334</u>	<u>\$ 76,395,455</u>
\$ 268,283	\$ 798,497	\$ 796,494	\$ 130,706	\$ 119,466	\$ 1,571,115
-	-	-	-	-	435,822
4,680	80,479	16,500	-	(206,351)	57,732
<u>5,423,015</u>	<u>8,981,064</u>	<u>10,561,636</u>	<u>12,845,032</u>	<u>7,430,546</u>	<u>3,683,491</u>
<u>5,695,978</u>	<u>9,860,040</u>	<u>11,374,630</u>	<u>12,975,738</u>	<u>7,343,661</u>	<u>5,748,160</u>
<u>\$ 64,696,461</u>	<u>\$ 65,663,038</u>	<u>\$ 65,189,575</u>	<u>\$ 66,455,808</u>	<u>\$ 72,872,995</u>	<u>\$ 82,143,615</u>
\$ 9,447,711	\$ 12,186,989	\$ 1,215,900	\$ 13,325,926	\$ 18,108,102	\$ 26,868,672
<u>9,966,102</u>	<u>13,354,580</u>	<u>17,071,855</u>	<u>25,211,531</u>	<u>17,132,635</u>	<u>16,917,042</u>
<u>\$ 19,413,813</u>	<u>\$ 25,541,569</u>	<u>\$ 18,287,755</u>	<u>\$ 38,537,457</u>	<u>\$ 35,240,737</u>	<u>\$ 43,785,714</u>

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

	Fiscal -			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 6,549,063	\$ 6,082,043	\$ 6,049,052	\$ 5,585,672
Restricted	-	-	-	2,208
Assigned	1,904,805	647,772	1,015,935	1,590,065
Unassigned	7,356,066	8,693,524	10,908,497	12,582,596
Total general fund	<u>\$ 15,809,934</u>	<u>\$ 15,423,339</u>	<u>\$ 17,973,484</u>	<u>\$ 19,760,541</u>
 All Other Governmental Funds				
Nonspendable	\$ 8,640,780	\$ 1,183,423	\$ 553,292	\$ 944,856
Restricted	23,620,615	30,496,183	27,450,187	28,103,397
Committed	10,548,592	12,298,896	7,635,502	6,592,154
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 42,809,987</u>	<u>\$ 43,978,502</u>	<u>\$ 35,638,981</u>	<u>\$ 35,640,407</u>

TABLE 3

Year						
	2018	2019	2020	2021	2022	2023
\$	5,414,922	\$ 5,369,478	\$ 5,145,558	\$ 3,895,638	\$ 3,631,563	\$ 3,150,525
	-	229,995	219,741	197,264	186,705	-
	1,267,250	1,438,616	1,396,196	2,868,215	4,292,669	4,336,311
	15,193,241	19,276,479	20,128,223	28,023,989	36,610,486	44,067,606
\$	<u>21,875,413</u>	<u>\$ 26,314,568</u>	<u>\$ 26,889,718</u>	<u>\$ 34,985,106</u>	<u>\$ 44,721,423</u>	<u>\$ 51,554,442</u>
\$	415,271	\$ 406,813	\$ 1,030,515	\$ 960,898	\$ 1,159,785	\$ 714,788
	30,347,598	34,367,024	30,247,351	40,785,902	42,155,557	45,484,328
	4,660,158	3,009,111	5,823,218	7,901,868	10,202,856	3,769,015
	<u>(2,021,937)</u>	<u>(1,185,047)</u>	<u>(2,703,558)</u>	<u>(1,561,830)</u>	<u>-</u>	<u>(1,006,837)</u>
\$	<u>33,401,090</u>	<u>\$ 36,597,901</u>	<u>\$ 34,397,526</u>	<u>\$ 48,086,838</u>	<u>\$ 53,518,198</u>	<u>\$ 48,961,294</u>

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

	Fiscal -			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 46,034,361	\$ 50,490,204	\$ 51,580,084	\$ 55,949,111
Special assessments	154,692	85,501	111,193	261,233
Licenses and permits	1,136,941	1,198,420	1,480,643	1,505,564
Intergovernmental	23,050,052	20,828,524	29,302,824	26,314,297
Charges for services	10,264,257	10,711,243	10,919,854	10,816,025
Fines and forfeits	455,219	362,661	421,925	484,687
Investment earnings	756,809	668,134	1,082,165	335,577
Contributions	678,561	789,268	1,440,405	689,237
Gaming	7,878,008	7,397,709	8,440,161	8,098,324
Miscellaneous	1,705,275	1,466,542	1,367,875	1,811,681
Total revenues	\$ <u>92,114,175</u>	\$ <u>93,998,206</u>	\$ <u>106,147,129</u>	\$ <u>106,265,736</u>
Expenditures				
Current				
Public safety	\$ 27,644,190	\$ 27,570,773	\$ 28,036,551	\$ 29,155,128
Public works	13,942,772	11,200,427	14,597,823	11,728,716
Health and social services	1,049,194	939,172	1,015,987	868,280
Culture and recreation	12,351,497	12,300,454	11,909,029	12,397,294
Community and economic development	14,420,980	16,418,909	13,473,413	16,474,553
General government	5,898,293	5,977,605	6,436,114	7,287,586
Debt service				
Principal	4,595,808	4,910,735	10,302,412	17,615,698
Interest	3,650,694	3,577,829	3,707,268	3,579,807
Capital projects	18,779,651	14,829,037	31,504,581	16,260,851
Total expenditures	\$ <u>102,333,079</u>	\$ <u>97,724,941</u>	\$ <u>120,983,178</u>	\$ <u>115,367,913</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(10,218,904)</u>	\$ <u>(3,726,735)</u>	\$ <u>(14,836,049)</u>	\$ <u>(9,102,177)</u>
Other Financing Sources (Uses)				
Issuance of debt	\$ -	\$ 11,137,321	\$ 3,933,882	\$ 230,000
Discount on bonds	-	72,852	292,521	319,384
Premiums on bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	11,023,700
Payment to refunded bonds escrow agent	-	-	4,650,000	-
Transfers in	15,862,516	18,073,553	17,397,007	18,814,586
Transfers out	(17,294,762)	(25,241,795)	(18,376,907)	(19,917,219)
Insurance recovery	59,796	106,288	86,359	41,345
Sale of capital assets	666,648	360,436	1,063,814	378,861
Total other financing sources (uses)	\$ <u>(705,802)</u>	\$ <u>4,508,655</u>	\$ <u>9,046,676</u>	\$ <u>10,890,657</u>
Special Items				
Transfer of roads	\$ -	\$ -	\$ -	\$ -
Total special items	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ <u>(10,924,706)</u>	\$ <u>781,920</u>	\$ <u>(5,789,373)</u>	\$ <u>1,788,480</u>
Debt service as a percentage of noncapital expenditures	10%	10%	15%	21%

TABLE 4

Year						
2018	2019	2020	2021	2022	2023	
\$ 55,362,621	\$ 54,101,901	\$ 54,818,674	\$ 57,809,028	\$ 61,106,001	\$ 62,496,318	
122,968	113,178	76,394	101,219	42,996	118,387	
1,642,498	1,619,892	1,497,086	1,983,531	2,211,503	1,915,186	
27,229,554	31,359,695	28,618,060	31,984,376	27,568,957	31,162,370	
11,559,017	12,476,036	10,994,598	13,480,915	16,152,093	16,555,832	
407,322	404,400	365,458	375,268	303,348	369,273	
688,769	1,701,846	1,699,015	120,890	(401,489)	5,500,145	
816,922	1,343,916	1,163,721	3,564,843	809,911	2,542,916	
8,062,251	8,708,702	7,394,294	8,077,003	12,000,140	9,846,790	
1,589,072	1,526,804	3,517,089	1,399,203	2,870,089	1,887,319	
<u>\$ 107,480,994</u>	<u>\$ 113,356,370</u>	<u>\$ 110,144,389</u>	<u>\$ 118,896,276</u>	<u>\$ 122,663,549</u>	<u>\$ 132,394,536</u>	
\$ 28,581,466	\$ 28,807,920	\$ 29,518,515	\$ 29,038,359	\$ 31,256,017	\$ 33,748,788	
11,687,309	12,851,393	11,838,812	12,104,310	15,643,225	17,537,029	
854,045	1,046,184	1,340,544	1,067,491	880,876	1,015,604	
12,776,591	13,037,048	13,199,378	11,917,333	14,626,704	17,166,367	
20,350,200	15,730,191	16,685,406	17,531,856	18,756,833	19,011,697	
6,755,479	6,571,094	7,447,439	7,499,790	7,930,781	7,728,869	
					-	
7,989,850	5,509,605	7,065,499	27,524,288	4,518,117	5,545,842	
3,274,200	3,320,911	3,044,421	2,997,621	2,693,685	2,707,063	
17,402,848	20,145,054	21,089,439	15,308,122	17,435,407	25,289,860	
<u>\$ 109,671,988</u>	<u>\$ 107,019,400</u>	<u>\$ 111,229,453</u>	<u>\$ 124,989,170</u>	<u>\$ 113,741,645</u>	<u>\$ 129,751,119</u>	
<u>\$ (2,190,994)</u>	<u>\$ 6,336,970</u>	<u>\$ (1,085,064)</u>	<u>\$ (6,092,894)</u>	<u>\$ 8,921,904</u>	<u>\$ 2,643,417</u>	
\$ 110,000	\$ 2,883,875	\$ 1,372,907	\$ -	\$ 9,565,000	\$ 811,353	
16,915	81,693	62,182	953,857	123,888	-	
-	-	-	-	-	-	
1,778,325	-	-	25,605,950	-	-	
-	-	-	-	-	-	
18,889,096	17,025,952	17,146,200	13,730,128	12,868,560	10,591,993	
(20,980,391)	(18,876,402)	(19,858,343)	(19,145,976)	(16,765,216)	(12,975,637)	
98,058	87,843	71,604	136,979	17,327	288,664	
2,154,546	96,035	665,289	924,656	282,482	916,325	
<u>\$ 2,066,549</u>	<u>\$ 1,298,996</u>	<u>\$ (540,161)</u>	<u>\$ 22,205,594</u>	<u>\$ 6,092,041</u>	<u>\$ (367,302)</u>	
\$ -	\$ -	\$ -	\$ 5,672,000	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ 5,672,000	\$ -	\$ -	
<u>\$ (124,445)</u>	<u>\$ 7,635,966</u>	<u>\$ (1,625,225)</u>	<u>\$ 21,784,700</u>	<u>\$ 15,013,945</u>	<u>\$ 2,276,115</u>	
12%	10%	11%	28%	7%	8%	

**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		%
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	2,817,605	4,185,444	67.50	10.33144
2019	2021	2,912,635	4,378,243	7,531	2,905,104	4,378,243	66.53	10.14400
2020	2022	2,980,617	4,463,262	7,432	2,973,185	4,463,262	66.61	9.88899
2021	2023	3,100,106	4,803,254	7,371	3,092,735	4,803,254	64.39	9.71686

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
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	32.11
2017	2019	10.58844	14.59791	0.65204	1.09993	5.97760	32.91592	32.17
2018	2020	10.33144	14.71233	0.64911	1.03168	5.94098	32.66554	31.63
2019	2021	10.14400	14.66255	0.62819	0.94734	5.91098	32.29306	31.41
2020	2022	9.88899	14.55590	0.61829	0.90520	5.74009	31.70847	31.19
2021	2023	9.71686	13.91240	0.66681	0.90520	5.35009	30.55136	31.80

Separate components of the Dubuque City Rate is as follows:

Levy Year	Fiscal Year	General	Public Transit	Insurance	Employee Benefits	Debt Service	Total
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
2019	2021	8.10000	0.63405	0.14103	1.17623	0.09269	10.14400
2020	2022	8.10000	0.60512	0.16791	0.92381	0.09215	9.88899
2021	2023	8.10000	0.58311	0.18212	0.82988	0.02175	9.71686

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	2023			2014		
	Taxable Value	Rank	Percentage of Total City Taxable Value	Taxable Value	Rank	Percentage of Total City Taxable Value
Peninsula Gaming Company LLC	\$ 57,487	1	1.85 %	\$ 61,326	1	2.56 %
Kennedy Mall Inc.	30,088	2	0.97	35,312	2	1.47
Progressive Processing LLC (Hormel)	22,852	3	0.74	21,397	3	0.89
MAR Holdings LLC (Medical Assoc.)	20,336	4	0.66	21,307	4	0.89
KMDE LLC	16,887	5	0.54			
Walter Development LLC	13,348	6	0.43	16,639	6	0.69
Nordstrom, Inc.	13,320	7	0.43	18,599	5	0.78
MGI Leasing Inc	12,547	8	0.40			
MRE Propco LP	11,457	9	0.37			
Roshek Property LLC	10,785	10	0.35			
McGraw Hill Global Education LLC				15,907	7	0.66
Otto A LLC				14,100	8	0.59
Platinum Holdings LLC				11,817	9	0.49
Flexsteel Industries Inc.				11,409	10	0.48
	<u>\$ 209,107</u>		<u>6.74 %</u>	<u>\$ 227,813</u>		<u>9.50 %</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</u> <u>Year</u>	<u>Levy</u> <u>Year</u>	<u>Total</u> <u>Tax</u> <u>Levy</u> <u>(1)</u>	<u>Current</u> <u>Tax</u> <u>Collections</u>	<u>Percent of</u> <u>Current</u> <u>Taxes</u> <u>Collected</u>	<u>Delinquent</u> <u>Tax</u> <u>Collections</u>	<u>Total Tax</u> <u>Collections</u> <u>(2)</u>	<u>Total Tax</u> <u>Collections</u> <u>to Total</u> <u>Tax Levy</u>	<u>Outstanding</u> <u>Delinquent</u> <u>Taxes</u>	<u>Ratio of</u> <u>Delinquent</u> <u>Taxes to Total</u> <u>Tax Levy</u>
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
2021	2020	26,263	26,289	100.1	239	26,528	101.0	611	2.33
2022	2021	26,260	26,142	99.6	41	26,183	99.7	478	1.82
2023	2022	26,250	26,279	100.1	10.00	26,289	100.1	466	1.78

(1) Exclude tax increment levy.

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

CITY OF DUBUQUE, IOWA
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	Leases Payable	Subscriptions Payable	General Obligation Bonds
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	3,899,264	-	-	36,220,856
2021	41,745,365	18,244,178	46,195	3,748,361	-	-	34,104,175
2022	47,326,155	17,654,438	-	3,473,387	208,537	-	30,576,996
2023	43,714,425	16,985,776	-	3,210,157	164,142	1,798,899	27,302,991

Notes: 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	Leases Payable	Subscriptions Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$	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	-	-	257,596,048	8.4	4,446
	116,965,647	32,706,767	2,152,331	-	-	252,847,544	7.7	4,238
	115,011,616	32,304,834	1,088,786	-	-	246,293,510	7.5	4,135
	113,108,033	31,677,569	54,850	251,803	-	244,331,768	6.9	4,133
	108,521,425	29,096,115	-	224,936	11,549	231,030,415	*	3,924

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

TABLE 10

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value of Property</u>	<u>Percentage of Taxable Value of Property</u>	<u>Assessed Value of Property</u>	<u>Percentage of Assessed Value of Property</u>	<u>Per Capita</u>
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
2021	75,850	2,912,635	2.60	4,378,243	1.73	1,310
2022	77,903	2,980,617	2.62	4,463,262	1.75	1,350
2023	71,017	3,100,106	2.29	4,803,254	1.48	1,206

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

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, 2023**

TABLE 11

<u>Jurisdiction</u>	Net General Obligation Bonded Debt Outstanding	Tax Increment Financing Bonds ⁽¹⁾	Sales Tax Revenue Bonds	Other Loans Payable	Leases Payable	Subscriptions Payable	Percentage Applicable to City	Amount Applicable to Government
Direct, City of Dubuque, Iowa	\$ 43,714,425	\$ 16,985,776	\$ 3,374,299	\$ 3,210,157	\$ 389,078	\$ 1,810,448	100.00 %	\$ 69,484,183
Overlapping:								
Dubuque County	15,760,000	-	-	83,284	-	-	72.69 %	11,516,483
Dubuque Community School District	-	-	-	-	-	-	96.19 %	-
Northeast Iowa Community College	33,820,000	-	-	19,525,000	-	-	72.78 %	38,824,491
Total Overlapping	49,580,000	-	-	19,608,284	-	-		50,340,974
Total	\$ 93,294,425	\$ 16,985,776	\$ 3,374,299	\$ 22,818,441	\$ 389,078	\$ 1,810,448		\$ 119,825,157

⁽¹⁾ Excludes sales tax revenue bonds.

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

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 183,621	\$ 193,114	\$ 196,031	\$ 207,174
Total net debt applicable to limit	<u>131,289</u>	<u>154,643</u>	<u>152,386</u>	<u>141,076</u>
Legal debt margin	\$ <u>52,332</u>	\$ <u>38,471</u>	\$ <u>43,645</u>	\$ <u>66,098</u>
Total net debt applicable to the debt limit as a percentage of debt limit	71.50%	80.08%	77.74%	68.10%

TABLE 12

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 209,049	\$ 221,513	\$ 239,298	\$ 239,298	\$ 241,616	\$ 259,297
<u>124,926</u>	<u>117,223</u>	<u>109,021</u>	<u>102,256</u>	<u>101,870</u>	<u>93,413</u>
\$ <u>84,123</u>	\$ <u>104,290</u>	\$ <u>130,277</u>	\$ <u>137,042</u>	\$ <u>139,746</u>	\$ <u>165,884</u>
59.76%	52.92%	45.56%	42.73%	42.16%	36.03%

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated actual value	\$ <u>5,185,945,799</u>
Debt limit - 5% of total actual valuation	259,297,290
Debt applicable to limit: (Including GO Debt, Loans Payable, and TIF Debt)	(93,412,875)
Legal debt margin	\$ <u>165,884,415</u>

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

TABLE 13

(IN THOUSANDS OF DOLLARS)

Fiscal Year	Gross	Operating	Net Revenue	Current Fiscal Year's			Coverage (3)
	Revenues	Expenses	Available For	Debt Service Requirements			
	(1)	(2)	Debt Service	Principal	Interest	Total	
WATER UTILITY							
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
2021	9,684	5,605	4,079	1,235	411	1,646	2.48
2022	10,198	5,443	4,755	1,234	355	1,589	2.99
2023	10,999	6,477	4,522	827	262	1,089	4.15
STORMWATER UTILITY							
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
2021	5,194	2,285	2,909	1,039	381	1,420	2.05
2022	5,238	2,951	2,287	1,064	414	1,478	1.55
2023	6,368	2,461	3,907	2,282	704	2,986	1.31
SEWAGE DISPOSAL WORKS							
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	6,132	2,946	1,362	4,308	1.42
2021	13,040	7,195	5,845	3,006	1,373	4,379	1.33
2022	13,878	7,290	6,588	3,065	1,309	4,374	1.51
2023	15,387	8,236	7,151	3,129	1,244	4,373	1.64

(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

Fiscal Year	Water Revenue	Sewer Revenue	Gallons Billed
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	1,844,997,688
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
2021	9,040,349	12,583,458	1,774,274,430
2022	9,969,922	13,806,812	1,879,915,407
2023	10,532,570	14,801,136	1,917,094,261

Source: Cash basis receipt ledgers.

*Revenue includes penalties and investment earnings cc
New in 2015 - revenue does not include sales tax. All y
New in 2020 - revenue does not include bonds.

WATER RATE SCHEDULE HISTORY

Steps	Gallons		2023	2022	2021	2020	2019	2018	2017	2016
First	22,440	@ \$	0.00553	0.00527	0.00512	0.00512	0.00488	0.00474	0.00460	0.00447
Next	89,760	@	0.00454	0.00432	0.00419	0.00419	0.00399	0.00387	0.00376	0.00365
Next	261,800	@	0.00423	0.00403	0.00310	0.00391	0.00372	0.00361	0.00350	0.00340
Next	374,000	@	0.00373	0.00355	0.00345	0.00345	0.00329	0.00319	0.00310	0.00301
Excess		@	0.00327	0.00311	0.00302	0.00302	0.00288	0.00280	0.00272	0.00264

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

TABLE 15

Fiscal Year	Residential	Commercial	Industrial	Government	Total
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
2021	22,866	2,010	70	148	25,094
2022	23,360	2,138	75	171	25,744
2023	22,214	2,051	73	167	24,505

Source: Water Department

**CITY OF DUBUQUE, IOWA
LARGEST WATER AND SEWER CUSTOMERS
FISCAL YEAR 2023**

TABLE 16

Customer	Water Receipts	Rank	Percentage of Total Water Receipts		Sewer Receipts	Rank	Percentage of Total Sewer Receipts
Simmons Pet Food, Inc.	\$ 773,946	1	7.35 %				
Rousselot Inc #155296	313,550	2	2.98				
Prairie Farms Dairy Inc	270,997	3	2.57				
Hormel Foods Corporation*	183,635	4	1.74	\$	429,586	1	2.90 %
Hormel Foods Corporation*	150,177	5	1.43		347,993	2	2.35
APC, Inc.	51,684	6	0.49		-		
Finley Hospital	50,418	7	0.48		78,901	7	0.53
Stonehill Nursing Home	49,593	8	0.47		93,289	5	0.63
Yes Companies Exp Fred, LLC	46,221	9	0.44		84,527	4	0.57
Mercy Health Services - Iowa Corp	42,479	10	0.40				
Discover Hospitality					260,975	3	1.76
Alpine Park MHC LLC					85,119	6	0.58
IADU Table Mound MHP LLC					72,675	8	0.49
Midwest Car Washes LLC*					64,806	9	0.44
Ronsan Enterprises In/Days Inn					59,627	10	0.40
Total Receipts from all water and sewer customers	\$ 10,532,570			\$	14,801,136		

Source: Water Department

* Same company, separate accounts. Previous years combined several accounts with the same business name. Now listed separately.

CITY OF DUBUQUE, IOWA
SALES TAX INCREMENT BONDS
FISCAL YEAR ENDING JUNE 30, 2023

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	*	4,068,763	(762,650)	3,306,113	(323,100)	2,983,013
2022	*	9,751,827	(762,650)	8,989,177	(323,100)	8,666,077
2023	*	7,079,324	(762,650)	6,316,674	(323,100)	5,993,574
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)
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	59,667	3,294,692,406	55,218	38	10,558	9.1
2021	59,565	3,286,655,724	56,782	39	10,371	5.4
2022	59,119	3,550,095,950	60,050	39	10,120	2.9
2023	58,877	*	63,520	40	9,996	2.9

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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

TABLE 19

Employer	2023			2014		
	# of Employees	Rank	Percentage of Total City Employment (1)	# of Employees	Rank	Percentage of Total City Employment (1)
John Deere (2)	2,600	1	4.79 %	2,400	1	4.30 %
Dubuque Community Schools	1,957	2	3.60	1,946	2	3.49
Mercy One Medical Center	1,410	3	2.60	1,313	3	2.35
Medical Associates	1,061	4	1.95	1,011	5	1.81
Unity Point Health-Finley Hospital	975	5	1.80	859	6	1.54
Andersen Windows	750	6	1.38			
City of Dubuque	737	7	1.36	698	7	1.25
Sedgwick	725	8	1.34	550	9	0.99
Cottingham & Butler	715	9	1.32			
Dubuque Bank and Trust / Heartland	600	10	1.10			
IBM				1,300	4	2.33
Diamond Jo				510	10	0.91
Eagle Window and Door				550	8	0.99
	<u>11,530</u>		21.24 %	<u>11,137</u>		19.96 %

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

	2014	2015	2016	2017	2018
Public Safety					
Emergency Communications	13.00	13.00	13.00	14.00	14.00
Fire	90.00	90.00	90.00	90.00	90.00
Police	115.08	115.88	116.00	116.00	116.00
⁵ Building Services	9.24	11.66	12.00	12.00	12.00
Public Works					
Public Works	86.42	86.42	86.42	86.42	86.42
Engineering	29.00	29.00	30.00	30.00	26.06
Health & Social Services					
Health Services	4.00	4.00	4.00	4.00	4.00
Human Rights	5.00	5.00	5.00	5.00	5.00
Cultural and Recreation					
Civic Center	0.15	0.15	0.15	0.15	0.15
Conference Center	-	-	-	-	-
Library	19.00	19.00	19.00	19.00	19.00
Park	23.50	23.50	23.50	22.50	22.50
Recreation	9.93	10.93	11.93	11.93	11.93
Community & Economic Development					
Community / Economic Dev	4.00	4.00	2.00	2.00	3.00
Housing Services	27.00	26.00	21.00	25.00	25.00
Planning Services	8.00	8.00	8.00	8.00	8.00
⁶ Office of Neighborhood Support and Shared Prosperity	-	-	-	-	-
General Government					
Airport	12.00	12.00	12.00	12.00	12.00
Cable TV	2.00	2.00	2.00	2.00	2.00
City Clerk's Office	3.00	3.00	3.00	3.00	3.00
City Manager's Office	15.00	16.00	16.00	16.00	17.00
⁴ Finance / Budget	14.08	14.88	15.00	15.00	15.00
Legal	5.00	5.00	5.00	5.00	4.00
Information Services	8.00	8.00	8.00	8.00	8.00
Business Type					
Water	26.00	26.00	25.00	25.00	25.00
¹ Water & Resource Recovery Center	18.00	18.00	17.00	17.00	17.00
² Parking	9.00	9.00	9.00	8.00	7.00
³ Transportation Services	6.32	8.00	13.00	13.00	14.00
Total	<u>561.72</u>	<u>568.42</u>	<u>567.00</u>	<u>570.00</u>	<u>567.06</u>

Source: City Budget Records

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

¹Department renamed in 2011. Formerly known as the Water Pollution Control.

²Parking division merged with Transit to become the Transportation Services Department

³Department renamed FY'19 Transportation Services when Parking division merged with Transit

⁴Finance and Budget consolidated in FY20.

⁵Building Services was disbanded and merged with Housing & Engineering in FY23

⁶Office of Neighborhood Support and Shared Prosperity created in FY23.

TABLE 20

2020	2021	2022	2023
15.00	15.00	15.00	16.00
91.00	92.00	92.00	99.00
118.00	119.00	119.00	120.00
11.00	11.00	12.00	-
87.42	89.42	89.42	90.42
27.00	28.00	28.00	36.00
5.00	6.00	6.00	7.00
5.00	4.00	4.00	3.00
0.15	0.15	0.15	0.15
-	-	-	0.15
19.00	20.00	20.00	21.00
22.50	22.50	22.50	23.35
11.93	11.93	12.93	16.93
3.00	3.00	3.00	3.00
27.00	29.00	29.00	35.00
8.00	8.00	8.00	8.00
-	-	-	3.00
12.00	12.00	12.00	13.00
2.00	2.00	2.00	2.00
3.00	3.00	3.00	4.00
15.50	18.00	18.00	21.00
19.00	19.00	19.00	19.00
4.00	5.00	5.00	5.00
8.00	8.00	8.00	11.00
25.00	25.00	25.00	25.00
15.00	15.00	15.00	15.00
-	-	-	-
23.00	23.00	23.00	27.00
577.50	589.00	591.00	624.00

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

	Fiscal -			
	2014	2015	2016	2017
Public Safety				
Police				
Physical arrests	5,532	3,767	3,397	3,238
Traffic violations	8,959	7,354	9,058	9,063
Parking violations	36,768	37,635	38,880	33,953
Fire				
Number of calls answered	5,165	5,603	5,750	5,990
Inspections conducted	471	791	993	1,649
Sewer				
Sewage system				
Daily average treatment in gallons	7,091,000	7,237,000	7,016,000	7,377,000
Maximum daily capacity of treatment plant in gallons	24,500,000	24,500,000	24,500,000	24,500,000
Water systems				
Daily average consumption in gallons	7,235,000	6,956,000	7,068,184	7,200,000
Maximum daily capacity of plant in gallons	18,000,000	18,000,000	18,000,000	18,000,000
Refuse (Municipal Collection)				
Tonnage	10,311	10,690	11,098	11,284

Sources: Various City Departments.

Statistics updated for fiscal year 2017.

TABLE 21

Year					
2018	2019	2020	2021	2022	2023
3,519	3,403	2,830	2,491	2,573	2,783
9,415	8,369	7,156	5,312	6,317	6,411
32,857	25,685	18,044	20,428	19,851	20,428
5,949	6,058	6,304	7,277	7,814	7,696
1,675	1,232	1,260	296	807	763
7,900,000	7,930,000	8,730,000	6,682,013	6,682,013	7,120,000
24,500,000	24,500,000	24,500,000	24,500,000	24,500,000	24,500,000
6,917,000	6,133,000	6,210,000	6,390,000	6,510,000	6,678,000
18,000,000	18,000,000	18,000,000	13,000,000	13,000,000	9,317,000
11,481	11,569	12,212	13,482	13,290	12,769

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

	2014	2015	2016	2017
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⁾	331	333	332	336
Street Lights ⁽¹⁾	2,110	2,161	2,162	2,184
Health and social services				
Hospital	2	2	2	2
Number of patient beds	389	373	373	373
Cultural and recreation				
Library	1	1	1	1
Golf	1	1	1	1
Parks	51	53	53	53
Acreage	1,001	974	974	974
Recreation				
Civic center	1	1	1	1
Swimming pools	2	2	2	2
Softball fields	7	11	11	11
Baseball fields	1	1	1	1
Accessible ballfield	-	-	-	-
Tennis courts	20	20	20	20
Sewer				
Sewage system				
Miles of Sanitary Sewer ⁽¹⁾	307	320	322	326
Miles of Storm Sanitary Sewer ⁽¹⁾	144	145	147	152
Number of treatment plants	1	1	1	1
Number of service connectors	22,888	22,928	23,119	23,343
Water systems				
Miles of water mains	315	318	329	337
Number of service connectors	22,702	22,787	22,970	23,443
Number of city owned fire hydrants	2,336	2,346	2,380	2,450

Sources: Various City Departments

⁽¹⁾ City GIS system

TABLE 22

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
22	22	22	22	22	22
6	6	6	6	6	6
3	3	3	3	3	3
334	340	331	329	336	336
2,312	2,436	2,489	2,507	2,566	2,614
2	2	2	2	2	2
373	373	373	373	373	389
1	1	1	1	1	1
1	1	1	1	1	1
53	53	53	53	53	55
974	974	985	985	985	986
1	1	1	1	1	1
2	2	2	2	2	2
11	10	10	9	9	9
1	1	1	1	1	1
-	-	-	1	1	1
20	16	16	16	16	16
321	332	333	308	311	306
156	158	151	160	157	172
1	1	1	1	1	1
23,423	23,488	23,601	22,299	23,109	23,181
370	410	325	293	330	333
23,546	23,605	23,695	23,770	23,966	24,049
2,973	2,539	2,553	2,596	2,622	2,646

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

TABLE 23

Year	Taxable Retail Sales	Number of Businesses
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	1,331,820,839	3,375
2021	1,479,425,072	2,906
2022	1,306,938,795	2,731
2023	1,408,633,086	2,509

Data Sources: Iowa Department of Revenue

Compliance Section

June 30, 2023

City of Dubuque, Iowa

**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***

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Dubuque, Iowa
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 (*Government Auditing Standards*), 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 (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 29, 2024, which contained an emphasis of matter paragraph regarding a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of the Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau, as described in our report on the City's financial statements. The financial statements of the Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau or that are reported on separately by those auditors who audited the financial statements of the Dubuque Initiatives and Subsidiaries and the Dubuque Convention and Visitors Bureau.

Report on 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on 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*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

West Des Moines, Iowa
September 29, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Dubuque, Iowa
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dubuque (the City's) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this 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.

Forvis Mazars, LLP

West Des Moines, Iowa
September 29, 2024

City of Dubuque, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing 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		\$ 44,414	\$ -
Environmental Quality Incentives Program	10.912		17,467	-
Conservation Stewardship Program	10.924		1,085	-
Total U.S. Department of Agriculture			62,966	-
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grant (CDBG) - Entitlements Cluster:				
Direct program:				
CDBG - Entitlement Grants	14.218		130,053	-
CDBG - Entitlement Grants	14.218		341,953	-
CDBG - Entitlement Grants	14.218		838,020	-
CDBG - Entitlement Grants	14.218		636,969	-
COVID-19 - CDBG/Entitlement Grants	14.218		195,834	-
Pass-through program from:				
Iowa Economic Development Authority				
COVID-19 CDBG - Entitlement Grants	14.218	20-CVE-004	204,587	-
Total CDBG - Entitlements Grants Cluster			2,347,416	-
Direct program:				
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program -				
Section 8 Moderate Rehabilitation	14.856		31,913	-
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		669,846	-
Section 8 Housing Choice Vouchers	14.871		5,156,229	-
Total Housing Voucher Cluster			5,826,075	-
Family Sufficiency Program	14.896		157,903	-
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		626,887	-
Lead Hazard Reduction Demonstration Grant	14.905		430,576	-
Healthy Homes Production Program	14.913		221,158	-
Older Adults Home Modification Grant Program	14.921		172,770	-
Total U.S. Department of Housing and Urban Development			9,814,698	-
<u>U.S. Department of Interior</u>				
Direct program:				
Outdoor Recreation Acquisition, Development and Planning	15.916		540,789	-
Total U.S. Department of Interior			540,789	-
<u>U.S. Department of Justice</u>				
Direct program:				
Patrick Leahy Bulletproof Vest Partnership	16.607		14,800	-
Pass-through program from:				
Iowa Department of Justice:				
Violence Against Women Formula Grants	16.588	15JOVW-21-GG-00577-STOP	45	-
Pass-through program from:				
Iowa Department of Justice:				
Public Safety Partnership and Community Policing Grants	16.710	21-CAMP-04	2,178	-
Public Safety Partnership and Community Policing Grants	16.710	22-HEROIN-02	5,430	-
Public Safety Partnership and Community Policing Grants	16.710	19-COPS-HEROIN-02	876	-
			8,484	-
Direct program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		11,161	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		33,232	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		15,600	-
			59,993	-
Total U.S. Department of Justice			83,322	-

The accompanying notes are an integral part of this Schedule.

City of Dubuque, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
<u>U.S. Department of Transportation</u>				
Direct program:				
Airport Improvement Program	20.106		(7,907)	-
Airport Improvement Program	20.106		115,665	-
Airport Improvement Program	20.106		54,385	-
Airport Improvement Program	20.106		96,195	-
COVID019 - Airport Improvement Program	20.106		109,944	-
			<u>368,282</u>	<u>-</u>
Highway Research and Development	20.200		<u>650,060</u>	<u>-</u>
Highway Planning and Construction:				
Pass-through program from:				
Iowa Department of Transportation				
Highway Planning and Construction	20.205	EDP-2100(696)-7Y-31	4,704	-
Highway Planning and Construction	20.205	TAP-U-2100-697-8I-31	418,662	-
Highway Planning and Construction	20.205	TAP-U-2100(703)--8I-31	95,000	-
Highway Planning and Construction	20.205	TAP-U-2100(703)--8I-31	95,000	-
			<u>613,366</u>	<u>-</u>
Federal Transit Cluster:				
Direct program:				
Federal Transit - Formula Grants	20.507		219,563	-
Federal Transit - Formula Grants	20.507		1,839,677	-
Pass-through program from:				
Iowa Department of Transportation				
Federal Transit - Formula Grants	20.507	2019-004-02-FY20	636,800	-
Total Federal Transit Cluster			<u>2,696,040</u>	<u>-</u>
Pass-through program from:				
Iowa Department of Transportation				
Buses and Bus Facilities Formula and Discretionary Program	20.526	2019-008-02-FY20	1,154,782	-
Total Federal Transit Cluster			<u>3,850,822</u>	<u>-</u>
Transit Services Program Cluster:				
Pass-through program from:				
Iowa Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2021-018-00	10,843	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2022-008-00	61,397	-
Total Transit Services Cluster			<u>72,240</u>	<u>-</u>
Highway Safety Cluster:				
Pass-through program from:				
Iowa Department of Public Safety				
State and Community Highway Safety	20.600	PAP 22-402-MOPT	4,666	-
State and Community Highway Safety	20.600	PAP 23-402-MOPT	7,284	-
Total Highway Safety Cluster			<u>11,950</u>	<u>-</u>
Total U.S. Department of Transportation			<u>5,566,720</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Pass-Through program from:				
Iowa Finance Authority				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	3,350,766	-
Total U.S. Department of the Treasury			<u>3,350,766</u>	<u>-</u>

City of Dubuque, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
<u>National Endowment for the Arts</u>				
Pass-through program from:				
Iowa Department of Revenue				
Promotion of the Arts Grants to Organizations and Individuals	45.024	1896170-66-22	481,737	-
Total National Endowment for the Arts			481,737	-
<u>Environmental Protection Agency</u>				
Direct program:				
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		83,383	-
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		55,742	-
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		168,259	-
Total Environmental Protection Agency			307,384	-
<u>U.S. Department of Health and Human Services</u>				
Pass-through program from:				
Dubuque County Health Department				
Food and Drug Administration Research	93.103	R-BDEV-202110-01091	5,000	-
Total U.S. Department of Health and Human Services			5,000	-
<u>Corporation for National and Community Service</u>				
Pass-through program from:				
Iowa Commission on Volunteers				
AmeriCorps State and National	94.006	21-AC-10	18,431	-
AmeriCorps State and National	94.006	21-AC-05	22,719	-
AmeriCorps State and National	94.006	22-AC-10	81,358	-
AmeriCorps State and National	94.006	22-AF-05	57,240	-
			179,748	-
AmeriCorps Volunteer Generation Fund	94.021	23-VGF-12	2,912	-
AmeriCorps Volunteer Generation Fund	94.021	22-VGF-12	14,046	-
			16,958	-
Total Corporation for National and Community Service			196,706	-
Total			20,410,088	-

City of Dubuque, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Dubuque, Iowa (the City) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule 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 or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

The City's summary of significant accounting policies is presented in note 1 to the City's basic financial statements for the year ended June 30, 2023. Governmental and proprietary funds account for the City's federal grant activity. Expenditures reported on the Schedule are reported on either the modified accrual basis of accounting or accrual basis of accounting, depending on the basis of accounting used by the respective fund for which the activity is reported. Such expenditures are recognized following, as applicable, the cost principles in OMB-87, *Cost Principles for State, Local and Indian Tribal Governments*, the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or report to federal agencies. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior periods. 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 elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Dubuque, Iowa
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section 1 - Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:
Significant deficiency(ies) identified? ☐ Yes ☒ None reported
Material weakness(es) identified? ☒ Yes ☐ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal programs:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit finding disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

City of Dubuque, Iowa
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
	Housing Voucher Cluster
	Federal Transit Cluster
	CDBG Entitlement Grants Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

City of Dubuque, Iowa
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Section II – Financial Statement Findings

Reference Number	Finding
2023-001	<p>Material Weakness</p> <p>Finding: Calculation in error in subscription based information technology asset and liability.</p> <p>Criteria or specific requirement: Management is responsible for establishing effective internal controls over financial reporting.</p> <p>Condition: The incorrect contract terms for a subscription based information technology agreement were used resulting in an error in calculation of the related asset and liability of approximately \$9.7 million. An audit adjustment was proposed and the City recorded.</p> <p>Cause: Inadequate review of work performed by third party providers.</p> <p>Effect: Misstatements could occur within the financial statements due to error or fraud and not be prevented or detected in a timely manner.</p> <p>Recommendation: We recommend management establish procedures to ensure all work performed by third parties is reviewed and reconciled.</p> <p>Views of Management: The City agrees with the finding. See separate report for planned corrective actions.</p>

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	<p style="text-align: center;">No matters are reportable</p>

City of Dubuque, Iowa
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Reference Number	Finding	Status
2022-001	Restatement of Prior Year Financial Statements - During the course of the engagement, there were restatements to the prior year financial statements for various accounting errors. It was recommended to make the corrections.	Implemented

City of Dubuque, Iowa

Other Findings Related to Required Statutory Reporting

Year Ended June 30, 2023

Reference Number	Finding
2023-IA-A	Certified Budget - Disbursements during the year ended June 30, 2023 did not exceed the amount budgeted as per Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under and annual or continuing appropriation."
2023-IA-B	Questionable Expenditures - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
2023-IA-C	Travel Expenses - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
2023-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
A Frame of Mind: Owner is spouse of City Employee John Hefel	Services	\$ 587
Brian Hodgson, City employee	Cover crop	3,345

According to Chapter 362.5 of the Code of Iowa, an officer or employee of the City shall not have an interest, direct or indirect, in a contract with that City. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$1,500 in a fiscal year or to contracts made by a City upon competitive bid. All transactions were not entered into through competitive bidding.

2023-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.
2023-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 that the coverage is adequate for current operations.

City of Dubuque, Iowa

Other Findings Related to Required Statutory Reporting (Continued)

Year Ended June 30, 2023

Reference Number	Finding
2023IA-G	City Council Minutes - No transactions were found that we believe should have been approved in the City Council minutes but were not.
2023-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.
2023-IA-I	Revenue Notes - No instances of non-compliance with revenue note provisions were noted.
2023-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.
2023-IA-K	Separately Maintained Records - Chapter 384.20 of the Code of Iowa states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer,
2023-IA-L	Financial Condition - At June 30, 2023, the City had two funds that had a deficit balances. <div style="margin-left: 40px;"> <div>Debt Service Fund</div> <div>General Service Fund</div> </div> <div style="margin-left: 300px;"> <div>\$(164,295)</div> <div>\$(102,948)</div> </div>
2023-IA-M	Solid Water 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 of the City, were noted.
2023-IA-N	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.